



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

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

**Dydd Iau, 5 Mawrth 2009  
Thursday, 5 March 2009**

**Cynnwys**  
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Inquiry into the Current State of the Welsh Newspaper Industry

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

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. This is a draft version of the record. The final version will be published within five working days.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Lloyd	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour

**Eraill yn bresennol**  
**Others in attendance**

Alun Cairns	Aelod Cynulliad, Ceidwadwyr Cymreig Assembly Member, Welsh Conservatives
Brian Doel	Rheolwr Gyfarwyddwr Tindle Newspapers Limited Managing Director, Tindle Newspapers Limited
Aled Eirug	Ymgynghorydd y Pwyllgor Committee Adviser
Yr Athro/Professor Bob Franklin	Ysgol Newyddiaduraeth, y Cyfryngau ac Astudiaethau Diwylliannol Prifysgol Caerdydd Cardiff School of Journalism, Media and Cultural Studies
John Howells	Cyfarwyddwr Diwylliant, Llywodraeth Cynulliad Cymru Director of Culture, Welsh Assembly Government.

**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.*

**Ethol Cadeirydd**  
**Election of a Chair**

[1] **Mr Sanchez:** Good morning, everyone, and welcome to the Broadcasting Subcommittee. Given that our former Chair, Nerys Evans, is no longer a member of the subcommittee, we need to elect a new Chair. Therefore, under Standing Order No. 10.18, I ask for nominations.

[2] **Eleanor Burnham:** I nominate Dai Lloyd.

[3] **Mr Sanchez:** Are there any other nominations? I see that there not. I invite Dai please to take the Chair.

9.31 a.m.

## Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[4] **David Lloyd:** Diolch ichi am eich ffydd yn fy ngallu fel Cadeirydd. Croesawaf y swyddogion ac aelodau'r cyhoedd sy'n llifo i mewn i'r oriel wrth inni siarad. O ran materion gweithredol, mae clustffonau ar gael. Mae'r cyfieithiad ar sianel 1 a'r sain gwreiddiol, er mwyn ei glywed yn well, ar sianel 0. Gofynnaf i Aelodau sicrhau fod eu ffonau symudol a phob teclyn electronig ar eu cyrff wedi eu diffodd yn llawn, gan y gallant amharu ar yr offer sain. Os bydd argyfwng, bydd y larwm tân yn canu a chewch gyfarwyddyd gan y tywyswyr i adael yr ystafell drwy'r allanfa dân agosaf a mynd i'r man ymgynnull. Nid ydym wedi cael unrhyw ymddiheuriadau fel y cyfryw, ond dylid nodi nad yw Paul Davies yn aelod o'r is-bwyllgor hwn bellach. Nid oes unrhyw un wedi cymryd ei le eto yn ffurfiol, er ein bod yn disgwyl presenoldeb Alun Cairns yn y pwyllgor y bore yma fel Aelod arall. Felly, nid oes dirprwyon ychwaith.

**David Lloyd:** Thank you for your faith in my ability to be Chair. I welcome officials and the members of the public who are flowing into the gallery as we speak. As for operational matters, headphones are available. The simultaneous interpretation is on channel 1 and the original audio, to hear it better, is on channel 0. I ask Members to ensure that mobile phones and all electronic devices about their persons are completely switched off, as they can interfere with the audio equipment. If there is an emergency, the fire alarm will sound and you will receive instructions from the ushers to leave the room through the nearest fire exit and go to the assembly point. We have not received any apologies as such, but it should be noted that Paul Davies is no longer a member of this sub-committee. No-one has replaced him formally yet, although we expect Alun Cairns to attend committee this morning as another Member. So, there are no substitutions either.

9.33 a.m.

### Casglu Tystiolaeth am Gyflwr Presennol y Diwydiant Papur Newydd yng Nghymru Inquiry into the Current State of the Welsh Newspaper Industry

[5] **David Lloyd:** Yr ydym yn parhau â'n ymchwiliad i bapurau newydd Cymru yn y sesiwn hon. Croesawn John Howells, y cyfarwyddwr diwylliant, i'r cyfarfod. Nid yw'r Gweinidog dros Dreftadaeth ar gael i roi safbwynt Llywodraeth Cymru ar sefyllfa bresennol y wasg brintiedig yng Nghymru, felly mae wedi anfon un o'i brif swyddogion i gyflwyno tystiolaeth ar ei ran. Diolch am y papur cynhwysfawr a anfonwyd gan y Gweinidog.

**David Lloyd:** We continue with our inquiry into the Welsh newspaper industry during this session. We welcome John Howells, the director of culture, to the meeting. The Minister for Heritage was not available to give the Government of Wales's perspective on the current state of the printed media in Wales, so he has sent one of his senior officials to give evidence on his behalf. We are grateful for the comprehensive paper sent by the Minister.

[6] Paratowyd cyfres o gwestiynau, John, ac, yn ôl trefn arferol y pwyllgor hwn, dechreuwn yn syth gyda'r cwestiynau. Mae'r tri chwestiwn cyntaf yng ngofal Joyce Watson.

A series of questions has been prepared, John, and, in line with the committee's usual practice, we will go straight into them. The first three are in the hands of Joyce Watson.

[7] **Joyce Watson:** Good morning, John, and thank you for the paper from the Government. What are the Government's concerns about the recently announced changes at Trinity Mirror plc and about the number of redundancies announced, including the removal of the managing director in Wales, Keith Dye?

[8] **Mr Howells:** Ministers have expressed their serious concern about the developments. The Minister for Heritage wrote to Sly Bailey at Trinity Mirror plc when we were alerted to this announcement, expressing his concern and asking for discussions about the implications of this. He will meet with the new managing director of Trinity Mirror plc next week.

[9] **Joyce Watson:** Thank you. You have answered the first three questions that I was going to ask all in one go.

[10] **Eleanor Burnham:** Pa mor ddifrifol mae'r Llywodraeth yn ystyried sefyllfa bresennol y diwydiant papurau newydd a pha mor bwysig yn nhyb y Llywodraeth yw cael papurau newydd iach sy'n darparu gwybodaeth lawn—yr hyn y mae'r Sais yn alw'n *'informed and healthy press'*?

**Eleanor Burnham:** How seriously does the Government consider the current situation in the newspaper industry and how important, in the Government's view, is it to have what would be described as an 'informed and healthy press'?

[11] **Mr Howells:** Mae'r Llywodraeth yn cymryd hwn o ddifrif ac fe'ch cyfeiriaf at gynnwys ymateb y Llywodraeth i adolygiad Ofcom cyn y Nadolig ac i'r adroddiad a gafodd ei baratoi gan y grŵp ymgynghorol ar ran y Llywodraeth. Pwysleisiodd yr adroddiad hwnnw y problemau y mae Cymru yn eu hwynebu o safbwynt sicrhau fod pobl yn cael ei galluogi i ddeall natur yr agenda wleidyddol yng Nghymru. Yr oedd elfennau o'r adroddiad hwnnw yn ymwneud â'r pwnc.

**Mr Howells:** The Government is taking this seriously and I refer you to the contents of the Government's response to the Ofcom review just before Christmas and to the report that was prepared by the consultation group on behalf of the Government. That report emphasised the problems that Wales is facing in relation to ensuring that people are able to understand the nature of the political agenda in Wales. There were aspects of that report that dealt with this matter.

[12] Mae hefyd yn berthnasol imi gyfeirio at y gwaith ymchwil a gomisiynwyd gennym ryw flwyddyn yn ôl o'r Sefydliad Materion Cymreig, i edrych ar yr wybodaeth sydd ar gael am sefyllfa'r cyfryngau yng Nghymru. Yr oedd hwnnw'n adlewyrchu gofidion y Gweinidogion am sut oedd pethau'n datblygu, a hynny hyd yn oed cyn cyhoeddiad diweddaraf Trinity Mirror plc. Cyhoeddwyd yr adroddiad hwnnw ym mis Mawrth 2008. Yr oedd tystiolaeth yn yr adroddiad hwnnw'n tanlinellu natur y sefyllfa a wynebwn. Mewn ffordd, yr oedd y pwyntiau a gyflwynwyd i Ofcom gan y Llywodraeth ar ddiwedd y flwyddyn yn adeiladu ar y gwaith ymchwil gwreiddiol hwnnw a wnaed gan y Sefydliad Materion Cymreig yn gynharach yn y flwyddyn. Yr oedd hwnnw'n adlewyrchu gofid y Llywodraeth am y sefyllfa. Fodd bynnag, mae hwn yn faes anodd i'r Llywodraeth ymyrryd ynddo, oherwydd yr egwyddor hyd braich. Nid yw'r Llywodraeth yn brysio i ymyrryd mewn materion sy'n ymwneud â chynnwys y wasg.

It is also relevant for me to refer to the research work that was commissioned by us around a year or so ago from the Institute of Welsh Affairs, looking at the information that is available about the state of the media in Wales. That reflected the concerns that Ministers had about how things were developing, and that was even before this latest announcement by Trinity Mirror plc. That report was published in March 2008. There was evidence in that report that underlined the nature of the situation that we are facing. In a way, the points that the Government submitted to Ofcom at the end of the year built on that original research work undertaken by the Institute of Welsh Affairs earlier in the year. That reflected the Government's concerns about the situation. However, this is a difficult area for the Government to intervene, because of the arm's-length principle. The Government is in no rush to intervene in matters concerning media content.

[13] **Eleanor Burnham:** Dyna'r pwynt yr oeddwn am ei drafod nesaf. A oes gan y Llywodraeth rôl i ymyrryd er mwyn sicrhau fod gennym ddiwydiant papurau newydd cynaliadwy? A ydych yn edrych at yr Alban, er enghraifft, lle mae'r sefyllfa'n gwbl wahanol? Mae'r Alban mewn sefyllfa gref gyda dau bapur dyddiol sydd ag agweddau hollol wahanol. Mae hynny'n adlewyrchu cryfder y wasg yno, o'i chymharu â'r wasg yng Nghymru.

**Eleanor Burnham:** That was the point that I wanted to discuss next. Is there a role for Government to intervene to ensure that Wales has a sustainable newspaper industry? Do you look to Scotland, for example, where there is a totally different situation? Scotland is in a strong situation, with two daily papers that have an entirely different bent. That reflects the strength of the press there, as compared with the media in Wales.

[14] **Mr Howells:** Mae'n ddiddorol bod y sefyllfa'n wahanol iawn, ond nid yw hynny'n adlewyrchu ymyrraeth y Llywodraeth yn y sefyllfa. Dyna hanes y wasg yn yr Alban. Dyna'r hyn y mae'r bobl sy'n prynu'r papurau yn ei ddymuno. Y farchnad sy'n ymateb i hynny.

**Mr Howells:** It is interesting that the situation is very different, but that does not reflect the Government's intervention in the situation. That is the history of the press in Scotland. That is what the public wants, namely the people who buy the newspapers. It is the market that responds to that.

[15] **Eleanor Burnham:** Onid ydych yn credu bod y sefyllfa yng Nghymru mor fregus am nad oes gennym ddim sy'n adlewyrchu materion cyfoes ar lefel genedlaethol, yn wahanol i'r Alban? Gwn fod pethau'n hollol wahanol yn yr Alban yn hanesyddol, ond mewn democratiaeth sy'n aeddfedu yng Nghymru drwy ddatganoli, onid oes gan y Llywodraeth rôl i ymyrryd ar frys er mwyn sicrhau nad yw pethau'n dirywio yn ôl y disgwyl?

**Eleanor Burnham:** Do you not think that the situation in Wales is so uncertain because we have nothing that reflects current affairs nationally, unlike in Scotland? I know that, historically speaking, things are completely different in Scotland, but in a democracy maturing through devolution in Wales, do you not think that the Government has a role to play by intervening urgently to ensure that matters do not deteriorate to the extent that people expect them to?

9.40 a.m.

[16] **Mr Howells:** Y gwir amdani yw dyna'r sefyllfa a dyna'r cwestiwn y mae'r Llywodraeth yn gorfod ei ystyried yn awr. Yr ydym wedi comisiynu'r gwaith ymchwil. Mae'n amlwg bod y sefyllfa'n datblygu drwy'r amser. Mae'r sefyllfa yn gymhleth. Fel y bydd y dystiolaeth y byddwch yn ei derbyn yn hwyrach y bore yma yn ei danlinellu, mae sefyllfa'r *Western Mail* yn edrych yn ddiddorol, er yn anodd, ond wedyn mae sefyllfa'r teitlau wythnosol a dyddiol lleol i'w hystyried hefyd ac mae enghreifftiau o gwmnïau sy'n llwyddo. Felly, mae hwn yn faes cymhleth a rhaid i'r perchnogion ystyried ar hyn o bryd beth fydd eu hymateb. Efallai y dylwn ychwanegu un elfen arall i danlinellu pa mor gymhleth yw'r maes hwn, sef bod y Llywodraeth yn San Steffan wedi cyhoeddi y bydd y Swyddfa Masnachu Teg ac Ofcom—gan adeiladu ar waith Tŷ'r Arglwyddi—yn edrych i mewn i sefyllfa'r

**Mr Howells:** The truth of the matter is that that is the situation and that is the question that the Government has to consider now. We have commissioned the research work. It is evident that the situation is developing all the time. It is a complex situation. As the evidence that you will receive later this morning will emphasise, the *Western Mail's* situation looks interesting, if difficult, but then there is also the position of the weekly and daily local titles to be considered, and there are examples to be found of companies that are thriving. Therefore, I think that this is a complex field and the owners have to consider what their response will be. Perhaps I should add another element to underline how complicated this field is, namely that the Government in Westminster has announced that the Office of Fair Trading and Ofcom—building on the work of the House of Lords—are going to look at the state of the regional

wasg ranbarthol. Yr ydym yn pwysleisio i'r swyddogion a fydd yn rhan o'r adolygiad hwnnw faint o bwysau yr ydym yn eu rhoi ar y ffaith y dylent edrych ar sefyllfa Cymru.

[17] **Eleanor Burnham:** Da iawn. Mae eich papur yn datgan bod y Llywodraeth yn rhoi cymhorthdal i newyddiaduraeth Gymraeg drwy roi tua £173,000 y flwyddyn i *Barn*, *Golwg* a *Y Cymro*, er enghraifft, ac yn awr swm ychwanegol, sef £200,000 y flwyddyn am dair blynedd, i *Golwg Newydd*. Deallwn pam mae angen hyn, ond gan fod hinsawdd y sector Saesneg yn awr mor heriol, onid ydych yn meddwl y dylai'r Llywodraeth ymyrryd?

[18] **Mr Howells:** Bydd hwnnw'n benderfyniad i Weinidogion dros y cyfnod nesaf. Yr hyn y mae'r patrwm presennol yn ei ddangos yw bod y Llywodraeth wedi derbyn yr egwyddor bod modd iddi ymyrryd pan fydd twll yn y farchnad. Yn sicr o safbwynt polisi iaith ac elfennau diwylliant, mae'r Llywodraeth wedi gweld bod lle iddi ymyrryd. Yr ydym yn awr yn wynebu her newydd o safbwynt penderfynu beth yw dyfodol y cyfryngau cyfrwng Saesneg.

[19] **David Lloyd:** Mae'r cwestiynau nesaf yn fy ngofal i, John. Yr wyf am fynd â chi yn ôl ychydig bach. Yn adroddiad diwethaf y Pwyllgor Diwylliant, y Gymraeg a Chwaraeon yn yr ail Gynulliad ar ei adolygiad o bapurau newydd Saesneg eu hiaith, yr oedd argymhelliad y dylai'r Gweinidog dros Addysg, Dysgu Gydol Oes a Sgiliau ar y pryd adolygu'r cyrsiau addysg bellach ac addysg uwch ar gyfer newyddiadurwyr sy'n derbyn arian cyhoeddus. A allwch ddweud a wnaed hynny? Pa gamau a gymerwyd gennych er mwyn rhoi cymorth gydag anghenion hyfforddiant y diwydiant papurau newydd?

[20] **Mr Howells:** Mater i'r adran addysg yw'r hyn a wnaed yn union yn sgil yr argymhelliad hwnnw. Fodd bynnag, buaswn yn ddigon hapus i sicrhau bod adroddiad llawn am hynny yn cael ei anfon at y pwyllgor. Yr wybodaeth sydd gennyf i yw bod yr adran addysg wedi ariannu prosiect ar y cyd rhwng yr undebau sy'n gweithio ym myd y cyfryngau, megis BECTU, Equity, yr NUJ, yr MU a'r Writers' Guild of Great

press. We are emphasising to the officials who will be taking part in that review how much emphasis we place on the fact that they should also look at Wales's position.

**Eleanor Burnham:** Very good. Your paper states that the Government subsidises Welsh-language journalism by giving about £173,000 a year to *Barn*, *Golwg*, and *Y Cymro*, for example, and now a further sum, namely £200,000 a year for three years, to *Golwg Newydd*. We all understand the need for these subsidies, but as the English-language sector is now so challenging, do you not think that Government intervention is needed?

**Mr Howells:** That will be a decision for Ministers in the coming period. The current pattern shows that the Government has accepted the principle that there are ways for it to intervene when there is a gap in the market. The Government has certainly accepted that there is room for it to intervene on language policy and cultural grounds. We are now facing a new challenge in deciding what the future holds for the English-language media.

**David Lloyd:** I am responsible for the next set of questions, John. I am going to take you back a bit. The last report of the former Culture, Welsh Language and Sport Committee in the second Assembly on its review of English-language newspapers recommended that the Minister for Education, Lifelong Learning and Skills at the time review the provision of publicly funded journalism training courses in both further and higher education. Can you tell us whether that was done? What steps have you taken to assist with the training needs of the newspaper industry?

**Mr Howells:** The exact action that was taken as a result of that recommendation is a matter for the education department. However, I would be happy to ensure that a full report on that is sent to the committee. The information that I have is that the education department funded a joint project with the unions that operate in the media world, such as the Broadcasting Entertainment Cinematograph and Theatre Union, Equity, the National

Britain, i edrych ar hybu hyfforddiant ar gyfer gweithwyr llawrydd. Mae hynny werth rhyw £140,000 dros ddwy flynedd.

Union of Journalists, the Musicians' Union and the Writers' Guild of Great Britain, to look at promoting training for freelancers. That is worth about £140,000 over two years.

[21] **David Lloyd:** Byddai o gymorth pe bai'r pwyllgor yn cael adroddiad ysgrifenedig yn ymhelaethu ar hynny. Diolch yn fawr, John.

**David Lloyd:** It would be useful if the committee were to receive a written report expanding on that. Thank you, John.

[22] Beth yw barn y Llywodraeth am yr awgrym yn yr adroddiad diweddar, 'Digital Britain', y bydd Llywodraeth y Deyrnas Unedig yn ystyried llacio'r rheolau o ran perchnogaeth draws gyfrwng?

What is the Government's view of the suggestion in the recently published 'Digital Britain' report that the United Kingdom Government will consider relaxing the rules in relation to cross-media ownership?

[23] **Mr Howells:** Yn ffurfiol, mater i Lywodraeth San Steffan yw hwn. Nid wyf yn meddwl bod gan Weinidogion farn am y mater ar hyn o bryd. Croesawaf y ffaith y bydd y Swyddfa Masnachu Teg yn edrych i mewn i hwn yn bellach, a'r cwestiwn ymarferol yw a oes problem yn deillio o'r rheolau presennol yng Nghymru.

**Mr Howells:** Formally, this is a matter for the Westminster Government. I do not think that Ministers have an opinion on that matter at the moment. I welcome the fact that the Office of Fair Trading intends to look further at this matter, and the practical question to be asked is whether the current rules are creating a problem in Wales.

[24] Os oedd teimlad bod y rheoliadau'n golygu nad oedd modd i bobl weithredu er mwyn ymateb i'r materion yr ydym yn eu trafod y bore yma, efallai y byddai'n rhaid inni fynegi safbwynt ar y mater, ond nid wyf yn ymwybodol, hyd yn hyn, bod y rheoliadau hynny'n sefyll yn y ffordd.

If there was a feeling that the regulations meant that people were not able to act in response to the issues that we are discussing this morning, then perhaps we would have to express an opinion on the matter, but I am not aware, so far, that the those regulations are getting in the way.

[25] **David Lloyd:** Mae gennyf gwestiwn ychwanegol ffeithiol, felly efallai y bydd gofyn ichi anfon nodyn yn ddiweddarach—nid wyf yn disgwyl i chi gadw ffigurau penodol, manwl yn eich pen. Faint mae'r Llywodraeth yn ei wario ar hysbysebu swyddi, datganiadau cyhoeddus ac ymgyrchoedd cyfryngau yn y wasg? Beth yw eich polisi am osod hysbysebion mewn papurau?

**David Lloyd:** I have a factual supplementary question, so you may need to answer this by way of a written note—I do not expect you to hold the specific, detailed figures in your head. How much does the Government spend on advertising vacancies, public statements and media campaigns in the press? What is your policy with regard to placing advertisements in papers?

[26] **Mr Howells:** Mae gennyf ychydig wybodaeth yma. Yr hyn sy'n drawiadol yw'r newid yn ein gwariant ar hysbysebu, a oedd wedi cyrraedd oddeutu £800,000 ddwy flynedd yn ôl. Erbyn hyn, mae'r ffigur wedi gostwng i lai na £200,000. Yr wyf yn ymwybodol o'r pwyslais mae'r wasg yng Nghymru yn ei roi ar gyfraniad hysbysebu i'w busnesau. Er hynny, fel pob elfen o'n gweithgareddau, yr ydym wedi bod yn edrych i weld a oes modd cael gwell gwerth

**Mr Howells:** I have some information to hand. What is striking is the change in our expenditure on advertising, which had reached around £800,000 two years ago. That figure has now fallen to less than £200,000. I am aware of the emphasis that the press in Wales places on the contribution that advertising can make to its businesses. However, as with each element of our activities, we have been looking to see whether value for money can be improved;

am arian; mae hynny'n newyddion da i'r Llywodraeth, ond i'r gwrthwyneb i'r papurau sy'n disgwyl cael y gwariant hwnnw. Yr ydym yn awr yn rhoi pwyslais, yn sicr o safbwynt hysbysebu swyddi, ar wneud hynny ar y we yn hytrach nag mewn papurau newydd.

[27] Wedi dweud hynny, y polisi gyda'r hysbysebion yr ydym yn eu rhoi allan yw eu bod yn ymddangos yn y prif bapurau. Mae hynny'n golygu'r *Western Mail* a'r *Daily Post*, weithiau *Golwg*, ac weithiau'r wasg y tu allan i Gymru—ond mae hynny'n dibynnu ar natur y swyddi. Dyna'r sefyllfa ar hyn o bryd.

[28] **David Lloyd:** Yn ogystal â'r ffigurau yr ydych wedi'u rhoi i ni eisoes, os oes unrhyw ffigurau diweddarach yn llamu i'r cof, gallant fod yn destun nodyn.

[29] **Mr Howells:** Byddai'n werth inni gynnig nodyn ychwanegol gan fy mod i wedi pwysleisio ein gwariant ar hysbysebu swyddi yn unig, ac efallai fod gwariant tebyg y byddai'n werth tynnu sylw'r pwyllgor ato.

[30] **David Lloyd:** Eleanor sydd am ofyn y cwestiwn nesaf.

[31] **Eleanor Burnham:** Yr ydych wedi sathru ychydig ar fy nghwestiwn, ond peidiwch â phoeni.

[32] Yr ydym eisoes wedi clywed tystiolaeth eich bod yn ffafrio dau bapur, sef y *Western Mail* a'r *Daily Post*. Nid wyf yn credu bod neb y dyddiau hyn yn meddwl bod y ddau'n cynrychioli Cymru gyfan—ni fyddwn yn darllen y *Western Mail* oni bai am y ffaith fy mod yn Aelod o'r Cynulliad, gan nad oes a wnelo'r papur hwnnw â'r gogledd, fel y cyfryw.

[33] Mae hynny'n digwydd yn hytrach na bod hysbysebion yn cael eu rhoi mewn papurau lleol. Yn fy ardal i, y gogledd ddwyrain, mae'r *Evening Leader* wedi'i anelu at sir y Fflint, Wrecsam a sir Ddinbych, a chrybwyllodd ei olygydd y pwynt hwn pan ddaeth yma ychydig dros bythefnos yn ôl. A ydych yn meddwl y dylech ailystyried eich ymagwedd ac ehangu eich polisi i

while that is good news for the Government, it is not such good news for the newspapers counting on that revenue. We now place a greater emphasis, certainly with regard to advertising vacant posts, on doing so on the web rather than in newspapers.

Having said that, the policy for advertisements that we put out is that they should appear in the major newspapers. That means the *Western Mail* and the *Daily Post*, sometimes *Golwg*, and sometimes in the press outside Wales—but that depends on the nature of the jobs. That is the situation at the moment.

**David Lloyd:** As well as the figures that you have already given, if more recent figures leap to mind, they can be included in a note to us.

**Mr Howells:** It would be worth us providing an additional note, as I have only focused on our expenditure on advertising vacant posts, and there may be similar forms of expenditure that would be worth drawing to the committee's attention.

**David Lloyd:** Eleanor has the next question.

**Eleanor Burnham:** You have trampled a bit over my question, but do not worry.

We have already heard evidence that you favour two papers, the *Western Mail* and the *Daily Post*. I do not think that anybody these days thinks that either represents the whole of Wales—I would not read the *Western Mail* if it were not for the fact that I am an Assembly Member, because it has nothing to do with north Wales as such.

As a result of that, advertisements are not placed in local papers. In my area, north-east Wales, we have the *Evening Leader*, which covers Flintshire, Wrexham and Denbighshire, and its editor alluded to that point when he came here just over a fortnight ago. Do you think that you should reconsider your approach and widen your policy to include those papers? You have just said that

ddefnyddio'r papurau hyn? Yr ydych newydd ddweud eich bod am ddefnyddio mwy ar y we, ond mae pobl ddifreintiedig heb fynediad rhwydd i'r we, ac mae rhai pobl yn credu eich bod yn ffafrio'r ddau bapur yn ormodol.

you want to increase your use of the web, but there are deprived people who do not have easy access to the web, and there are those who believe that you are favouring the two papers too much.

[34] **Mr Howells:** Mae'r sefyllfa'n anodd, ac mae'n newid bob mis. Peth rhesymol fyddai inni ystyried y pwynt yr ydych newydd ei wneud, ac i mi ddod yn ôl i'r pwyllgor gyda'n hymateb iddo. Mae arnom gyfrifoldeb i sicrhau gwerth gorau am arian, ond mae arnom hefyd gyfrifoldeb i sicrhau ein bod yn cyrraedd y nifer fwyaf o bobl ym mhob rhan o Gymru, beth bynnag yw eu cefndir cymdeithasol. Felly, mae'n gwestiwn diddorol i ni ei ystyried cyn dod yn ôl atoch.

**Mr Howells:** The situation is difficult, and it changes each month. It would not be unreasonable for us to consider the point that you have just made, and for me to return to the committee with our response to it. We have a responsibility to ensure best value for money, but we also have a responsibility to ensure that we reach the greatest number of people in every part of Wales, whatever their social background. So, it is an interesting question for us to consider and to return to you.

9.50 a.m.

[35] **Eleanor Burnham:** Efallai y gallwch edrych ar ffigurau cylchrediad, gan eu bod wedi newid dros y blynyddoedd diwethaf.

**Eleanor Burnham:** Perhaps you could look at circulation figures, because they have changed over the last few years.

[36] **Mr Howells:** Mae'n amlwg eu bod yn newid drwy'r amser.

**Mr Howells:** It is obvious that they are continually changing.

[37] **Alun Cairns:** Yr wyf yn ymddiheuro am fod yn hwyr; gobeithio eich bod wedi cael rhybudd, Gadeirydd. Efallai fod hyn wedi cael ei ofyn, ond pam yr ydych yn blaenoriaethu'r ddau bapur hynny pan fo papurau eraill yng Nghymru sy'n gwerthu mwy o gopïau, er enghraifft y *South Wales Evening Post*?

**Alun Cairns:** I apologise for being late; I hope that you were informed, Chair. This may have already been asked, but why do you prioritise those two newspapers, when there are other newspapers in Wales that sell more copies, for example the *South Wales Evening Post*?

[38] **Mr Howells:** Mae hwnnw'n gwestiwn da. Mae rhesymau hanesyddol, sydd yn ymwneud â statws cenedlaethol y papurau yr wyf wedi eu henwi. Gan nad wyf yn gyfrifol am benderfynu lle'r ydym yn gosod hysbysebion, hoffwn ddod yn ôl a chyflwyno ateb llawn i'r pwyllgor ar y cwestiwn hwnnw.

**Mr Howells:** That is a good question. There are historic reasons, which are to do with the national status of the papers that I have named. As I am not responsible for deciding where we place our advertisements, I would like to return to it to give the committee a full answer.

[39] **David Lloyd:** I call on Joyce, with what is the final question, with any luck, to John.

[40] **Joyce Watson:** You stated in answer to the first question about advertising jobs that there has been a shift to advertising online. Can you explain the Government's policy in relation to spending on online advertising rather than on advertising in newspapers? Is there a policy or thinking that has driven that shift?

[41] **Mr Howells:** The thinking is the emerging evidence that you can reach more people

and generate more response by using online techniques. However, it is important to emphasise that that is in addition to more traditional modes of communication, because, as mentioned earlier, not everyone has access to the internet, and we must ensure that all citizens who may have an interest in the things that we have to say can access that information. It is generating some encouraging evidence that you can reach new markets, but it does not work in isolation; it is part of a wider strategy towards communicating our message.

[42] **Joyce Watson:** To follow up on that, these are significant figures—£800,000 and £200,000. Has the Government done some monitoring of the numbers of applications that it receives online, as opposed to printed applications—I assume that it probably has—so that it can justify that? If it has, is possible for us to have sight of that data?

[43] **Mr Howells:** Certainly; if I may, I will include that in the further information that we will issue to the committee.

[44] **Alun Cairns:** Is it not reasonable to advertise in newspapers about the website and about the roles of the Government and the services that it provides, so that the website is effectively advertised? That would give the public purse far better value by offering a whole range of advertisements that we would normally publish directly in the papers. Would such a drive encourage the closure of the digital divide? We must accept that, at the moment, there is a difference between socioeconomic groups in terms of accessing the internet on a regular basis, but that could be a further motivation to drive people who do not have access to a computer at home to use computers that are available in libraries and other public centres.

[45] **Mr Howells:** There were a number of questions there. The answer to the first question is ‘yes’, because that is what we are doing. The job adverts that we now place in the national newspapers are much smaller than used to be the case, but information is available and people are referred to the website; we are clearly using traditional media to signpost people to new media.

[46] The second point that you made is a little more difficult and profound. The more emphasis that we place on what we are doing electronically—and we are placing great emphasis on that—the more we will encourage all kinds of people to turn to the new media for more information, whether that involves a job, or anything else. The challenge that Governments and others face is around the extent to which you say, ‘Take it or leave it; it is there, and it is up to you to find it’, at a time when we know that there are lots of people who have access, but plenty of others who do not. As it happens, Wales has lower internet uptake than other parts of the UK. We want to drive that, but there is an interesting dilemma that we face around the extent to which we say, ‘That is where it is—you must go and find it’. We know that lots of people do not, as a matter of course, go and find it.

[47] **Alun Cairns:** We should not forget either that many people do not buy newspapers. It works both ways. During the first Assembly—I remember, because I tabled questions in order to uncover this—there was a job advert in a newspaper that was mainly circulated in south Wales; the advert cost £17,000, the annual salary was £13,000, and the job was based in north Wales. That is not good value for money, and I hope that we have left those days behind. The point of advertising the website is that it gets into all papers and does more to bridge the divide—and we need to recognise that there is a divide.

[48] **Mr Howells:** I hope that those days are over, too. We are moving in that direction. My guess is that we still have further to go.

[49] **Eleanor Burnham:** It is a challenging time for all of us associated with democracy. However, have you read the *Daily Post* recently? It completely contradicts what you said earlier—that only small adverts are placed. People in north Wales look at these huge adverts,

which sometimes take up a whole page, or half a page, and they tell me that the Government is wasting money. That is a huge challenge. You should consider carefully what you are doing, because a lot of people are having a go at Governments and politicians generally about wasting money. You obviously have not read the *Daily Post* recently because there are huge adverts for very well paid senior civil service jobs, and many people wonder about that. It is a big challenge, and I hope that you will take it up, because it is a serious issue. We need to look carefully at how we spend our money.

[50] **David Lloyd:** That is a point well made.

[51] **Joyce Watson:** There is another element to online advertising, namely, how we link to other sites that are well-known as advertisers of jobs on the internet, because that is their sole function. It would be useful for us to know that, not only are we advertising online, but in the same way that we are discussing how we advertise through the print media, we are also discussing our advertising through online media. That might help us to understand the value of advertising for this inquiry. If we could have that information through you, Chair, it would be advantageous.

[52] **Mr Howells:** I will certainly aim to cover that in our response. This is clearly a fast-moving area, and we need to keep things under review, because no sooner have you got a sensible set of arrangements than the world changes. We need to change with it.

[53] **Alun Cairns:** Building on that, it is fair to say that the public sector, everywhere, tends not to be particularly swift in adapting to changing circumstances. If the Government was advertising through the same outlets from habit, is it not the case that there would be no incentive for those outlets, in an economic downturn, to become more competitive? They know that the Assembly Government, or the Assembly, is unlikely to switch to other outlets. So, effectively, there is no competition. That is what I am getting at. As advertising revenues are plummeting, I would expect there to be a far more competitive market out there that would be looking for Government business, or business from the public sector as a whole. The market rate for that has probably dropped, but if the same outlets are used all of the time and you are advertising in the same paper all of the time, then you will pay the same rate. For example, if we were paying £17,000 a few years ago for the advert that I talked about earlier, that paper will still charge you £17,000 despite the fact that the market rate has dropped.

10.00 a.m.

[54] **Mr Howells:** I would hesitate to comment on the way in which external organisations would respond to our approach to these matters.

[55] **Alun Cairns:** Yes, but if you had the option of switching to another outlet—

[56] **Mr Howells:** The underlying point is that this is clearly a much more competitive market place than was the case even a year ago. We have to respond to that. My guess is that all of the other players should be responding to that as well.

[57] **Alun Cairns:** Yes, but if we were in the habit of changing outlets, that would incentivise them to charge lower prices if we move business away from one company or back to it.

[58] **Mr Howells:** That is normally the way that the market works.

[59] **David Lloyd:** I orffen, a allwch chi **David Lloyd:** Finally, will you expand on ehangu ar eich polisi ynglŷn â gosod your policy on placing public notices, and hysbysiadau cyhoeddus, a sut mae hynny'n how that works within the Government?

gweithio o fewn y Llywodraeth? Efallai y gallwch ddarparu ateb ysgrifenedig os yw hynny'n haws.

Perhaps you could provide us with a written answer if it is easier to do so.

[60] **Mr Howells:** Efallai fod esiamplau o hysbysiadau hir mewn papurau lleol, ond mae'n faes technegol. Gan nad fi sy'n gyfrifol am hyn, mi gynhwysaf yr ateb yn ein nodyn ysgrifenedig os yw'r pwyllgor yn hapus i mi wneud hynny.

**Mr Howells:** Perhaps there have been examples of lengthy notices in local papers, but this is a technical field. As this is not my responsibility, I will include the answer in our written response if the committee is happy for me to do so.

[61] **David Lloyd:** Nid oes ceisiadau eraill am gwestiynau, felly, diolch yn fawr, John, am dy bresenoldeb, am y papur ac am ateb y cwestiynau mewn ffordd mor dryloyw a chynhwysfawr. Arhoswn yn eiddgar am y nodyn ysgrifenedig ar y pwyntiau lle mae angen ychydig mwy o eglurder. Diolch yn fawr iawn.

**David Lloyd:** There are no further questions, so thank you, John, for your attendance, for the paper and for answering the questions in such a transparent and comprehensive manner. We eagerly await your written note on the points where more clarity is needed. Thank you very much.

[62] Symudwn ymlaen at ein tyst nesaf. Estynnwn groeso mawr, twymgalon iddo. Ar ran Prifysgol Caerdydd, croesawn yr Athro Bob Franklin o Ysgol Newyddiaduraeth, y Cyfryngau ac Astudiaethau Diwylliannol Prifysgol Caerdydd Mae'r Athro Bob Franklin yma i roi ei farn arbenigol ar gyflwr presennol y diwydiant papurau newydd yng Nghymru. Gobeithiaf fod y cyfarpar cyfieithu yn gweithio yn awr. Fe'ch croesawaf i'r cyfarfod unwaith eto, Bob. Diolchaf ichi am eich papur cynhwysfawr. Mae Aelodau wedi darllen y papur yn fanwl a byddant yn gofyn cwestiynau ichi yn seiliedig arno. Symudwn yn syth at y cwestiynau os yw hynny'n iawn gyda chi.

We will move on to our next witness, to whom we extend a very warm welcome. Representing Cardiff University, we welcome Professor Bob Franklin, from the Cardiff School of Journalism, Media and Cultural Studies. Professor Bob Franklin is here to provide his expert opinion on the current state of the newspaper industry in Wales. I hope that the translation equipment is now working. Welcome, again, to the meeting, Bob. Thank you for your comprehensive paper. Members have read it in detail and they will ask questions based upon its contents. We will move directly to questions if that is okay with you.

[63] **Professor Franklin:** Yes. I simply hope that 'comprehensive' is not a euphemism for 'unduly wordy'. I am, by trade, an academic, so it is an understandable weakness. I am grateful for the opportunity to be here. Thank you.

[64] **David Lloyd:** 'Comprehensive' as in the original meaning in the Anglo-Saxon lexicon.

[65] Gofynnir y ddau gwestiwn cyntaf gan Joyce Watson.

Joyce Watson will ask the first two questions.

[66] **Joyce Watson:** Good morning, Bob. I read your paper with interest. It was comprehensive and even if it was wordy, that is fine by me—it is no criticism. In your paper, your core thesis is that the minimax business strategy has meant that newspaper groups have tried to deliver substantial profits to shareholders rather than reinvest profits in so-called quality journalism. In your opinion, what is the impact on the quality of journalism in Wales? What is the impact on the viability of newspapers in Wales?

[67] **Professor Franklin:** I would like to talk about the impact on quality in general. What

happens if you try to serve shareholders rather than readers by delivering substantial profits? Trinity Mirror plc, which has gone through a number of linguistic transformations in recent times—let us stick with that—has delivered profits of 38 per cent. This was at a time when, in the UK more generally, Johnston Press plc was renowned for its runaway profits in excess of 20 to 25 per cent—national newspapers run on much tighter margins. So, there has been a tradition throughout the UK, which is exemplified in Wales, of delivering high rates of return. These have been achieved by cutting jobs and the cost base to the bone. In fact, in my paper, I cited from one of a number of bank reports, which said:

[68] ‘One saving grace for Trinity in recent years has been management’s ability to surprise on the cost base, with a strong discipline to go out and cut out the ‘fat’ and (some would say) even the muscle. We expect this trend to continue’.

[69] This was a major bank report from July 2008, which was expressing its delight at the capacity to generate what one might call ‘superprofit’—sorry, that is hyperbole. However, it is widely acknowledged by advisers—and this is not a political or partisan point in any way—that these high levels of return are a consequence of cutting jobs and keeping salaries low. Some research I carried out a couple of years ago, commissioned by the National Union of Journalists, showed that Media Wales Ltd/Trinity Mirror plc offered the lowest starting salary for trainee journalists in the whole of the UK. Therefore, this is well understood. So, what are the inevitable consequences? In a declining market for newspaper readers and advertisers, you want to try to sustain pagination; if you are going to sell a paper, it has to be interesting. With a declining labour force, you have to try to get your workers to do more—the equations are simple. People have to fill the news hole. Therefore, newspapers have increasingly drawn on public relations and news agencies, and this is a national as well as a local trend.

[70] A study that I carried out in the mid-1980s in Northumberland showed unequivocally this reliance on press releases. I was invited to go to Northumberland by the press officer for the then county council. I went through his newspaper clippings file and he gave me the press releases he had written and issued across the previous two months. Some 98 per cent of those press releases generated stories. That is fine; that is what press officers are there to do—to get good messages and information out to people. What was worrying about this was the lack of what you might call a transformation process. These press releases were gobbled up wholesale—they were not edited. As a press officer, he provided pictures, so there was no sense that the press was fulfilling what had always been seen as its traditional function—an important democratic function—of making the powerful accountable, shedding light in quiet corners, articulating public interest, and throwing stuff at elected people, such as yourselves, and asking, ‘Why this? What is happening here? Why did you do this?’.

[71] You may feel that this is all still going on, but I would argue that the way in which the business is set up, given this economic model and this regionally based monopoly structure, means that the independence of the press—the vitality and vigour with which it reports the political scene—is much less evident than it was a decade ago. We did some research at Cardiff that informed a very provocative book called ‘Flat Earth News’, published by Nick Davies, a journalist from *The Guardian*. We looked at the top end of UK journalism. We took the so-called ‘quality quartet’, including *The Guardian* and *The Times*, we put a red mark by all of their domestic policy stories and we asked our researchers to find us the press release on which the story was based—the wire copy. We were very anxious when we took on this commission, which was funded by the Joseph Rowntree Foundation.

10.10 a.m.

[72] However, within days, they were saying, ‘It’s amazing’. There was a story by *The Guardian*’s health correspondent about how eating carrots helps you to see at night. So, we went back to Poppleton university and, blow me, if there on the website there was not this

story saying something like ‘Poppleton breaks scientific boundaries; eating carrots makes you see at night’. We all knew that anyway, and some would say that that is what universities do: they explain the self-evident in too many words. However, we found an alarming reliance on the press release. Due to the lack of resource, there is no rewriting and, where there is any editing, it is a crude lopping off from the bottom up—the classic way in which these things are written is in an inverted pyramid to allow that sort of editing. So, there is good evidence that this process is deeply embedded in the local, national and regional papers. In fact, there is a concept called information subsidy. Public relations and wire services are providing an in-built subsidy and, in my paper, I gave an interesting example of this. Someone I interviewed at Westminster City Council worked out that it probably spent £50,000 employing one and a half press officers just to write stories, because papers do not send people out any more. We insist that the students that we train sit in court and council, that they use shorthand, and that they write half a dozen stories and produce a portfolio of work. Then they go out on placement and come back and say, ‘Why do we do this?’ There has been a shift in the political culture that is registered in the dissonance between what trainers and educators in journalism and journalism studies require of their students and the professional practice. The Society of Editors funded a study that was conducted in Cardiff University a decade ago, before I was there; my predecessor Brian Winston conducted the study, and I cited it in something that I wrote at the time. He sent a questionnaire to regional and local newspaper editors asking which skill they most wanted from journalists working with them on placement, and the answer he received was that it was the ability to rewrite a press release. This is part of the syndrome in which journalism is seen as a desk job—people do not rush out, gather stories, and initiate and generate them off their own back, and rush back into the newsroom and say, ‘Hold the front page’. All of that mythology has gone. It is now very desk-based, and there are alarming procedures.

[73] I will give you one more anecdote, if I may, and then I will be quiet. A student rang me on the day that there had been a report about a decline in television viewing. He said, ‘Hi, how are you keeping?’, and I said, ‘Fine. It’s great that you are working’. He said, ‘Have you got five minutes?’, and I said, ‘I have 15 minutes; let’s chew the fat’, and he said, ‘No. This is an A1 story; I’ve only got five minutes’. This is McDonaldisation and Taylorism gone mad. Newspaper companies now give reporters a quota. Stories drop into a category, and newspapers specify the number of phone calls that reporters can make and the number of sources that they can quote, word length, and the number of stories that reporters have to write per shift, which has gone up threefold, fourfold and fivefold in many places, not least in places like the Press Association, which is feeding the main press through the wires. There, the workload is great. This working procedure is based on a procedure used by the Gannett Foundation, which owns Newsquest in the UK, the third largest group after Trinity Mirror plc. It is terribly formulaic and robotic, and journalists are treated almost like people who fill in the gaps between the text—they have to write things like, ‘The bride wore a blue/white/yellow gown, she carried a bouquet of dahlias/chrysanthemums’. It is almost that level of asinine deskilling of the journalistic and editorial process. So, the integrity of journalism is lost, its independence has gone, and its capacity to challenge is deeply compromised by these working procedures that derive from understaffing, undercapitalisation and from fostering the wishes of shareholders rather than of readers. I have a clipping from *The Guardian* media pages this week, which we all live for, on Trinity Mirror plc. In fairness to the company, it is not paying a final dividend this year; it is deeply troubled by its pension fund and is not offering a salary scheme. So there is an equivalent of misery in all of this. It is interesting that the pension fund difficulties of companies such as Trinity Mirror plc are so great. I read a Deutsche Bank report in August, which said that to all intents and purposes, Trinity Mirror plc—the largest regional company in the UK, with almost 200 newspapers, and far and away the largest of the big four companies in the UK by circulation—is best understood as a struggling pension fund with a modest printing operation attached. This is how, in the world of finance capital, these very important companies are described.

[74] I think that these local newspapers are terribly important. They articulate and shape the communities in which they operate and they fulfil these economic, social and political functions. Newspapers, like post offices, are shutting down; they are places where people meet, like pubs. Those three institutions are disappearing and the consequences of that are terrible. They are places where we gather to talk to each other about our communities; they are information-exchange centres. That is why I would use the word ‘crisis’ to describe what is happening. Sorry, that was a long answer.

[75] **David Lloyd:** It was a very comprehensive answer. Joyce has a related question for you.

[76] **Joyce Watson:** Having heard what you have just said, I could ask you 100 questions based on that alone, but perhaps we could meet independently of this committee for that. You mentioned the significance of the regional newspaper monopoly, therefore what is your view on cross-media ownership and the possibility of newspapers also owning the radio stations in the same market?

[77] **Professor Franklin:** Given my analysis, I suspect that my diagnosis is rather evident. There has been a shift to an organisational structure from what people dismissively called the one-man-and-a-dog operation of the mid 1980s to the conglomerate corporate ownership of the regional and local press, which ripped through the industry from the 1990s onwards. That has been an unprecedentedly quick process. Similar things are happening on the internet, alarmingly. No new medium has ever been so quickly corporatised and conglomeratised globally. So, the consequences of that have been very damaging. Large groups have gone for economies of scale. One thing that strikes me now is, for example, what I was told by editors in the west Yorkshire region. Many of their newspapers are printed in Leeds, which delivers cost efficiencies, but the damned things are on a truck on the M62 for three hours. The consequence of that is that the time at which you go to press has to move forward by three hours, so the news day shrinks. Someone said to me, ‘We’re publishing yesterday’s news tomorrow’. The whole notion of a daily newspaper has slipped, so there are many problems here.

[78] Cross-media ownership allows people to fund failure in one area from success in another. Mr Murdoch has done that in many ways. It is clear that he used profits from *The Sun*, one aspect of his empire, to fund the fledgling British Sky Broadcasting production. Now the operation stands on its head and the super-profits from Sky fund the ailing print wing of the operation. So, there are benefits and one narrative would be about the balancing of and mutual synergy between revenues raised from different media platforms and operations. I think that it is very worrying if monopolies are allowed to develop further across media platforms.

10.20 a.m.

[79] Another very alarming straw in the wind, which I thought was quite anarchic and law-breaking, was a Deutsche Bank report that suggested that Johnston Press plc was very likely to buy out Trinity Mirror. I do not know what to say about these companies. Was it ITV that had a share price of 23p yesterday? You feel that you could buy it in the back bar of the Vulcan. The changes that have happened are very odd. The report said that there would be resistance from the Office of Fair Trading, which understands the notion of competition too narrowly, and that Deutsche Bank’s view is that Johnston Press should just go and buy it and see what the OFT does. In other words, banks are suggesting to media companies that they ignore existing competition regulations, which they see as primitive and as not suitable for the digital age because monopolies are understood within geographical boundaries. I am sorry if that is inconvenient, but that is how it works, particularly for the press, and largely for radio, with local radio incorporated into larger corporations. I would be strongly against that. I think

that big financial institutions are recommending a sort of gung-ho challenge to existing regulation, along the lines of, ‘See what they do; call their bluff’. That is my language to describe what the report is saying, but it seems to me to be very clear that that is what is being said.

[80] **David Lloyd:** I would like to move on, as time is catching up with us. Eleanor is next.

[81] **Eleanor Burnham:** We have almost arrived at a cut-and-paste situation, have we not? You only have to look at some of the papers in north Wales, for instance, to see that. The evening leaders in Flintshire, Denbighshire and Wrexham are of quite good quality, but I was talking to a young lady further afield—I will not mention which paper she was from—about hoping to have a word with her, only to be told, ‘I am only let out of the office on a Friday’. That is quite frightening; it appears to be exactly as you have said. Martin Shipton also told us exactly the same thing, that some of these people are so ill informed, even though they might have been through your wonderful academic institution—

[82] **Professor Franklin:** I could not demur from that view. [*Laughter.*]

[83] **David Lloyd:** Could we have a question, Eleanor, based on what is on the piece of paper in front of you?

[84] **Eleanor Burnham:** Of course. We could be here all day discussing this and I am sorry that we will not be. We surely lost the edge in the UK when Sky got the monopoly, frankly. In the middle of this doom and gloom, because I think that this is quite serious for our democracy, is there a case for Government intervention to perhaps help to fund English-language papers, because we help Welsh-language papers? What should the role of the Welsh Government be, for example, in encouraging diversity within the newspaper industry?

[85] **Professor Franklin:** There is a famous maxim by the American editor H.L. Mencken that the relationship between politicians and the press should be that which the dog reserves for the lamp post. A very healthy relationship is one that is conflictual rather than co-operative. What national Governments based in London have shown us over many years is that that relationship can be cosier and can be collusive, and that Governments can help to shape news agendas in all sorts of ways. One way that they can do that is through subsidy, but given the history of the UK’s press, I think that that would be resisted in all sorts of ways. The history of subsidy and Government engagement with the press has been one of censorship and attempts to control, such as the taxes on knowledge of the nineteenth century.

[86] There are all sorts of ways in which Governments and politicians can try to reshape and stimulate the integrity of the press, but I am not sure that the simple notion of subsidy, of handing a wheelbarrow of cash over, will help. One can offer information subsidies and use the press in all sorts of ways to try to get messages out. I mentioned schemes for trying to encourage readership and in France, in the last couple of months, the Government has announced a scheme whereby it will pay the delivery cost of any newspaper of an 18-year-old’s choice, starting on his or her birthday, for one year. A very similar system is operated in the Flemish-speaking parts of Europe where a newspapers in education initiative has, since 2004, been delivering newspapers to young people within certain age groups. It was found that the attitudes towards reading and towards newspapers changed a lot. There are a number of ways in which politicians can reshape that relationship, but it is always going to be quite conflictual, difficult and mutually suspicious.

[87] **Eleanor Burnham:** *Barn*, *Golwg*, and *Y Cymro*, all Welsh-language publications, receive some subsidies, and that, surely, has not interfered with their editorial independence.

[88] **Professor Franklin:** No, but it is very difficult, though, and it is why the BBC ends up with a board of governors and now a trust. You have to have some sort of buffer mechanism, if you will, between the organisation and the people who exercise political or economic power—let us say, the possibility of making a direct economic contribution. In large parts of Scandinavia—Bob Picard, a Swedish scholar, has done a lot of research on this—subsidies are commonplace. In the British, and Welsh, context, there is a different culture. If one were to go to Europe, one would find that there is a quite common culture there of the political functions of newspapers being emphasised above their economic functions.

[89] What do we want from newspapers? What is it that we are trying to encourage and promote? If we are trying to encourage the widest possible range of debate, then the case for subsidies is clear. You then get into technical problems: what is the take-off point? Is it 10,001 readers, or 5,001? If it falls 20 per cent in a year, at what point do you step in? If your ambition is to create the widest possible debate and to encourage as many voices as possible in the debating chamber without fear or favour, then the case for subsidies is well known and has happened. However, the more free-market oriented observer would say that subsidy exists—your last witness' discussion ended on this point—in the form of the substantial advertising revenues that public sector organisations provide to private sector organisations such as newspapers anyway. That is a large 'subsidy'. To cite *The Guardian*, that well-known scholarly source, Trinity Mirror's advertising revenues fell 37 per cent in the last two months. That is a devastating drop, and I would have thought that would give advertisers considerable leverage for negotiation, and therefore gives substantial advertisers considerable influence. One does not want to say too much, because it all ends up sounding like something terribly dark and conspiratorial happening in quiet, dusty corners, but it is reasonable to complain about certain sorts of coverage, or its absence, or its character, and that much of the coverage of politics is cheap, chirpy, personality driven—'dumbed down' is the phrase that I would use; 'patronising' would be another—and focused on individuals rather than on broad policy debate. One could say, 'We're not terribly happy about the coverage of this institution, that electoral process, this bit of the democratic process, and the way that you report it'. It need be no more than that.

[90] Yes, there is some scope to influence matters here, and subsidy can take many forms.

[91] **Eleanor Burnham:** What is the significance of the local, as opposed to the national, newspaper industry? You mention that you believe that it is more trustworthy and more carefully read.

[92] **Professor Franklin:** I may be just banging a drum here. I should declare an interest in that a large part of my work has involved looking at the local and regional press, and I am about the only bloke—or woman, scholar or whatever—who does really. It is because it is considered to be at the margin and small beer. I think that that is wrong. I am a bottom-up person, and I think that these newspapers are crucial. They are the lifeblood of communities. They articulate and they shape interest. They are one of the main information centres, if not the main one. They chronicle every aspect of the history of their communities, literally, in their pages of births, deaths and marriages—we all know about it. We trust local newspapers.

10.30 a.m.

[93] I also think that they are significant because they reach communities. One of the statistics that I use in my paper is that 80 per cent of the community will read the local paper but only 25 per cent will read even a major tabloid such as *The Sun*. When I was dealing with quite senior spin doctors from No. 10 of both major political persuasions, namely Conservative and Labour, I found that they understood the value of these papers. I used to, and still do, talk to No. 10 advisers, helping to firm up local campaigns during a general election, and I remember one chap saying that the *Batley and Birstall News* was far more

important than *The Times*. I remember him saying, ‘As a Conservative candidate, dare I say it, but it is more important than *The Daily Telegraph*; it is crucial, because it sits around for a week, more people read it, it has audience reach, and people trust it’.

[94] According to data from the Media Standards Trust report, 75 per cent of us now believe that journalists publish stories that they do not think are true. Sixty per cent of us trust what we read in the local paper; 16 per cent of us trust what we read in a national tabloid. So, local newspapers reach the community that they purport to represent. The title of the paper on the masthead means something. It is often connected to a larger financial corporate conglomeration that may have its headquarters in New York, as with Gannett, but it still speaks to local people in local constituencies, and it still performs all of these economic, political and cultural functions. So, local papers are terribly important.

[95] If I were asked to engage in punditry, I would say that, in two years’ time, we may well find that we have two or three fewer national newspapers. We could lose 25 to 30 per cent of the national press because the current financial, economic and now industrial recession is putting a cruncher on things and is accelerating all the long-term, systemic and structural tendencies of the past 20 years that I have outlined. We will not lose that many local and national papers, but we will lose some, and Trinity Mirror plc has lost 27 this year. If you go to the Newspaper Society website, it is interesting that it says that it has lost 27, but other people say that it has lost 40. Things change so fast at the moment that the most authoritative sources of information are arguing about how many of these papers exist. That signals the state of flux that we are in here. The national press is much more at risk because many people would prefer to lose *The Daily Star*, *The Sun* and the *Daily Mirror* than the *Thorngumbold Herald* or a *Cardiff Clarion and Klaxon*. It is rather like when Woolworth disappeared: we cannot live with it. Local newspapers are hard-wired into our DNA culturally and politically. It is what we read and what we identify with.

[96] **David Lloyd:** Alun, a well known reader of *The Sun*, has the final two questions. [Laughter.]

[97] **Alun Cairns:** I am not, although I must admit that I have never bought *The Guardian* in my life, so I am interested to hear you talk about it so much. [Laughter.] I have bought it for a colleague, but I have never read it.

[98] **Professor Franklin:** You should read all the national papers. They are still of a very high quality.

[99] **Alun Cairns:** I must admit that I have really enjoyed your evidence, and I could sit in the snug of a pub and chat to you for hours about this.

[100] **Professor Franklin:** Well, see me later. There are many to explore. [Laughter.]

[101] **Alun Cairns:** It has been fascinating. I would love to play devil’s advocate and put many points to you, but I will put just one to you before I ask my formal question. In your introduction, you talked about the decline in standards, the quality of reporting and the squeeze on journalism and, in your paper, you talk about how politics is being reduced in papers. In fairness to them, are newspapers not just reacting to market demand? Is that not what people want to read? If what you are saying is right, that there is a strong market for that quality journalism and people want that political content, some entrepreneur would get it together and either buy an existing publication and remould it or set up their own publication and come up with that quality output—in the same way, in many respects, as the *Financial Times* does? It charges much more than other daily newspapers, but it operates on a profitable basis because of the market that it is aimed at.

[102] **Professor Franklin:** Being an academic by trade, I will say ‘yes’ and ‘no’ at the same time and then spend a good deal of time trying to bring these Hegelian antitheses to some sort of consensual point. First, I do not agree that supply and demand are independent. That is one of the flaws of simple, classical economic theory that dates back to Adam Smith. I think that supply influences demand. I remember reading a lovely essay by the sadly missed Paul Foot, one of the last of the breed of strong, high-quality investigative journalists. He said that he and Pilger use to sit in on the editorial meetings at the *Daily Mirror* and that he remembered going there the day that Murdoch took over *The Sun*. He said that they were all laughing and being a bit sniffy about it, but that, within six months, they were having to reshape the *Daily Mirror* to match it. In other words, supply shapes demand. If you are given a sort of material constantly, it is what you come to expect.

[103] I did not think that I would raise the subject of my dear mother in this meeting, but she used to love watching an old Australian soap opera set in a women’s prison—

[104] **Alun Cairns:** *Prisoner Cell Block H*.

[105] **Professor Franklin:** That’s the one. Now we know what you are up to culturally. [Laughter.]

[106] **Alun Cairns:** It used to be on when I was studying for my A-levels.

[107] **Professor Franklin:** Occasionally, I used to sit with my dear old mum to watch this programme, but the production values were appalling. This was allegedly a prison, and yet the bricks of the prison walls were painted on a bit of paper that rippled as the actors walk past. You thought, ‘Oh God, this is so awful’, but it was extremely popular. You can feed people anything. So, the first point is that supply shapes demand; they are not independent and do not clash in the marketplace and decide price equilibrium.

[108] The second point that I made in my paper is that it has always been a part of the public service tradition, and it does not stop at the doors of Broadcasting House, not just to give people what they demand—in fact, as someone said, the public deserves better than that—but to give them, according to Reith’s idea, what you feel they ought to know, as well. I do not mean that in a patronising, Reithian, Presbyterian way—and no offence to Presbyterians—but you must try to raise people’s level. The BBC used to be structured on that idea of mixed channels, namely that you would put on a certain radio station at the BBC and not know what you would get but you would always find something that would hook you in. It was a voyage of discovery. It is the difference between going to Hay-on-Wye or the Amazon website for a book. If you know what you want, Amazon is fine, but if you are just looking around, just fishing, if you are culturally interested and looking to be engaged, you go to Hay.

[109] The third interesting point is that there is a knee-jerk response here: when you ask newspaper editors what they are going to do about declining circulation, their default assumption is to go downmarket. Looking at newspaper sales in the UK, the Sunday tabloids, which exemplify this trend, have lost 60 per cent of their readership since the mid 1960s. The quality newspapers, the so-called ‘quality quartet’, have increased sales markedly. Take the arrival of *The Independent* in 1986 and the *Independent on Sunday* in 1987 out of the equation and you would still have a growth in sales. *The Guardian*—and maybe you should read it—is more than just holding its readership. Furthermore, it is not threatened by online journalism, which is another mistaken bogey in all of this, because newspapers were declining before the web was invented and before most of us were e-mailing. There were all sorts of lifestyle changes at the time. We were demolishing estates, moving people out of inner-city areas and shutting down the sorts of jobs where people bought a paper on their way to work to read during their lunch hour. There were long-term sociological shifts and lifestyle changes

and much more happening. *The Guardian* online now has 20 million hits a month, 8 million of which come from the States.

10.40 a.m.

[110] It is selling advertising in the States. There are more people reading the *Financial Times* in America than there are in the UK. When I was flying to New York for the first time, I had a guidebook that was full of interesting facts. I learned that there are more Irish people living in New York than there are in Ireland. It is barely credible that there are more *Financial Times* readers in America than in the UK. Post 11 September 2001, Americans thought that the coverage was no good. It was the pits: people were not giving the facts, they were ranting, and television presenters were coming on screen wrapped in the flag—literally. They did not want that and felt that they could do better; they deserved better than that. So, they went to *The Guardian*, the *Financial Times* and the quality prints.

[111] The answer is that the relationship is much more difficult. I am surprised that no-one is putting together a very serious tabloid. Do not forget the *Daily Mirror* in its heyday selling 5 million copies a day, or Hugh Cudlipp and his wonderfully gifted team of page designers, journalists, editors, wonderful women journalists such as Felicity Green, and, yes, even marketing people. It was a tremendous product dealing with the major issues at the time. You would have Pilger writing about the race bar. We would not express it in that way now, but it was very serious, high-quality popular journalism. History shows that that is what sells newspapers, so I am not sure what sends editors careening off downmarket.

[112] **Alun Cairns:** You have partly answered my next question. I am sure that the cadeirydd will shoot me if I go on for too long, so I need to keep my question brief.

[113] **Professor Franklin:** I will try to respond in a similar fashion.

[114] **Alun Cairns:** You have talked about online services. What is your view of online services? We have talked briefly about *The Guardian*, for example, and its website, which I do read. To tie that in with weblogs, some blogs are taking over and have huge readership—much bigger than that of some national newspapers, in fairness.

[115] **Professor Franklin:** Way, way bigger.

[116] **Alun Cairns:** Exactly, which shows the influence that they can bring about. I want to couple that with the influence of websites. There are two websites that I tend to use—politicshome.com, which is basically a summary of the breaking stories throughout the day, and ePolitix.com. Nick Assinder runs Politics Home from the BBC. However, when I then pick up the newspaper the following day, all the stories have already been covered. The stories in the newspaper are nearly 24 hours old. Could you tell me your interpretation of online services, and what do you mean in your evidence when you say that the value of a 'print reader' compared with an 'online reader' is between 25 and 100 to one?

[117] **Professor Franklin:** Let us start with weblogs. I am fascinated by blogs. I edit two journals, one of which is called *Journalism Studies* and the other is called *Journalism Practice*. I received an article from a colleague at the Columbia School of Journalism. He was talking about blogs at the BBC and the problems that they create. All news that emanates from the BBC is governed by charter and the requirements for objectivity. Suddenly, if you open these things up, you have ranting hysterical vicars from Eastbourne writing, 'This appalling stuff is in no way meeting charter commitments to impartiality'. I think that, in the run-up to the next general election, it will be a real worry for the BBC, which now has a lot of people gatekeeping this stuff and minding it.

[118] On a more positive note, the figures in the article were staggering. They are much bigger than you can imagine. Robert Peston's blog is read by 8 million people. Do I need to say who Peston is? That is the case with every blog that he writes. Nick Robinson's blog at the BBC attracts between 3 million and 4 million readers. Some national papers' readerships can be as low as 175, and, if you stay with the quality quartet, it goes from well below 1 million, popping up to 3.5 million—

[119] **Alun Cairns:** That must be *The Daily Telegraph*. [Laughter.]

[120] **Professor Franklin:** *The Daily Telegraph* readership is declining, despite its new newsroom. So, there is huge potential here. The readerships are immense. Peston's blog was famously accredited with all sorts of financial consequence. Blogs are one thing.

[121] Online, generally, in the local press, people have rushed to get on board a bus but they did not know where it was going. The idea was that, somehow, an online edition was a crucial element in a rescue package to offset declining sales. They did not quite know what they were doing. They had tried it before, but it had failed desperately and they withdrew, hurt. It cost Trinity Mirror £50 million and the man in charge of it moved on. They were then doing it again.

[122] My colleague, Andrew Williams, and I did a study of this at the NUJ, because, at the Western Mail and Echo, in a newsroom that we thought was already strapped for labour and understaffed, a number of colleagues were asked to produce podcasts and video-grabs for the website. So, we did some research on that. One immediate consequence was that you take journalists out of a news production environment that is already short of staff. The quality was atrocious. You cannot get figures for these video-grabs. When I interviewed journalists and spoke to other colleagues, I found that they were taking stuff from Youtube and were using police videos showing police officers raiding houses in the middle of the night, shinning up ladders and climbing through bedroom windows—anything that was exciting. I went to the Liverpool Daily Post website and was disgusted—and I mean outraged. I rang up the Press Complaints Commission, which has a watching brief on this. There was footage of four young men at a secondary school beating up a physically impaired, disabled young man in the school toilets. They had filmed this on their telephone and Trinity Mirror had put this on its website. I thought this was disgraceful. I took some measure of the young men's motivation to be that this gave them an opportunity to grandstand and they thought, 'Let us go and bash someone and it will go on a website'. In other words, the quality control mechanisms here are very weak. It is not clear who watches it.

[123] Local websites are very different. I believe that there are examples of good practice in Tyne and Wear and in Hartlepool, where there is a postcode micro-local design to their website. So, every postcode area within Hartlepool has an aspect of the website and local people pile in local news. It is what people want. They are much more interested in what goes on in Hartlepool than in Haiti. It cannot be too local.

[124] You asked me to explain what happens. When you rush, in an adrenaline-fuelled bout of suicide, to go online as a local newspaper, certain things happen. If you persuade people to go online, you lose the copy revenue immediately. So, you have lost another reader. You are cannibalising your print readership. Around 80 per cent of a newspaper's income comes from advertising and more than 90 per cent of that comes from adverts in the printed edition. I gave the global figures. The net takes 5.7 per cent of \$425 billion. Printed newspapers take 29.7 per cent. In other words, when your reader abandons, with your warm encouragement, your print and goes online, you lose their 50p—or it may be up to £2 if they read *The Times*. You give them the newspaper for nothing. The amount of advertising you get from online sources is minimal and so you are cannibalising your own readership and revenues to a ratio of 1:25 at its most spectacular. You need 100 new online readers to generate as much revenue as

sustaining one print reader. This is an algorithm of the madhouse. I do not know why people are doing this. There is no sense in doing it. I think that editors all meet up and ask ‘What are your ABC figures? What are the circulations like? What are you going to do?’, and receive the response, ‘We are expanding our online content’ and are relieved. It does not save any of us. I cannot tell you the number of meetings that I have attended where the final solution to all these promises is to ask, ‘Would it help if we put something on the web?’, and everyone looks slightly relieved, and say, ‘Let’s do that’. However, it is not a solution to anything.

10.50 a.m.

[125] Many local newspapers and most national newspapers—*The Guardian* led the way—have a web-first policy, so they break the big story on the web. You then have a commodity—the printed newspaper—to put for sale three hours later, but who is going to buy it? There are worse things than that. If you put your best story in your online edition at 1 p.m., the local radio is reading it and it is on the news at 1.05 p.m. There is a real problem in this regard, and it is more adrenalin panic suicide fever that is going on. It is very odd.

[126] However, there is something that is worse than that, namely the undermining of editorial integrity. I put this to the head of Trinity Mirror’s online content, who has since been sacked and sent to be deputy editor of a Yorkshire newspaper. I asked him, ‘What is the problem here?’. A local paper decides that it is going to run a big story about the fact that eating carrots improves night vision and puts it on the front page. The story goes out online, but during the course of the day another story appears online, saying that eating Mars bars before bed is more fun. Looking at the number of hits that both stories receive during the day, you see that people are more interested in the Mars bar story, but you are running with the carrots story. Should you revise the carrots story? I asked what he would do if his editorial judgment was trumped by a crass populist story—or let us call it a reader’s choice story. His answer was that he would go with the Mars bar story.

[127] In other words, people are reneging on their editorial judgments, and allowing them to be superseded and trumped by what I would liken to the tidal wave of support for John Sargent on *Strictly Come Dancing*—never mind the quality, we like the guy. Mars bar stories may seem more fun, although carrots stories may be significant, have a better health message, be linked to policy and all sorts of things, but newspapers are in the business of selling papers and returning investment to shareholders, and not in distributing important information and holding their own in significant debates. That is a real problem, in that online content allows newspapers to accurately assess where the public mood is and just go with it. It should be part of what newspapers do, but it is only part of the story.

[128] **Alun Cairns:** My final question is on the media forum that you mention in evidence. What might this look like in Wales, and, to be a little provocative, would it just be a talking shop? What would be the outcome from it?

[129] **Professor Franklin:** I like the phrase ‘talking shop’—I am an academic. I am also a pacifist, and I think that these things are better discussed rationally than by having people thumping each other. My problem is that I think that there is often not a sufficient talking shop. When I was conducting research for Trinity Mirror, I was criticised afterwards for not talking to the management, but I knew that the management had been told not to talk to us. A forum where the owners of, if I can use the old phrase, the means of production, and the workers who deploy them, could get together to discuss common challenges would be valuable. If there were other interested stakeholders in such a forum, it could be very valuable. The idea is not mine—it comes from *The Guardian* editor, Alan Rusbridger, bless him—and it was included in the first Hugo Young memorial lecture. I think that it is a very good idea. Too often, the answer to the question, ‘What are we going to do about all the things that we think are wrong with the press?’, is to legislate or to regulate. Some type of

monitoring approach—not finger-wagging, as Alan said—is needed. In an all-embracing way, it should monitor key stakeholders—how that phrase has fallen from grace in common parlance over the last two years, but it is still important. It should look at who has an interest, who has a voice and who has something to say that we should consider? How can we help to reshape, advise and monitor events in the Welsh press? Part of that might be appropriate in the ‘academy’—it is neutral territory; it is also well placed to conduct research and to offer specialist information and advice. It would be a useful initiative.

[130] **David Lloyd:** Mae ein hamser ar ben. Diolchaf i’r Athro Bob Franklin am ei gyfraniad arbennig y bore yma. Byddwch yn derbyn copi o drawsgrifiad o’r cyfarfod hwn, er mwyn i chi sicrhau ei fod yn ffeithiol gywir. Yr ydym yn edrych ymlaen at ddarllen eich cyfraniad, sydd wedi bod yn arbennig. Diolch yn fawr.

**David Lloyd:** We are out of time. I extend my thanks to Professor Bob Franklin for his excellent contribution this morning. You will receive a copy of the transcript of this meeting, so that you can check it for factual accuracy. We look forward to reading your contribution, which has been excellent. Thank you.

[131] Y tyst nesaf yw Brian Doel, rheolwr gyfarwyddwr grŵp Tindle Newspapers Cyf. Croeso i chi. Yr ydym wedi derbyn a darllen eich papur, a diolch yn fawr i chi amdano. Os yw’n iawn gyda chi, Brian, fel yr ydym wedi gwneud gyda phob tyst arall, trown yn syth at gwestiynau. Daw’r tri chwestiwn cyntaf gan Joyce Watson.

The next witness is Brian Doel, managing director of the Tindle Newspapers Ltd group. A warm welcome to you. We have received and read your written evidence; thank you very much for it. If it is okay with you, Brian, as we have done with every other witness, we will turn immediately to questions. The first three questions are from Joyce Watson.

[132] **Joyce Watson:** Good morning, I notice that you started life in Tenby; I live in Pembrokeshire, so that is okay by me. My questions are straightforward, but the answers are entirely up to you, as you have just seen demonstrated rather nicely. Can you describe the nature of your group of newspapers in Wales and the impact, if any, of the present economic conditions?

[133] **Mr Doel:** Our newspapers in Wales are very local, community newspapers. I cannot speak for daily national papers. I have been a journalist on national papers, including the *Daily Mirror*, which the professor talked about, at about the time that Hugh Cudlipp gave *The Sun* to the *Daily Mirror*. However, most of my 40 years in newspapers have been spent in local newspapers, and we—Sir Ray initially, and later with my help—have built up a group of local community newspapers across the south of England and Wales, based on local communities. Each local community has its own cottage industry; it is a local community.

[134] Our most important reports are the Women’s Institute report, of which we get hundreds, reports from local committees, reports from schools, reports of five-year-old Johnny scoring his first goal in his first football match and so on. As a result, these newspapers are read, and continue to be read, more than the big, regional and daily papers. In some cases, our circulations have been going up as the regional papers’ have been going down; we believe that that is because people still like to look over their garden fence at what their neighbour is doing, and people like to be part of a community. Our policy, when we talk to editors and general managers, is to say that we want local faces, local names and local places, and that they should forget everything else.

11.00 a.m.

[135] That is what makes the paper, and that will give it the platform, to which the journalists can add; the rest of the stories that go with it, such as political stories, will then follow. That is what happened at Tenby, when Sir Ray went there. The previous owners had

stretched the borders and had called the newspaper the *West Wales Observer*, as I think it was at the time. The area that it covered was too spread out, and the readership did not know what the paper was doing. So, Sir Ray said that if anything happens in Tenby—even if a cat gets run over there—it should be put in the paper, and that anything that happens outside of Tenby should not. As a result, circulation, readership and the level of advertising went up. The paper and all the jobs were saved, and at the same time we have added to the number of jobs.

[136] That is the policy that Tindle Newspapers Ltd adopts across the area. We have one free newspaper, which is based in the Vale of Glamorgan, and that is the *Glamorgan GEM*. Again, that was launched by a disaffected *Western Mail* journalist, who did very well in his local community. He produced a local community newspaper, and it got bigger and bigger. He thought, ‘Great, I will attack Cardiff.’ So, in going from a circulation of 50,000 to 150,000, the newspaper lost its centre, and it added to its costs to such an extent that it eventually became broke, and was sold. By the time that Sir Ray and I took it over—14 years ago now—it was a 12-page paper which was losing an awful lot of money. The staff were coming and going and being fired. We went in and said, ‘It has to be local, it has to be about the Vale of Glamorgan, about Cowbridge, Llantwit Major and so on.’ In that area, we split the paper into editions: the *Barry GEM*, the *Cowbridge GEM* and the *Llantwit Major GEM*, and said that everything had to be local.

[137] Within six months, the newspaper went from being loss-making to making a profit—albeit a small profit. It turned from being a 12-page paper to being a 36-page paper. As this policy continued, it grew and grew, and now there are 64-page papers being produced. It was fascinating to listen this morning to the Government spokesman and to Professor Franklin, who said that the *Western Mail* is the national paper of Wales. In Cowbridge, 194 copies of the *Western Mail* are sold every day. The same 194 people buy it every day, and they are probably—although I should not say it—solicitors and business owners—

[138] **Alun Cairns:** Estate agents?

[139] **Mr Doel:** Yes, that is right. At the newsagents in the centre of the High Street, if the *Glamorgan GEM* is not there by six o’clock on the morning that it is produced, we get calls from the newsagent saying, ‘Where are my copies? I have customers coming in.’ Between 700 and 1,000 copies go out on that day. The paper is kept for the week and read, because it is full of local Women’s Institute reports, local political stories, council-related stories and so on. That is our main ethos and our reason for publishing.

[140] As a result, the majority of the advertising is local: the butcher, the baker, the candlestick-maker. They are the ones who advertise with us. When the property and recruitment markets collapse, we lose revenue, and our revenue is down by probably 25 or 30 per cent on these small papers. However, we are still getting the core, local newspaper run revenue. So, we are finding it much easier to survive than many other newspaper groups. I can expand on that, or should I wait for another question?

[141] **David Lloyd:** Do you have some follow-up questions, Joyce, on the same kinds of themes?

[142] **Joyce Watson:** Yes. One question I have is: how many people do you employ in Wales, and in how many locations? In part, the answer to that is included in your paper. Moving to the next question, which I find more valuable, you have spoken about your company being a private newspaper group; do you deal with the current difficulties differently to publicly quoted companies like the Trinity Mirror group? How does being a private company make so much difference to the nature of your business? In part, you have already dealt with some of that, but you said that you would like to elaborate, so I am giving you an opportunity.

[143] **Mr Doel:** Yes, we have just one shareholder, Sir Ray Tindle, who is 82 and served in the second world war. He came out of the war and used his £350 gratuity to start out in newspapers. Since then, he has built the business up. He has been through six recessions, and each time, he has emerged stronger than before. As there is only one shareholder, he leaves the profits that the newspapers make in the company. The majority of the profits go into reserves, so that when hard times come, like this winter, when suddenly everything collapses, we can use them. We have newspapers with lots of property advertising—there is one where £1 million of property advertising was wiped out in one go. That hurts, but we have the reserves, so we batten down the hatches, lower spending, and keep the papers while they are still producing a profit, although it might be a reduced profit, and our reserves might decline. However, companies like Trinity Mirror and Johnston Press have chief executives who serve the shareholders. Their reason for being is to produce a dividend at the end of each quarter, and at the end of each year. If they do not, the value of their shares goes down, or people sell them, and they are looked on as pariahs.

[144] If the market declines, such businesses have already given away the profits in dividends. They find they need money to continue, so they make cuts, and the easiest areas to cut are the non-revenue-earning sections of the paper, such as editorial or distribution—they are the first areas to be looked at. If you cut a couple of reporters, it does not stop the advertising coming in. Professor Franklin said that 90 per cent of our revenue—or in some cases, such as free papers, 100 per cent of the revenue—comes from advertising, so we do not exist because we have put a product out in the marketplace; we are there because the market is supporting us. That is how our business develops.

[145] **David Lloyd:** Eleanor now has a couple of quick-fire questions.

[146] **Eleanor Burnham:** You just mentioned the recession; your chairman has been quoted as telling your management team that this is the worst newspaper crisis since the second world war. Is that an exaggeration?

[147] **Mr Doel:** No. I was with the Mirror in the 1970s, although I was in a fairly lowly position, so that recession went over my head. However, in the 1980s, 1990s and early 2000s I was involved in newspaper management or I owned my own newspapers, so I experienced the recessions at those times, and I reacted to them. The onset of recession has never been so rapid. That might be a consequence of globalisation, to an extent—the fact that everyone can see it happening so quickly. People say, ‘The banks are collapsing—take your money out of the banks’, so the banks collapse, and people expect that everything else will collapse as a result. People talk themselves into a recession and the economy declines much quicker than before. We have lost revenue much quicker than we ever have before. I hope that globalisation will mean that the emergence from the recession will be just as quick. Some senior bankers that I have spoken to say that it will be a V-shaped recession where the economy comes down and then bounces straight back up again, and that, within the same amount of time, we will be up and running as normal, so to speak.

11.10 a.m.

[148] **Eleanor Burnham:** Do you believe that they are right?

[149] **Mr Doel:** I hope so. Next question. [*Laughter.*]

[150] **Eleanor Burnham:** What is your group’s view of the online services? Do you have plans to develop those? Is it not the case that, at present, they do not make money? I assume that you were listening to Professor Bob Franklin.

[151] **Mr Doel:** They do not make money; we know that they do not make money. To a great extent, Sir Ray kept us away from investing money from the newspaper side of the business in internet development until fairly recently—within the past five years or so. We are now developing online services. In the main, we are creating websites for our newspapers. On the property side, for example, we have a website called ‘Latest Homes’, but we are not minded to pay to put all of the property on the website and forget the newspapers. Estate agents are paying £500 a month for these websites and they are advertising with us. They are looking at what they spend on newspaper advertising and thinking that they will have to go online. So, we say to them that, having created this ‘Latest Homes’ website, if they continue to spend money on advertising in our paper, we will put the property online.

[152] Because we have 230 newspapers around the country, we can put all of our property from all of our papers on this one website, and it is free, but it means that we are maintaining the revenue for the local paper. It keeps the local estate agent with the local paper and the local community, but we are spending some of the profit on this website, which means that they are getting the best of both worlds. That is what I think should happen with the online recruitment advertising that we are also developing. If we put it in the paper, it goes online as well, and there are links to it from different places. Therefore, we are developing online services, but we are also developing the printed media as a back-up in order to promote the services and to keep the communities going in that way.

[153] **Eleanor Burnham:** That is not a business model that Trinity Mirror would follow because it is obviously eating into your profits or your reserves.

[154] **Mr Doel:** It is not eating into the profits or the reserves because, as a result of our doing these things, more local estate agents are advertising with us because they know the houses will be advertised online. Therefore, it increases revenue for the newspapers, and that revenue is then spent on online services.

[155] **Eleanor Burnham:** How can we help you to secure plurality in the local newspaper sector, if at all?

[156] **Mr Doel:** As I said in my paper, the idea of subsidising newspapers will never work. However, Professor Franklin had a good idea, which I think would solve the problem. Local authorities and central Government advertising more in the existing community papers would provide the cash to increase circulation. It would have a better effect than advertising in a paper in Cowbridge that goes to 194 homes, as we print something like 40,000 copies across the country. A couple of times during the meeting, when I was in the public gallery, I became quite irate. Examples were put in my hands yesterday of instances where decisions of where to place public advertising have been unfathomable. To go back to the example of Cowbridge again, where I used to be, the paper there is the paper of record for Cowbridge and almost every person there reads it. Recently, there was a road closure in Cowbridge that was advertised in the *Barry and District News*, which does not sell one copy in Cowbridge. Well, it might sell one, but it is not a Cowbridge paper. It is a paid-for paper, whereas ours is free. Is it the Assembly Government’s decision to say, ‘We’ll only advertise in paid-for newspapers’?

[157] **Eleanor Burnham:** So, it needs to look at this very carefully and discuss it with papers such as yours, because it is not getting value for money and it is not hitting the right audience with this information, which people need.

[158] **Mr Doel:** That is true. It is very well documented. At the end of my paper, there is JICREG information on the whole of Wales, which shows the readerships of papers: how many people read them and the sectors that they are from, and so on. You will see the *Cambrian News*, where I was yesterday, in that table. The *Western Mail* is meant to be the national paper for the areas covered by that paper, but you would have to go to a few

newsagents to find a copy of it.

[159] **Eleanor Burnham:** As I said to the other gentleman, I am from north Wales and I would not read it if I did not work here.

[160] **David Lloyd:** We will move on to the next question, which was the last question put to Professor Bob Franklin, on a media forum for Wales. What is your view of having a media forum that would bring together newspaper groups and stakeholders, with a view to safeguarding plurality?

[161] **Mr Doel:** I think that it would be a good idea for the academics and for the big groups and for the people who can afford to have people discussing that sort of thing, because it would be a talking shop, as was said, and somewhere where you could discuss matters, and things would come out of it. I would not stand in the way of a forum being established, but I would wait avidly to see the results of it and to hear about what people think we should be doing. We would have to look at the ideas that came out of it, and some of them might be good ideas that we could implement. However, we are such a local-community-based paper, a talking shop for the whole of Wales would be a little above our heads.

[162] **David Lloyd:** As a company, you have some involvement in radio, in the Channel Islands and with Radio Ceredigion. My parents are avid listeners of Radio Ceredigion, so I thought that I should give it a plug. As the Tindle group, do you agree with relaxing regulations relating to cross-media ownership, and, if so, how far would Tindle wish to extend such relaxation?

[163] **Mr Doel:** I am chairman of Tindle Radio Ltd. We have 15 radio stations, including the two Channel Islands stations, five stations in a cluster in East Anglia, and a couple in Hampshire, and then there is Radio Ceredigion in Aberystwyth. I believe that there should be a much closer tie between local newspaper publishers and local radio. It is inequitable that if I own a newspaper in an area, I am restricted to keeping within 10 per cent or 20 per cent of a radio station, whereas, if I own a radio station, I can launch a paper for the whole area without restriction and fight the local papers, but local papers cannot get involved in broadcasting. So, I think that the regulations should be relaxed. I know the viability of some of the local radio stations, and that would be improved if we could cross-sell and could tell Mr Jones that he will get his advertisement in the paper but, for an extra £50, he can also get five slots on the radio saying, 'Look in the paper for the list of cars that Mr Jones is selling', or just advertisements that act as a prestige builder.

[164] **Alun Cairns:** I am one of those people who waits for the copy of the *Gem*—

[165] **David Lloyd:** Along with a copy of *The Sun*.

[166] **Alun Cairns:** I am not a reader of *The Sun*. [*Laughter.*]

[167] I know how well read the *Gem* is, and it was with that paper in mind that I was asking the question about advertising and circulation in the earlier sessions, because I saw the circulation figures that you have in comparison with some of the papers to which advertising is channelled. It depends on your target market.

11.20 a.m.

[168] The question about taking public funding has partly been answered in the question about plurality, therefore I will use the time, if I can, to ask you about something that I think is extremely important. Your model, particularly for the *Gem* editions, is exceptionally successful, and I endorse everything that you have said about it. Can that model, particularly

for a free paper, work in more disadvantaged areas? The greatest part of your market for the *Gem* is the Vale of Glamorgan, and although it now stretches to Porthcawl and so forth with the rebranding, again, that is a relatively prosperous area. Bearing in mind that you work from the advertising income that you generate, could that model work in some of the Valleys communities where there may not be the same density of businesses with the resources to advertise on the basis necessary to sustain a paper such as yours; or is it a case of horses for courses, that is, it is basically up to you?

[169] I am pushing my luck a little with regard to the Chair, but I will carry on. I am amazed by the quality and amount of editions that your very small team in Cowbridge turns out, which is a huge endorsement of the team. However, I am also aware, from talking to the team, of the financial pressures that it faces in terms of turnaround and so forth. When it comes to such things as media fora, do your staff really have the time to participate in outside interests, when they have a huge job to do as journalists or as managing directors of the paper? Do they have the time—as journalists used to be able to do, many years ago—to play a significant part in civic life within their communities?

[170] **Mr Doel:** I think that the answer to that question is that everyone on the staff is part of a community. Again, our ethos is that we have community newspapers. Whether the staff are journalists, advertising salespersons or typesetters, they are part of the community; they take part in the community, they are members of the clubs, and they bring in the reports from themselves. Therefore, to a great extent, the journalists are all newspaper men. This is what we try to bring. They all love their newspaper, and everything that they do is intended to produce more readers, which gives you more advertising.

[171] In terms of your other question, if you have a situation such as ours, where we have a fairly spread-out group, although each of them are individual papers—cottage industries to a great extent; they do not overlap apart from at my level—you can produce free newspapers. We have done so for the Valleys communities above Bridgend. We had *The Bridgend and District Recorder* and Trinity brought out its *Post*, which went through the whole thing. Once you get a proliferation of these papers, it thins out the revenue to the point where it is not worth doing it and it can actually cost money to do it. Therefore, Trinity used the money that it generated in Cardiff. It used part of the £17,000 that you paid them to support the local paper in that area. Therefore, it gives them a broader district for leaflets, and when it approached the recruitment people it could say, 'For £17,000, you do not just get the *Western Mail*; you get this advertisement in such and such free newspaper, and also in the evening paper'. It is not national; it would not go to north or west Wales. Therefore, the answer is 'yes' and 'no'. You can do it, and it can be done successfully, and we have done so in other parts of the country where we have free newspapers that are competing very strongly with the paid-for papers in their communities and are also being very local and carrying the WI reports, which you never see in the *Western Mail*.

[172] **Alun Cairns:** I now have my final question. A report was done by a previous committee in which it reviewed the provision of publicly funded training courses for journalists in further and higher education. What mechanisms do you have for training staff, and could more be done to support your various titles in relation to training? That is, not could you do more, but could more be done on a joint basis to support them?

[173] **Mr Doel:** When I was with the *Daily Mirror*, I ended up running the Mirror Group national training scheme, which was based in the west country. Each year, we had 800 applicants for 12 posts. We whittled the number down and, eventually, they went on to become the national newspaper journalists. In the early 1980s, there was a printing and publishing industry training board, which levied for training from these companies that had journalists. If you ran a training scheme, you were exempted from that levy. The *Daily Mirror* received an exemption of around £500,000 per year and it cost £350,000 per year to do the

training scheme. So, you can see one of the reasons why it did it. That stopped in the 1980s, along with most training schemes around the country, because it was not viable to have a separate training scheme. Now—and this is what we use when we advise people who want to be journalists—some will come to local papers like the *Gem* now and are trained by the people there, who are senior and experienced journalists, while we advise others to go to the colleges to do a pre-entry training course that lasts for a year or two. We then take it from there, and do not then have to teach them shorthand and the basics of journalism. However, they are trained and they are made ready. More of that training is available.

[174] **David Lloyd:** Joyce has a supplementary question.

[175] **Joyce Watson:** It is a tiny question.

[176] **David Lloyd:** To end with.

[177] **Joyce Watson:** Absolutely. It is a very simple, straightforward question. Yours is, quite clearly, a group of very local newspapers, but you travel and you cover a huge geographical area of Wales. I know, because I cover virtually the same area of Wales. I skipped over the number of people you employ, but my question relates to the previous evidence session. Where do you print your paper? If it is printed in one central location—and I do not know the answer to the question—has it squeezed deadlines and made it more difficult to file your local story in a timely fashion?

[178] **Mr Doel:** We used to have our own presses but we went out to contract printers for all of our newspapers. We do not now own a press; we leave it to the experts. We are publishers—we are newspaper men from that point of view—and not printers. As a result of that, we printed with Northcliffe Press in Swansea, at Mold in Deeside and a couple of our papers were printed in England. Northcliffe Press closed and there were not the presses in Wales to print our newspapers. So, we had to negotiate with Bristol, Staverton and places such as that. We went as far as Stoke to find the presses. We asked ourselves why we had closed our presses as we could do with having our own again. Then North Wales Newspapers reinvested in a press plant and now we are printing the *Cambrian News* there. As of next week, we will print the *Tenby Observer* there, the *County Echo* from Fishguard, the *Gem* is printed there and we are switching the *Abergavenny Chronicle* there within a month. When Sir Ray and I talked about my coming to this committee, I told him that Russell Whitehair, the chairman of the North Wales Newspapers said ‘All your Welsh papers should be printed in Wales’. Sir Ray said, ‘Yes, they should; we ought to be printing them all in Wales’. However, we cannot do so because most newspapers come out on a Wednesday or a Thursday.

11.30 a.m.

[179] We would need 20 presses to enable all the papers in our group to come out on the same day. Those constraints were one reason for closing our press. We told the various newspapers that one would have to come out on a Tuesday morning, another on a Tuesday afternoon, another on a Wednesday afternoon, and so on. We had to spread them throughout the week, regardless of whether the community wanted it that way or whether it fitted in with the community. By going out to contract printing, we can now say to the contractors that we want the paper printed when the public wants it. We will print it on a Wednesday at 4 p.m., and they will say ‘yes’ or ‘no’ and, if they cannot do so, we will go elsewhere.

[180] We are looking at the Newsquest press at Newport. The Trinity Mirror plc press at Cardiff is trying to woo us to print some newspapers, but it mainly wants us to print English papers. So, the answer is that we have people all around and, if we could print all our Welsh papers in Wales, we would, because Sir Ray believes that it is about community. If

