

Grwp Gorchwyl a Gorffen ar Ragolygon ar gyfer Dyfodol y Cyfryngau yng Nghymru

Lleoliad:
Ystafell Bwyllgora 2 – Y Senedd

Dyddiad:
Dydd Iau, 17 Tachwedd 2011

Amser:
13:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch a:

Marc Wyn Jones
Clerc y Pwyllgor
029 2089 8505
CELG.committee@wales.gov.uk

Agenda

1. Cyflwyniadau, ymddiheuriadau a dirprwyon

2. Ymchwiliad i'r rhagolygon ar gyfer dyfodol y cyfryngau yng Nghymru (13.00 – 15.00)

Cyfryngau printiedig a'u hundebau (13.00 – 14.00) (Tudalennau 1 – 55)

Media(4)-03-11 : Papur 1
Media(4)-03-11 : Papur 2
Media(4)-03-11 : Papur 3
Media(4)-03-11 : Papur 4
Media(4)-03-11 : Papur 5

Martin Shipton, Cadeirydd Cangen Caerdydd a De Ddwyrain Cymru o Undeb Cenedlaethol y Newyddiadurwyr
Meic Birtwistle, yn cynrychioli Cymru ar Gyngor Gweithredol Cenedlaethol Undeb Cenedlaethol y Newyddiadurwyr
David Donovan, Swyddog Cenedlaethol Cymru, yr Undeb Darlledu, Adloniant, Sinematograffeg a Theatr (BECTU)
Gwawr Hughes, Cyfarwyddwr Skillset Cymru
Dr Andy Williams, Ysgol Newyddiaduraeth, y Cyfryngau ac Astudiaethau Diwylliannol Caerdydd

Cyfryngau newydd a diwydiannau creadigol (14.00 – 15.00) (Tudalennau 56 – 69)

Media(4)-03-11 : Papur 6

Media(4)-03-11 : Papur 7

Media(4)-03-11 : Papur 8

Gwyn Roberts, Cyfarwyddwr, Cube Interactive

Owain Schiavone, Prif Weithredwr, Golwg 360

Richard Turner, Pennaeth Marchnata a Chysylltiadau Allanol, rhaglen arloesi'r
Academi Fyd-eang

3. Papurau i'w nodi (Tudalennau 70 – 79)

Media(4)-03-11 : Papur 9

Gwybodaeth ddilynol i'r cyfarfod a gynhaliwyd ar 13 Hydref, gan yr Athro Steve Blandford a Dr Huw D Jones.

Eitem 2a

Media(4)-03-11 : Paper 1

National Assembly for Wales: Communities, Equality and Local Government Committee, Task and Finish Group on the future outlook for the media in Wales.

Submission by the Cardiff and South East Wales Branch of the National Union of Journalists

We suggest this submission is read in conjunction with that of the NUJ's Welsh Executive Council.

Nearly three years ago this Branch of the NUJ made a submission to an earlier Assembly sub-committee inquiry which looked at concerns expressed at that time about the state of the newspaper industry in Wales. Much has happened in the intervening period to exacerbate those concerns and we believe the industry has now reached a critical and potentially dangerous phase.

At the beginning of 2009 we argued that the future of newspapers in this country was being imperilled by media companies' demand for unsustainably high profit margins. This had led to a succession of cuts which impacted on the numbers employed and the quality of the newspapers produced.

Since then profits have plummeted and further deep cuts have been imposed. While previous rounds of redundancy attracted a sufficient number of volunteers, the point has now been reached where staff are being made compulsorily redundant.

The Branch contains journalists who work for Media Wales, headquartered in Cardiff and the South Wales Argus and its associated weekly papers, based in Newport. The sections below summarise the positions at both companies respectively.

Media Wales

The company, a subsidiary of Trinity Mirror plc, is the largest newspaper publisher in Wales. It produces the Western Mail, the South Wales Echo, Wales on Sunday and the Celtic series of weekly papers.

Within Media Wales, the widespread view of our members is that the newspapers have a limited remaining lifespan. There is speculation that within a relatively short space of time the Western Mail will cease to be published as a daily and will become a weekly paper. If that happens, many more jobs will be lost, and Wales will lose its only daily paper that seeks to take a national view of the country.

Members have no faith in the group management of Trinity Mirror, which appears to have no discernible strategy beyond the imposition of cuts to make the annual balance sheet look as healthy as possible. Inevitably, the cuts make it more difficult for those that remain to bring the papers out.

On average, our members at Media Wales have endured one redundancy announcement a year since 2003, as well as the closure of district offices at

Swansea, Carmarthen, Neath, Aberdare and Ebbw Vale. Closing the latter three offices that largely served the company's weekly papers preceded significant falls in circulation as reporters were pulled out from the communities they served. Not long after the Neath office shut, the Neath and Port Talbot Guardians ceased publication.

Further cuts took place when the South Wales Echo moved from being an evening paper to one published overnight. Altogether, between 2003 and 2011, we estimate that around 100 jobs in the editorial department have been lost – approaching 50% of the baseline total. By our reckoning, there are now 138 journalists employed by the company.

Since “convergence” in 2008, when Media Wales journalists ceased being employed for a single publication and became responsible for supplying copy to all titles, there has been a policy of getting reporters to supply versions of the same story to more than one title. On a daily basis, therefore, readers will notice barely changed stories appearing in both the Mail and the Echo. Usually the Echo version will be a shorter version of the one appearing in the Mail. Obviously such duplication only occurs when there is a Cardiff or Valleys implication for the story that makes it suitable for the Echo. This policy has been instituted because there are insufficient writers employed to fill the editorial space available in all titles.

Management told our members that the latest round of redundancies, announced on July 15 2011 and involving 24 full time equivalent job losses, was imposed as a consequence of a huge downturn in advertising revenue during the first six months of this year. The loss of revenue from public and private sector bodies has been attributed by the company to the poor state of the Welsh economy, with both sectors having fewer jobs to advertise and retail trading being sluggish. Yet the cuts also form part of £25m “savings” across the group announced earlier this year by Trinity Mirror chief executive Sly Bailey. The announcement of savings of this order has become an annual ritual in recent years, designed we believe to appease the group's lenders and institutional shareholders. The group is heavily indebted, largely it appears because of past acquisitions. It is self evidently the case that the group's businesses are providing insufficient revenues to meet debt repayments without cuts that are damaging its newspapers.

At Media Wales, local management has been obliged to impose cuts that are having a negative impact on the newspapers. This summer's redundancies have led to a position where 10 reporters are providing local news for seven weekly papers. The content of the papers is beefed up in six of the titles by a common section of Valleys news which includes material recycled from Media Wales' other titles and a cross-title sports section. Another section is composed of so-called user generated material, supplied by non journalists. The members who work on these titles are doing the best they can to make them attractive to readers, but the low staffing levels inevitably make it much more difficult to produce newspapers of the quality that readers expect and deserve. During the redundancy consultation, the union was told that if cuts were not imposed on the Celtic weeklies, the alternative would have to involve cutting into the Cardiff newsroom, where reporters create copy for the Western Mail, the South Wales Echo and Wales on Sunday.

There were also four job losses in the sports department – three writers and a

production journalist.

The third area where job losses occurred in this summer's cuts was in the editorial production department. There are now significantly fewer production journalists to design pages and sub-edit copy, making it harder to spot mistakes and putting extra pressure on those that remain.

The latest round of cuts has led members to conclude that any further job losses in the editorial department will make title closures all but inevitable. Yet with Trinity Mirror annually announcing "savings" equivalent to many millions of pounds, and failing to come up with any credible strategy to end this downward spiral, members now equate pessimism with realism.

One factor that causes considerable anger to our members is the level of executive pay enjoyed by the group's directors. Despite presiding over a group that has shrunk considerably in terms of turnover, profitability and staff employed, Ms Bailey's total remuneration package in 2010 was £1.71m – a rise of £480,000 or 39% since her first full year in office in 2004. Given the group's performance since she was appointed CEO in February 2003, the union has argued that this amounts to a reward for failure.

In idealistic moments, members contemplate a future for the papers outside Trinity Mirror. Yet there would be serious difficulties involved in achieving such an outcome. Because Media Wales is part of Trinity Mirror, it is likely that any prospective buyer would be expected to include in the purchase price a contribution towards the group's debts beyond the current value of the business. Further problems arise out of recent decisions to transfer significant elements of the business to Liverpool, the Trinity Mirror centre to which Media Wales management now has to report. The circulation and pre-press functions are no longer controlled from Cardiff, for example, and the marketing department has been reduced to the extent that it now consists of just one person. Apart from representing significant further job losses at the company, such complications underline the fact that decisions about the future of the newspapers will be taken outside Wales.

Since the National Assembly was established in 1999, Media Wales' published accounts show that a total of £161.425m has been earned in pre-tax profits by the company. Little of that huge sum has been invested in Wales. All we have to show 12 years later is a business struggling for survival and the prospect of more of our members sacrificing their jobs so Ms Bailey and her fellow directors can continue to reap obscenely high rewards for a little while longer.

South Wales Argus

The South Wales Argus and its sister papers are owned by Newsquest, a subsidiary of the United States media group Gannett.

Under cuts announced on October 3 2011, the South Wales Argus and its sister weeklies the Free Press are to lose their last outposts in the county of Gwent, outside of Newport. Offices in Pontypool and Cwmbran will be closed in November 2011 with reporters moved to the city. Five redundancies are planned – two among sub-editors, one among the reporters for the titles (including the

Caerphilly Campaign) and one among the Argus and Free Press photographers. To justify the move the company says the business has been hit as market conditions worsened in the East Wales division. To protect the business, the firm says it needs to restructure. While the cuts appear small – an office here, a job there – they are being executed at newspapers that have a long history of slashing budgets, of failing to replace vacancies and closing branches. Despite this the Argus has remained a vibrant Gwent-based title whose diligent journalists continue to break exclusives which are followed up by Welsh and UK-wide media. It is known and respected in Wales for being a campaigning newspaper– it has been a dogged supporter of the Ebbw Vale to Newport rail link and was at the forefront of calls for the Newport passport office to stay open. But the changes mean that both the Argus and the Free Press will lose their roots in the communities of the Gwent Valleys and Southern Monmouthshire, with employees under greater pressure to do more for less.

For decades the Argus possessed several offices in the Valleys, but in recent years these had been whittled down to one, in Pontypool. Although the situation wasn't perfect, the office meant that a team of four journalists could be based closer to stories that may be breaking in the circulation areas of Blaenau Gwent, Islwyn and the north of Monmouthshire. Those journalists will continue to cover these three areas, and generate a front page for the Valleys “local” edition separate from the Newport “final” version, but will face even greater challenges to meet contacts face to face while they are based in the city – with Ebbw Vale, one of the paper's strongholds, being a good 45 minute drive away. When a deadline is looming it is likely the reporters will resort to making phone calls rather than spend several hours driving away from the office. There is a danger that the title's standing in the Valleys will be diminished, with the Argus viewed as a distant Newport newspaper.

The situation is particularly grave for the Free Press – a stable of two weeklies that cover Pontypool and Monmouthshire in separate editions. The Free Press was already subject to cuts in 2008, when Newsquest closed its Abergavenny and Monmouth offices and told the Free Press reporters based in them that they would lose their jobs. Although the Monmouthshire edition continued in name to cover those areas, in practice the paper is now dominated by stories from the south of the county, predominantly from Caldicot and Chepstow.

As a result of the closures the Free Press reporters, two based in Pontypool and one in Chepstow, will lose their base in the communities they serve and will be moved to Newport. Both papers make great use of members of the public dropping in to share stories. This closeness, with the newspapers based directly in the middle of the towns they report on, will be replaced with the remoteness of working over the phone and waiting for contacts to bring news to them rather than being able to witness it themselves. Reporters will end up having to weigh the value of travelling out job-by-job, while members of the public will likely view visiting Newport to meet a reporter as inconvenient and will see the papers as less part of the life of Pontypool and South Monmouthshire than in the past.

Reporters, sub-editors and photographers will also come under increasing pressure as a result of the planned redundancies. For reporters, losing a staff member will further increase the amount of copy one reporter must produce and force employees to work longer hours beyond those that they are contracted to. Already without the cuts there are days at the Argus where there is only one

reporter working on the Newport edition – and in a worst case scenario that person may have to source and write four stories or more in just one day. Although reporting is not a traditional 9–5 job, staff cuts mean journalists lose their free time not because of breaking news stories, but because the newspaper would not get completed otherwise.

The redundancies also have implications for the quality of the newspapers – a journalist who faces a long list of stories to complete is not going to be able to spend as much time checking their work, speaking to sources and maintaining links with the community. Sub-editors, who produce pages for a raft of titles including papers in West Wales and the English West Country, will be left with less time to design and check pages, to spot errors and maintain accuracy, while the photographic department will be under greater strain to cover breaking stories and produce fresh images for the newspaper with one less full-time photographer.

Argus and Free Press journalists have proved time and time again that they are capable of producing excellent work despite the lack of resources imposed on them by Newsquest. However, maintaining high standards and their link with the communities of Gwent will become increasingly difficult with the current round of cuts – and could prove to be impossible if further cuts are made in 2012.



Media(4)-03-11 : Paper 2

National Assembly for Wales: Communities, Equality and Local Government Committee, Task and Finish Group on the future outlook for the media in Wales

Submission by the Welsh Executive Council of the National Union of Journalists

Introduction

The Welsh Media is in severe crisis. The NUJ has been able to identify more than 2,000 job losses among major media organisations in Wales during the past two decades.

New jobs have been created during that time, admittedly, but they have often tended to be short-term contracts rather than staff positions.

It is often hard to quantify the job losses because company accounts do not fully reveal the scale of cutbacks. Media organisations use commercial in confidence and other mechanisms available to curtail the amount of information available to the workforce and public meaning it can be difficult to fully analyse the changing patterns of employment and conditions in the media sector in Wales. One thing is certain: the company accounts do not show the deterioration in news provision to which these cutbacks have led.

The NUJ believes that this Welsh media crisis is not one primarily made in Wales.

Overwhelmingly, decisions about the future of Welsh media - whether a local weekly paper or the fate of S4C and BBC - are being made by chief executives based outside of Wales and Government ministers in Westminster.

The NUJ believes that these individuals need to be called to the Assembly Task and Finish Group inquiry to account for their decisions which are fundamentally destroying media provision for people in Wales.

However, the NUJ also believes that the Assembly and Welsh Government can do much that can help the continuation of a strong, pluralistic media in Wales providing quality news and programming which better reflects the day-to-day life of people in Wales.

Our submission to the Assembly Task and Finish Group inquiry aims to show the scale of the media crisis in Wales and the effects it is having on news provision and programming; we also intend to show that there are options available that can reverse the process of media decline.

Newspapers in Wales

The crisis facing newspapers in Wales threatens their survival. Large numbers of jobs have already been lost and offices and titles have closed.

It seems inevitable that further losses – of jobs, offices and titles – will occur. We believe this is a serious threat to Welsh democracy. Without a vigorous press, based in the communities they serve, fulfilling its essential role of holding the powerful to account, the functioning of that democracy will be seriously compromised.

The internet has been hailed as an enabling tool that has vastly extended the ability of ordinary people to express themselves and participate in debate about important issues. Yet we hold strongly to the view that a functioning democracy cannot do without trained journalists to report facts, not just opinion. Journalists provide a unique service to the public by providing accurate and reliable information and analysis.

It is especially unfortunate that, as the National Assembly and Welsh Government accrue more powers, the future prospects for Welsh newspapers appear so bleak. There have been significant job losses at the four major companies where the NUJ has significant membership – Media Wales, the South Wales Argus, the South Wales Evening Post and Trinity Mirror North Wales.

At all four centres there are concerns among our members as to what the future holds. A separate submission from the NUJ's Cardiff and South East Wales branch sets out the position at the first two centres.

In South West Wales, there have been at least 20 editorial jobs lost from redundancies and non-replacements at the South Wales Evening Post and related titles since 2009.

Most other papers in the South and West Wales area are now operating on skeleton staffing levels – the South Wales Guardian has only three editorial staff, according to recent information.

Even where there haven't been redundancies, there has been a shrinking of staff through non-replacement or not covering maternity leave, such as at the Western Telegraph and Cambrian News.

The Northcliffe/DMGT group, which owns the South Wales Evening Post, has dismantled its regional structures and is now one UK-wide structure. This could mean that decisions taken about the future of the South Wales Evening Post, Llanelli Star and Carmarthen Journal will be made far away from readers and be taken in London instead. Given that three Northcliffe regional dailies in England have gone weekly in the past year, it is not unimaginable that we could see the South Wales Evening Post going weekly, and/or a merger of the Llanelli Star and Carmarthen Journal.

At the moment, we believe these titles are all marginally in profit but only at the expense of cutting staff numbers – most of the advertising and other functions in Northcliffe are now centralised. Much of the South Wales Evening Post's advertisement planning, for example, is being done in Plymouth, and the Llanelli Star and Carmarthen Journal are printed in Didcot, while the Post is printed at the Trinity Mirror press in Cardiff.

The only area where there has been a slight growth has been in "lifestyle" magazines run by Northcliffe - one has been taken over (Swansea Life) and another created from scratch (County Life in Carmarthenshire). Both are aimed at attracting high-end advertising, but they don't cover hard news.

North Wales

In the past five years at least 10 editorial roles have disappeared in Trinity Mirror North Wales, either as a result of redundancy or non-replacement. The majority of those roles

concerned page production and the redundancies resulted in the loss of a number of experienced sub-editors and page designers.

The editorial workforce is now down to approximately 52 staff.

The remaining workforce produces the Daily Post (two editions), North Wales Weekly News (three editions), Caernarfon and Denbigh Herald (two editions), Bangor and Anglesey Mail, Holyhead and Anglesey Mail, the various companion websites and the tourism website northwales.co.uk

In terms of newspaper closures, the Denbighshire Visitor was scrapped around a year ago. That paper had itself replaced the previously closed Rhyl and Prestatyn Visitor, Abergele Visitor and Vale Advertiser (Vale of Clwyd) newspapers.

The group made a commitment at the time of the Denbighshire Visitor closure to produce two editions of the Daily Post (covering North East Wales and North West Wales) to make up for the loss of coverage in North East Wales as a result of those closures. Those two editions continue to be published.

The Welsh language paper Yr Herald Cymraeg closed about five years ago and was replaced with a smaller weekly supplement inside the Daily Post.

In the past five years district offices have closed at Porthmadog, Pwllheli, Holyhead, Bangor, Denbigh, Rhyl and Colwyn Bay.

Even the independent companies haven't avoided cuts. North Wales Newspapers has recently cut 12 jobs, and in the past has made editorial redundancies.

The Denbighshire Free Press is now produced entirely in Mold; the Leader is no longer an evening paper, and several editions have been cut.

Tindle Newspapers, whose titles are spread across Wales, have remained relatively untouched, although the company has a policy of non-replacement of staff where a title isn't making a profit.

This we believe has led to a situation where the remaining staff has unmanageable workloads and is exposed to unhealthy workplaces/culture. In these circumstances managements have devised strategies to make a little go a long way - but increasingly they are left with papers short on stories and a difficulty in producing items of interest to a general readership.

Typically a title will provide several pages of genuinely local news and sport and be padded out with stories from nearby communities and features on issues that can be printed in all their titles in the group.

These are usually put together in one office by a couple of journalists and sub edited centrally. The closure of offices has made titles more remote from communities they purport to serve.

Circulation decline

There are, in fact, several reasons why newspaper circulations have been in decline over a long period, and the trend has been ably documented by many academics. But it is our view that the crisis has been exacerbated as a result of serious strategic mistakes made by the groups that own newspapers published in Wales. These groups have applied the same policies in Wales as in the rest of the UK. At a time when high levels of profit were being made, investments should have been made in journalism and jobs. Instead, damaging cuts were made so profits would rise even higher. The NUJ believes the cuts-for-profits model of media ownership can be associated with endless attacks on workers' living standards and is the price paid by media workers who produce the company profits. Many companies lack the vision to seize opportunities for growth and fail to recognise hard-working staff are the

business' best assets.

Many companies took the decision to put the entire news content of newspapers online free of charge on the assumption that digital advertising revenue would match that from print. This has encouraged people to believe that information should be readily available free of charge. One consequence of such a policy has been the acceleration of newspaper circulation decline, and with it the decline in the number of workers employed in the industry. Companies should have invested in innovation on the web to increase readership and advertising revenues. The same mistake, incidentally, was not made in other European countries.

An indication of the scale of the decline emerged at the opening seminar of the Leveson inquiry into the phone hacking scandal in London on October 6 this year, when media analyst Claire Enders estimated that 40% of jobs in the UK regional press have gone over the last five years.

It is often implied that the decline in newspapers is being offset by an upsurge in news content available online. We argue there is little evidence that this is happening in Wales. Jobs lost at newspapers are not being replaced by online providers.

In our experience there are no stand-alone news websites anywhere in the world that provide more than a comparatively small number of jobs for journalists: the advertising revenue simply isn't available.

Instead news "not spots" are developing, where newspaper coverage has ceased and no alternative has filled the vacuum.

Media Wales

Cuts that have already been made mean there will be significantly fewer career opportunities for journalists in Wales. The summer cuts this year at Media Wales involved a cull of recently trained reporters, most of whom are likely to be lost to the industry.

This new development is bad news also for the talented young students who pay high fees to do the postgraduate course in newspaper journalism at Cardiff University, regarded for decades as one of the premier courses of its kind in the UK and beyond.

A fuller report of recent developments at Media Wales titles in South Wales is covered in the submission to the Assembly Task and Finish Group inquiry by Cardiff and South-East Wales NUJ branch.

The role of the National Assembly and Welsh Government

Given the threat to the survival of newspapers in Wales, we believe the National Assembly and Welsh Government should do what they can to protect them. Recognising the important role that newspapers play in Welsh democracy, we believe the Welsh media and its journalists should be seen as community and national assets. Their fate should be seen as too important to be left solely to the whim of media groups and chief executives from outside of Wales.

Clearly neither the National Assembly nor the Welsh Government has formal regulatory roles so far as the Press is concerned. But the fact that this inquiry is taking place is itself a reflection of the importance accorded to the future of the Welsh media by AMs – for which we are grateful.

The National Assembly and the Welsh Government have a democratic mandate to support local jobs and industry in Wales and are stakeholders in local newspapers by virtue of their (still) large advertising spend.

We believe the National Assembly and the Welsh Government could assist Welsh

newspapers' chances of survival by declaring them community and national assets, and by opening a dialogue with the groups that currently own them.

The NUJ believes that Welsh politicians could ask media groups to inform their workers, the public and politicians at any stage about proposals to close newspapers. For example, if newspaper groups intend to turn a daily paper into a weekly, they should consult with those affected and be prepared to offer to sell the titles to third parties who would be prepared to carry on publishing them. At such a point the National Assembly and the Welsh Government could act as honest brokers with a view to ensuring the survival of the threatened paper or papers. This could entail the injection of public money on the proviso that any trading surplus was reinvested in quality journalism and that editorial independence was maintained.

Traditionally, there has been an aversion from proprietors to any kind of interference from third parties, be it workers, politicians or the public. At a time when the future of newspapers is threatened, we would favour the involvement of a broader section of society to ensure a viable future for the newspaper industry.

The NUJ has been campaigning for a number of years for an economic stimulus plan for the media and has made the following suggestions:

- A levy introduced on commercial operators who benefit from quality public service content - including local news - but do not contribute to its production
- Tax breaks for local media who meet clearly defined public purposes
- Tax credits for individuals who buy quality media
- Direct support to help establish new genuinely local media organisations
- Strategic use of central and local government advertising
- Support for training opportunities that open access to journalism.

Broadcasting

Recent headlines about broadcasting in Wales have been dominated by the BBC licence fee settlement which included the imposition of a range of new funding commitments - including the funding of S4C. This issue, along with the management crisis at S4C, adds to the continuing erosion of Welsh broadcast media.

A wide range of inquiries over several years has concluded that there is a growing democratic deficit and cultural under-representation by the UK broadcast media and by Welsh broadcast media.

The current intentions of the Secretary of State for Culture, Media and Sport regarding S4C will result in the total destabilisation of an already weakened Welsh media.

Following the launch of S4C in 1982, Wales was equipped with three major broadcasting institutions – over the ensuing decades government policy and market pressures have massively undermined these institutions.

ITV Wales – formerly HTV Wales and the West, an independent part of a federated ITV - is a shadow of its former self following successive rounds of redundancies and cutbacks to programming.

BBC Wales – has reduced in status and resource allocation within the BBC structure as the nations and regions have lost influence and funding has been cut which has contributed towards an increasing obsession in producing network output rather than the representation of Wales on screen, air and the web in a bid for cash and kudos within the corporation.

Now S4C's editorial and financial independence is to be axed by the DCMS. The plan for the BBC to take control over the finances of S4C and also to occupy seats on its authority makes the channel a wholly owned subsidiary of the Corporation – whether in London or Cardiff.

Three proud, high achieving and autonomous (if not independent) broadcasters have been reduced to shadows of their former selves.

Ironically, this has happened during the years in which Wales as a nation has seen its political autonomy gradually expand as its media presence sharply contracts.

Shotgun wedding

A shotgun wedding between the BBC and S4C was proposed by the Secretary of State for the DCMS. And the bridegroom, in the shape of BBC management and trustees, bowed to the enormous threat posed to their finances by agreeing to the match.

The changes are a direct result of the licence fee settlement clinched behind closed doors last autumn between the Coalition Government and BBC management. The deal froze the licence fee until 2017 and introduced new funding responsibilities for the BBC including S4C. In addition S4C has also been weakened by internal crisis and digital switchover.

However, neither Welsh civic society nor political representatives were consulted about the changes.

Output threatened

Currently proposals are being floated that would further undermine BBC Wales and ITV Wales' output.

At the BBC, round after round of cuts and redundancies have undermined the broadcaster: BBC management have said that the BBC provides "the best journalism in the world" but the cuts outlined as part of the Delivering Quality First announcement risk irreparable damage to the BBC.

The full details of the cuts – which include slashing 2,000 jobs across the BBC - are still emerging but the proposals represents a 20% cut over 5 years – this is in addition to the 7,000 jobs already lost at the BBC since 2004. A figure of 100 job losses at BBC Wales is currently being mooted.

Documentaries in Welsh (O Flaen Dy Lygaid) or Current Affairs (Taro Naw) have been or are likely to be for the chop. Political programmes, such as Dragons' Eye in English, may also be axed.

At ITV Wales new proposals being considered would see the effective disappearance of factual programming outside a watered down news service – as famous Welsh current affairs and documentary strands are likely to be subsumed into a general UK/regional news hour.

S4C's output will be attacked not only by the centrally imposed cuts in financing from the DCMS but by the hacking away at the staff and budgets of BBC Wales' weekly ten-hourly contribution to the Welsh language channel's output.

After 2015 unspecified BBC bosses would decide what monies would go to the Welsh TV broadcaster – garnered from whatever sources.

One public service broadcaster having been pressured into taking over its sister body it would then have to decide how to apportion the cuts within its own services to pay for the deed.

Independent Radio

In independent radio, OFCOM has recently stated to the relevant Welsh Government minister that they are unable to intervene on the question of content on these stations in the case of mergers or matters of output - further demonstrating the lack of control that the people of Wales have over their own media. What about BBC radio?

Freelance

All the above cutbacks in broadcasting and print media have meant that the freelance sector of the media in Wales has grown considerably - yet this is in the context of the industry itself shrinking. Large sections of the freelance sector are now effectively under-employed if not unemployed for considerable periods.

Training

Hundreds of media graduates from Welsh higher education establishments enter the jobs market each year. In the light of the shrinkage and convergence in the media training becomes ever more important as an issue for the beleaguered workforce.

NUJ Training Wales has funding until March 2014 to enhance skills development of media workers in Wales during the recession.

The programme will offer one and two-day courses including new media skills training to reflect the evolving industry, courses aimed at workers who have been made redundant, a mentoring scheme and self-directed online courses. It is designed to equip workers with a wide range of skills that will improve their chances of gaining work and staying in work. Courses will start at the subsidised rate of £25 per day so that they are accessible to all members.

We can also offer careers support and advice. From January we will be rolling out one-to-one CV surgeries with a career advisor, as well as workshops on CVs, cover letter writing and interviewing techniques.

We are presently building an infrastructure to ensure that our student members are well supported and advised during the time they are at university, and that they receive careers advice at the end of their course, and throughout their career in journalism.

Governance and scrutiny

Drastic decisions relating to the future of the media in Wales have taken place recently without any consultation or consent among the Welsh people.

How and by whom can the Welsh media be called to account? Issues of governance and scrutiny must be addressed as a matter of extreme urgency in order to protect the Welsh economy, Welsh livelihoods, cultural identity and to address the worsening democratic deficit in the country's media.

Conclusion

General to all these scenarios of media decline - whether in broadcasting or print - is a relentless deterioration in quality despite the best efforts of staff. Convergence has only worsened the situation as journalists attempt to produce material for more outlets and platforms with less and less resources.

New media provision - digital and online - is too often being produced on a shoestring, and is in reality dependant on the core radio/television/print services consistently under attack. And now in time of crisis, private media companies are seeking a relaxation in media regulation – despite their record of running down their services.

Consequently, the democratic deficit facing the Welsh public, through lack of media scrutiny and accountability, becomes broader and deeper. The NUJ wants the media to provide decent employment and reflect the communities it serves.

The UK media shockingly shows scant interest in the political, social and cultural affairs of the Welsh people.

Again, it has been difficult to fully quantify the full scale of job losses and cuts because of lack of company information in the public domain, low levels of democratic oversight and scrutiny and the privatisation of jobs. Already, the turmoil surrounding the future of S4C has seen independent production companies make cuts - such as Boomerang, which is planning to get rid of 20 roles. We believe this could be just the start of a flood of redundancies stemming from the S4C budget cut.

The impact is not limited to journalists – the creative industries and many small independent companies face an uncertain future as a result of the changes to the media landscape we have identified. Actors, musicians and writers will also be victims as the reverberations are felt amongst the creative and media industries as a whole.

We feel the Assembly and Welsh Government must seriously address these issues. They must pull together an accurate picture of the state of the Welsh media and ensure that appropriate actions to address its decline are urgently found.

Below are a series of recommendations from the NUJ that the Welsh Government and Assembly could pursue to begin the process of establishing a healthier, more vibrant and pluralistic broadcasting and print media in Wales:

- Ensure continuing scrutiny of print and broadcasting media by the Westminster Welsh Affairs Committee and a standing Assembly committee - and to explore the possibility of joint sessions where the managements of Welsh newspapers in particular can be called to democratic account.
- Call for the UK management responsible for Welsh media outlets to appear before and be accountable to these committees.
- Overhaul governance bodies for Public-Service Broadcasters to ensure their independence from management.
- Make Welsh independent radio accountable for its content.
- Call for the removal of S4C from the Public Bodies Bill and for the creation of an inquiry to look at ways to ensure the continuing financial and editorial independence of the channel.
- Urgently begin the process of looking at how to support new models of media ownership in Wales, such as co-operatives and charitable bodies, that can be quickly established in the event of titles being closed down by UK and international conglomerates.
- Welsh representation on the Ofcom board.
- Ensure S4C concentrates on provision of Welsh language broadcasting.
- Ensure plurality of news provision for Wales on TV, and ensure that sharing of news facilities does not lead to an erosion of editorial independence.
- Lobby and campaign for the UK media to accurately represent Welsh political institutions and life.
- Argue for increased independence, openness and accountability of broadcasting authorities at BBC and S4C.
- Arrange for accurate statistical data to be assembled on the current state of the Welsh media.
- Defend the concept of plurality in the Welsh media.
- Engage in the Leveson Inquiry and work with the NUJ on proposals for media regulation.
- Push for retention of skilled staff pools and training at BBC/ITV/Media Wales and other media outlets in Wales.
- Make media organisations in Wales outline their commitment to long-term investment for

their Welsh titles and outlets.

We believe Assembly members appreciate the need for a strong, independent and representative media in Wales to ensure the wellbeing of a truly democratic society. However, we must change our approach to the Welsh media if we are to avoid a situation in 2012 where there are fewer Welsh daily papers, under-resourced weeklies and a broadcasting sector that, at best, is a very minor regional adjunct of the UK organisation it represents.

S4C was won for Wales because of a public campaign that forced a U-turn upon the Thatcher Government. Such a campaign, we believe, may once again be needed to secure a Welsh media worthy of the people of Wales.

***National Union of Journalists Wales Executive Council
1 November 2011***



**Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Lleol
Cynulliad Cenedlaethol Cymru**

**Communities, Equality and Local Government Committee
National Assembly for Wales**

**Cyflwyniad gan BECTU Cymru, Tachwedd 2011
Submission by BECTU Cymru, November 2011**

Introduction

BECTU (Broadcasting Entertainment Cinematograph and Theatre Union) is the independent trade union for those working in **broadcasting, film, theatre, entertainment, leisure, interactive media** and allied areas. In the context of the media our members constitute a broad range of highly skilled professionals including **production), craft grades, camera and sound crews, animators, post production, technical, construction and clerical**. We have approximately **26,500 members** in the UK with over **2,000** members in Wales. Some of our members are employed by **broadcasters BBC Wales, S4C, ITV Wales, independent radio channels** and in the **education sector** but the majority are **freelance / sole traders, run micro enterprises** or work on **fixed term or rolling contracts** for **independent production companies**. Our members work for a very broad range of **employers / clients** in **Wales, the UK and globally** across **the broadcast and media and film** sectors but also for **private companies, local authorities, education establishments** and the **third sector**.

Context

As a trade union BECTU has always actively championed the industry in Wales including promoting and defending Welsh and English language programming and highlighting the key role of the media in **portraying the cultural and real life**

experiences of Welsh **citizens** in our **communities**, both within Wales and beyond.

S4C began broadcasting in **1982**, both the Conservative and Labour party manifestos of 1979 included the creation of a dedicated Welsh channel, however once in power the Conservatives changed their minds about broadcasting on a dedicated channel, but when Welsh language activist and Plaid Cymru member **Gwynfor Evans** threatened to fast to the death if the government made a u-turn on its promise - the government decided to stick to its manifesto commitment. Unfortunately Gwynfor is no longer with us but BECTU is partnering with other **Welsh organisations** who want to safeguard the **independence** of S4C, the **only Welsh language TV channel in the world**, and to **protect its budget**.

During its early years S4C was a very successful broadcaster and produced **world class content** including four **Oscar nominations** for **drama** and **animation**. The highly acclaimed dramas produced at this time **reflected Welsh life** both past and present and include **Solomon and Gaenor, Hedd Wyn, Branwen, Lois and Leaving Lenin**, the equally world class animation include **Famous Fred, Superted and Fireman Sam** and our music programme makers produced **Cool Cymru** and bands like **Catatonia** and **The Super Furry Animals**. All this was the result of **small companies** made up of programme makers who were **passionate** about making great television. Unfortunately there is currently no career path that will enable these **small niche enterprises** to survive in Wales as the broadcasters' strategy is to commission programming from the **larger independent production companies** whose key driver is to make a **profit for shareholders** and in Welsh programming this has led to **low cost, cheap television for a dwindling number of viewers**.

During **Huw Jones'** time as Chief Executive of S4C with **Elen Closs Stephens** as Chair of the S4C authority, the broadcaster decided to embark on a downward spiral by dramatically increasing its output by going **digital** and venturing into

daytime programming **without any additional funding**, (at the same time the BBC had secured substantial funding through an increase in the licence fee to pay for its digital output both online and in new channels.) The **S4C authority** failed to question how the broadcaster was going to pay for this dramatic increase in programming, **Sky** the largest commercial broadcaster in the UK recognise the importance of quality over quantity and their vision for creating greater viewer satisfaction on Sky 1 is “by commissioning fewer shows, and doing that at higher cost.” Part of the vehicle for S4C of achieving its goal of **substantially increased output** was to dispense with the significant number of small and talented creative businesses based throughout Wales and encourage the creation of larger companies through providing **£1 million in development money**. To keep costs down the new companies took on **young** graduates to help deliver S4C’s digital content many on **very poor terms and conditions** including **fixed term contracts, no full job description, having to opt out of the 48 hour week and generally no automatic entitlement to payment or time off in lieu for working overtime** (although most regularly work incredibly long and unsocial hours both at evenings and weekends) **and no employer pension contributions**. BECTU expressed its deep concern regarding the path that S4C was undertaking and warned that this would result in a decline in standards and inevitably a **drop in viewers** which would lead to attacks on the Value of the Channel, and sadly this proved to be the case.

BECTU welcomes the establishment of the new **BBC drama village** at Porth Teigr and looks forward to working with the BBC and other stakeholders in ensuring that Wales based professionals, both on screen and behind the scenes, have the opportunity of working on productions including on-going as well as any new drama coming into Wales. It is crucial that the BBC and the industry invest in training to ensure that the **skills gaps and shortages** such as focus pullers, boom operators and script continuity are properly funded through a hands on training scheme. BECTU is concerned about the lack of **equality and diversity best practice** throughout the industry and would like to see productions at Porth

Teigr implementing these. We are disappointed that in spite of raising this with the BBC there is not currently any dedicated, flexible **crèche** provision in the area and we would welcome an opportunity to discuss this in the future.

BECTU is concerned that as a result of ongoing cuts **BBC Wales** is losing the capacity to deliver **high quality programme content** either in house (by staff) or by the independent production companies across all media platforms (**TV, radio and online**.) It is crucial that Welsh life is reflected in programmes made specifically for those living in Wales as well as original **network productions** that **reflect the diverse communities and cultures that exist in Wales.**

The **demise of ITV in Wales** has had a significant impact on the diversity and range of English language content across all genres of content production. The government's decision in the mid 80's to introduce competition into independent broadcasting by making all the ITV companies throughout the nations and regions compete for their licences resulted in **HTV Wales** and HTV West no longer being able to afford to produce high quality local content for either Wales or the South West of England or produce programmes for the network, therefore family drama such as **We are Seven, Treasure Island** and **Arthur of the Britains** quickly disappeared from the schedules, and programmes aimed at **young people** such as the pop series **Jam** were no longer produced. This had a huge impact on staff at HTV Wales who were renowned for their **high level skills** and could comfortably work between genres and throughout their career often had the opportunity of working on drama, light entertainment, factual and childrens programmes at the same time benefitting from the skills and experiences of **co-workers**. Currently it is very difficult for some of our members to work on the productions they **aspire** to work on e.g. lighting camera people who want to progress to working on higher budget network drama, this barrier is not necessarily due to the lack of key skills but to the nature of how **recruitment** is undertaken by network drama i.e. by London based producers who bring in their own **heads of department** from outside of Wales.

Over the next few years in Wales we face at least **20% cuts at BBC Wales** and over **40% cuts at S4C**, this is currently leading to imminent job losses at both broadcasters but is also likely to result in **redundancies** at the independent production companies that provide programmes for these broadcasters, only last week **Boomerang**, the **second largest production company in Wales** (and the company that received the lion's share of S4C's £1m development funding in 2005 shared between four of the larger companies) announced that it was going to make **40%** of its workforce in Wales working on **S4C and BBC Wales** productions **redundant** as a direct result of the **cuts at** these broadcasters. (Ironically the fact that Boomerang is now a **plc** and has a policy of **acquiring new companies** and producing more programmes for the **network** has not led to the **safeguarding of jobs** within the company.) The cuts will also be detrimental to the employment of our freelance workforce, some are struggling to make a living and others are leaving **the industry** and taking their skills and expertise with them. The impact of these cuts is that the combined loss of highly trained and experienced professionals and a further decline in programme budgets will mean that both broadcasters will continue to lose the **ability and capacity to create high quality content for viewers in Wales.**

Equality and Diversity

As a result of ongoing cuts in programme budgets and the increased **casualisation** of the sector many people working across the industry are finding it hard to achieve a **work-life balance** and some groups are particularly vulnerable, these are **women** and men with **caring responsibilities, younger and older workers, disabled people** and **black and asian minority ethnic people.**

The number of days and hours that staff and freelancers are expected to work are more akin to the working conditions of the **Victorian area** than the 21st century. In drama production the **6 day week** and **11 day fortnight** are the norm

and it isn't unusual for the hours worked in one day to regularly **exceed 12 hours**. Editors work for longer hours than is safe on VDU's and workers often travel for four plus hours to the next day's location after a full day's work. Our members tell us that working exceptionally long hours results in a **substantial decrease in creativity, productivity and quality, family breakdown, lack of job satisfaction, concern over health and safety and depression**.

Due to **family commitments** many women in particular find it difficult to commit themselves to several weeks working extended hours on a long production and this means that they are dependent on **very short contracts**, often **daily**, that means that their **earning power** is substantially reduced. Unfortunately **flexible working practices** such as **job sharing** or access to **crèche** facilities are very rare across the industry and practically non-existent for freelance workers. This is also true for some disabled people. It is therefore not surprising that Skillset research identified that between 2006 and 2009 **5,000 women left the UK TV industry compared to 750 men**.

The lack of opportunities for individual producers or micro enterprises to **directly tender for broadcast commissions** means that many women and men who have run or aspire to run niche companies throughout Wales have had to take their ideas to the large independent production companies to win commissions, this results in their handing over their ideas to another company, usually losing editorial and production **control** over their programmes as well as handing over **ownership and copyright**, this subsequently leads to lack of income and **stifles creativity**. (We are aware of women in rural Wales who ran their own production companies that are victims of S4C's policy to commission from larger companies. Note that **none** of the four large production companies that received development funding from S4C has a **woman** at the helm.)

The disadvantage faced by **young people** trying to enter the industry is well documented and the increased use of **interns** is making the situation even

worse. Those who do not come from wealthy backgrounds are doubly disadvantaged. The following quote is from a post graduate who undertook an apprenticeship rather than an internship “**I didn’t have enough experience to work for free.**” Unfortunately access to the industry and sustaining regular work is often achieved through knowing the right people and being part of particular **networks**, this can be particular difficult for those from **BAME** backgrounds or for those who do not have access to these networks either due to **geography** or **social circles**. BECTU has developed a bespoke resource for new entrants www.creativetoolkit.org.uk aimed at providing information to help them build successful and fulfilling careers.

There are skills gaps and shortages in TV however due to a combination of cheap and relatively easy to use **equipment** (cameras, sound equipment and editing software) and the casualisation of the broadcast industry properly paid **trainee** posts have almost disappeared from the sector. This has a huge impact on the **younger generation** as on the positive side with the right training they are able to successfully **multi skill** in some areas of production, however on the negative side if they want to progress in their career to a more dedicated **high level craft based role** this is becoming increasingly difficult as the employers are generally not providing training to this level and working within these specialist grades would require these individuals to become freelance. This is an area of concern for many of our experienced freelance professionals who often spend their own time supporting new entrants who regularly take on responsibilities well beyond their skills and experience and often don’t understand their legal obligations in terms of **health and safety** and **public liability**.

Some of the large companies as well as the broadcasters are increasingly using their staff to **multi skill** (usually in the area of producers, directors and researchers undertaking a number of roles **including interviewing, shooting, recording, lighting and editing**) and although these are useful in producing some low budget programmes, their constant use has a huge impact on the

quality of programmes and also **health and safety** considerations for those undertaking the work. The independent production companies have openly admitted that they are reluctant to train many in house staff as they can only afford to pay a limited number of people on producer/director grades therefore if researchers receive training the lack of career path within the company means that they may leave and work for a **competitor**, this has created a **glass ceiling** within the companies. The current cut in BBC and S4C budgets means that many of these people are likely to be made redundant in the future. The impact of multi skilling on many highly skilled and experienced camera, sound and editors is that their work is **drastically reduced** and they are only recruited to work the diminishing number of more demanding and higher quality **programmes** that require their skills and experience, many have learnt new skills and have become **self shooters** and some work in areas outside of broadcasting for the public, private and third sectors, however **funding for multi-skilling** has generally gone in one direction e.g. training production grades and researchers in the art of camera, sound, lighting and editing rather than vice versa i.e. training crews in producing, directing, researching and journalist skills – this is an anomaly currently being researched by BECTU centrally.

As the **only Welsh channel** S4C has to provide content for people of **all ages** and all **socio economic backgrounds** throughout Wales, which is an almost impossible task to do well, especially with a substantially **smaller budget** and without drastically **reducing hours**.

Many **older people** who are often **isolated** either due to **geography**, personal circumstances such as a **lack of mobility**, access to **transport** or **caring responsibilities**, often **depend** heavily on S4C for their **well being** by providing them with **information** and **entertainment**. For some this is the only channel they view and the current uncertainty around S4C's funding and independence has caused **considerable anxiety and stress** for many older people in particular.

As for viewers BECTU is concerned that very few young people watch either BBC Wales (non network) or S4C. Although **young children** who speak or are learning to speak Welsh are well served by S4C's **Cyw strand** there is very little in terms of TV programmes and online content for young people. This age group naturally receive and **interact** with a range of **online content** however there's hardly anything available for them in the Welsh language and this needs to be addressed, however we cannot see how this can be achieved by S4C considering the substantial cuts they're facing. Some have suggested that these young people are no longer interested in TV, however this is untrue, the success of series such as **Inbetweeners, Misfits, Gavin and Stacey and the Only Way is Essex** and the numerous **comedy programmes** amongst **young people** demonstrates that they are very **discerning**, they may enjoy **youtube** and viewing clips on their **mobiles** and **laptops** but they can distinguish between these and **high level or innovative programming**, however what they don't seem to be interested in is **cheap TV programmes**.

Learning and Development

Supported by the Welsh Government's Wales Union Learning Fund BECTU has been running an innovative learning project **entitled CULT Cymru (Creative Unions Learning Together)** on behalf of four key unions in the sector, **BECTU, Equity, the Musicians Union and the Writers Guild**. The aim of the project is to enhance the **employability** of those working across the creative industries in Wales. To date **2,000 people** have attended **88 workshops** and events. **Freelancers, staff, new entrants, graduates** and **apprentices** attend our events. CULT Cymru has developed a **Learning Needs Survey** that is shared with the **Sector Skills Councils** and the information has been used to develop courses by the project as well as other organisations. **Collaboration** is key to the project's success and it has worked in partnership with a broad range of organisations including **Skillset** and **CC Skills, employers, the Welsh Music Foundation, Skillset Media Academy Wales, the Wales TUC, Careers Wales,**

Job Centre Plus, the **WEA**, **Universities** and numerous **training** and **business support** providers.

The project's key successes include:-

- The development and delivery of a suite of 1 **day business skills workshops** to support freelancers and micro enterprises in getting more or higher quality work (e.g. CV development, Marketing and Promoting Yourself Online, Pitching and Presenting and Managing your Finances.)
- Delivering a number of **craft based courses** i.e. prosthetics, laying on of hair, airbrushing, barbering, comedy for stand-ups, using writing software, editing and producing your own music.
- **Generic courses** e.g. **copyright and IP**, web design, digital photography, production management, first aid and Welsh language taster courses
- Supporting and advising members facing **redundancy** by organising information sessions with partners, providing redundancy packs, sharing information regarding **skills gaps** and **shortages** and training.
- In partnership with the WEA and WTUC over **30 people** have successfully gained a **City and Guilds level 3 accreditation in Preparing to Teach in the Lifelong Learning Sector** and more will be doing so next year
- 20 freelance **Union Learning Representatives** have been trained, and a BECTU ULR won the **WTUC ULR Representative of the Year in 2010** – especially recognising the unique role of the freelance ULR in accessing **hard to reach workers** and actively helping to train their **competitors**
- Running two **successful fairs** in Cardiff and Caernarfon that included workshops, expert panel sessions, demonstrations and exhibitions.

Current priorities include organising a **creative industries fair** to be held next year in partnership with **Skillset Media Academy Wales** and surveying our camera and make-up and hair members to discover their specific learning requirements and identify any barriers to them reaching their career goals – this information will be shared with others including Skillset who have agreed to fund

high level training for cameras and make-up and hair from their £4m EU funded project.

Opportunities

Apart from the late 80's and early 90's when **Channel 4** had a Welsh commissioning editor Wales has produced proportionately very little for the channel. Unfortunately in broadcasting it's a well known fact that without established and an ongoing working relationships with **commissioning editors** your programmes will not be commissioned, therefore those living outside of London and without a base in the city are at a distinct disadvantage.

Since the demise of **HTV Wales** and the West, **ITV** hardly commissions anything for the network from Wales, in the past the broadcaster produced high quality network drama as mentioned previously.

BECTU in **Scotland** share the above problems and through **the Scottish Union Learning Fund** and **Skills Development Scotland** are working with partners on a high level development programme for **producers** and **script editors** (in receipt of a **weekly salary**) to ensure that more **high profile network productions** are developed and produced in Scotland by locally based talent.

Sky are likely to commission an increasing number of dramas in the future, therefore it's important that as well as developing good relationships with the commissioning editors, we have enough **highly trained and experienced** drama professionals to meet this demand. The challenge for us in Wales is to ensure that there's enough work to **sustain high level drama crews** throughout the year. **Film Agency Wales** has already identified that there are skills shortages in high level drama including features however employers say they don't have the money to invest in **future trainees**.

Many BECTU members are highly **skilled and creative craftsmen and women**. Unfortunately there has been very little **business support** aimed at these people to help them **develop their businesses** e.g. **designers, prop makers, animators, special fx, costume and make-up designers** and they're missing from the Hargreaves review.

BECTU's response to Ian Hargreaves' Creative Industries Review

Equality & Diversity not highlighted in the report

BECTU is very disappointed that there is little mention of equality and diversity in the report, and is very concerned that the selection of the creative industries panel was made entirely by men. The **GOWA 2006** provides a duty on the NAfW to "**make appropriate arrangements with a view to securing that their functions are exercised with due regard to the principle that there should be equality of opportunity for all people**".

Recommendations: We would welcome a meeting with NAfW and WG officials to discuss our points on this issue outlined earlier in the document. We want to ensure that **good practice** in terms of **equality, diversity, human rights** and **health and safety** are considered especially where Welsh government funding has been secured e.g. the WG provided substantial support for the new **BBC drama village**.

Page 3

50 organisations and **100 individuals** consulted regarding the above however not one of the five trade unions (BECTU, Equity, the Musicians Union, the NUJ or the Writers Guild) who between them represent over **6,000 members** in the industry in Wales were included in the review.

Recommendation: Include the **five trade unions** in all Welsh Government consultations and ensure an **ongoing dialogue** with unions regarding the creative industries.

Page 11 etc.

Section referring to the “panel of experts” suggesting that they should be “**employer-led** where possible”. Several references to “**conflict of interest**” of the panels of experts. At a meeting held with WG staff regarding the report BECTU was assured that it would not be the usual suspects and the old boys network on the panel especially in the chair roles however this did not prove to be the case.

Recommendation: Review the “employer-led” approach to all assembly dealings with the sector and look for a more **inclusive** and **innovative** “**industry**” **led approach** that would include other equally valuable sources of **knowledge** and **experience** such as **unions** and **academics**. Bear in mind that many union members are freelance/sole traders and many run their own micro businesses. Consider conflict of interest and **professional roles of those on the expert panels**, ensure that those selecting the panel are also from a more diverse background.

Pages 12 – 13

Public service broadcasting and other public funding for the creative industries. We agree with the statement that the WG should consider the “economic contribution of Wales’ publicly financed creative industries and the recognition that it cuts across various government areas such **as heritage, regeneration, education** and **social inclusion**.”

Recommendation: as above

Page 19

Regarding the Creative Industries Fund.

Recommendation: Any SME (10+ employees) accessing public funding should demonstrate **good employment practices** e.g. **training and development, career progression, equality and diversity, health and safety, collective agreements, flexible working, pension contributions and annual pay reviews**. WG should undertake a **review into the pay and working conditions** of those working across the creative industries in Wales, starting with the audiovisual sector.

Page 26 & 32

Concern regarding the emphasis on **big companies**, creative businesses aren't like factories or supermarkets. The larger private companies tend to be non unionised and tend to employ cheap graduate labour and some provide few opportunities for career progression, and many, even before the recession, do not practice **annual pay increases** even equal to RPI let alone above in recognition of increased skills and experience. In spite of this staff **care passionately about the work they undertake** however are often unable to plan for the future, buy their own home and plan a family. Many freelancers have also seen a **drastic reduction in their earnings** over the past 10 years. We are unaware of the benefits to the wider industry or **Wales GDP/GVA** of the bigger companies as services such as music are often brought in through cheap recorded packages via the internet rather than the commissioning of original music from Wales (see **Welsh Music Foundation research** into the use of music in TV production 2010.) Finally cheap **programming leads to the loss of viewers** and **reputation** as **S4C** has seen to its cost.

Recommendation: See previous recommendation plus consider whether the larger companies who are answerable to **shareholders** and whose key role is to **make a profit** actually benefit the people of Wales. Value micro and SME's and

don't stifle creativity, do not disadvantage companies who are driven by passion and a love for their craft, their culture and their language rather than driven by profit alone. Look at **good practice** such as **Teliesyn** a **TV Co-operative** that had an excellent track record in producing high quality programming both for Wales and the network and also acted as an **incubator** for **new entrants** and those wanting to **progress their career**, many went on to set up their own independent production companies, however Teliesyn was another casualty of S4C's digital strategy. Also look at the various types of craft businesses, actual and potential, such as **Marigold Costumes**, one of the largest costumers in the UK, that provide costumes and professionals for the sector as well as a commitment to training new entrants.

Page 28

BECTU welcomes Hargreaves' concern regarding the lack of **accountability** within Wales of **public service broadcasters** and the lack of debate about **financing** and **sustaining** the creative industries in general. People within the industry and the public in Wales have become complacent over the past 10 years and there's a lack of debate within the nation about the **future of our media**. BECTU is also concerned about the lack of **leadership**, **vision** and **willingness to consult** by the **key decision makers** both **within** and **outside of Wales**.

BECTU has been concerned for some time regarding the lack of **leadership** and **capacity** throughout the industry in Wales including the **employers' organisation TAC**, it no longer has any dedicated staff and since January 2010 **S4C** handed over its **Industrial Relations** funding to **solicitors Capital Law** who won a competitive tender to manage the service. BECTU has tried in vain over the years to persuade TAC to work with the unions to maintain **high production values and fair pay** and **working conditions** for everyone working on **S4C** funded productions, however there is a **culture of fear** throughout the industry and **employers** as well as the **workforce** are too afraid to speak in case they are **victimised** for doing so.

Recommendation: Ensure that debate regarding the future of the industry is **proactive** and that **current and future leaders** are **accountable** and **consult**. Include recommendation for page 11 above.

Page 29

BBC Wales. BBC has a reputation for being the **greatest broadcaster in the world**, and this has historically been due to its highly skilled and experienced workforce who are passionate about their work, however ongoing cuts is making it increasingly difficult for the BBC to continue making these programmes in Wales, by staff or independent producers. BECTU welcomes the new BBC Drama Village.

Recommendation: The NAW need to ensure that Wales receives a **fair share of the BBC budget** (in recognition of Wales' status as a nation plus as a fair percentage of **UK production** to be **delivered** and **controlled** from Wales.) Ensure that BBC and other productions coming into Wales **recruit locally** wherever possible and significant numbers of professionals must not be regularly **imported from London** and elsewhere. The unions to be actively involved at a **strategic level** in the approach taken to meet the **skills gaps** and **shortages** in the industry, this includes ensuring opportunities are available for career progression for staff and freelancers as well as the recruitment of **apprentices** and **new entrants**.

BBC Wales branded programmes should be produced in Wales, and should contain a significant proportion of workers, staff and freelance, based in Wales. Decisions around recruitment should not be dependent on the producer's commitment, knowledge and contact with Wales based professionals.

The Welsh Government's Economic Renewal Programme

The Department for Business, Enterprise, Technology and Science is focusing on **nine key business sectors** which are, or have the potential to be, key to the economy of Wales, one of these key sectors is the creative industries.

The following quote from the above document resonates with BECTU, however without a **vibrant media sector** that not only serves our **communities** in Wales but also provides an opportunity to **portray** our **culture** and **values** beyond our geographical boundaries, how are we to benefit from the “**identity premium**” outlined below.

*‘Research and experience suggests that Wales has not, in the past benefitted from an identity premium. Internationally, Wales has not generally been well understood and its **image** has not always been positive. However, there is increasing evidence that people are looking for greater authenticity and individuality. Wales offers many **unique characteristics**, not least its **diverse geography** in a relatively small area, and its **cultural distinctiveness**.*

Nations with a positive reputation and image can add value to the goods, products, services and companies associated with that country –the so-called “identity premium”.

Appendix 1

BECTU’s response to the proposed Communications Bill



(Appendix 1)

BECTU's Response to the Communications Bill

In our view, an essential component of a healthy and competitive communications market is strong regulation to protect and encourage media pluralism. There is a strong **public interest** – on **democratic** as well as **cultural** and **economic grounds** – in a pluralistic media, especially in view of the power of the media not just to reflect but to form opinions, for Wales it is important that our communities are properly served, we already suffer from not having a national newspaper.

We therefore believe that the current statutory framework governing media pluralism needs to be reviewed. In particular, we note that the current framework will only trigger a process of public interest scrutiny if there is a specific corporate transaction such as a merger. But plurality concerns may arise not simply from such a transaction but from the evolution of the market, eg. increasing dominance by media operator simply by means of growth in audience and market share.

We believe this anomaly should now be addressed.

We believe a key aspect necessary to encourage growth in investment in content is a system of clear and enforceable intellectual property rights (specifically including IPRs for individual creators). These are essential in order to reassure investors that they have a realistic prospect of seeing a return on their investment.

In our view, our existing IPR regime based on 'fair dealing' works well in helping to deliver investment, innovation and growth in the media. It would be perverse to suggest otherwise, given the worldwide standing of the UK's creative industries. We would therefore strongly oppose any move to replace fair dealing with a 'fair use' system akin to the US model. We believe such a model is inherently more costly and complex; is more suited to the needs of large corporations than to those of individual creators and SMEs; and reflects a body of case law and precedent which would be simply untransferable to the UK.

We therefore hope that in broad terms our current IPR system is retained – backed by the essential measures against copyright piracy contained in the Digital Economy Act.

We further believe that consideration should be given to ensuring that secondary users of original content produced in our public service broadcasting system should pay an appropriate

price for doing so – in order to support the continued production of original content rather than be parasitic on original producers. In light of this, if there is evidence that ISPs benefit economically from the free use of PSB content, we consider that appropriate remedial measures should be considered.

We note that **future investment in content depends on our continued ability to produce original content of high quality**. In a labour-intensive sector such as the media, this in turn depends on **maintaining and developing our domestic skillsbase of creative and technical labour**. **Investment in skills is not a burden on business, it is a pre-requisite for future growth in our sector**.

We therefore believe that the Communications Review should have regard to measures to encourage such investment in the skills and training of our media labour force (specifically including **new entrants and young people** who in turn should **reflect the diverse communities** that the broadcaster serves). It should also encompass a requirement - certainly on licensed broadcasters - to make publicly available regular and updated statistics on the composition of the labour force.

We strongly support the proposition that the core focus of public service broadcasting should be on original UK content originating from **throughout the nations and regions**. It is the quality and range of our original content which has underpinned the **worldwide reputation** and sales of our media sector. More importantly, audience research consistently shows that original UK content is valued very highly by our domestic viewing audience.

We believe that the future of original UK content can best be protected by measures including the following:

- **Continued strong PSB regulation in a PSB universe of BBC, S4C, ITV, Channel 4 and Five. It is regulation – not deregulation – which has produced our internationally-successful broadcasting system.**
- Maintaining and developing Ofcom as a strong and independent regulator.
- **Addressing the funding gap in commercial PSB by means of levies on non-PSB broadcasters** (certainly those who fail to produce sufficient original content of high quality in proportion to their revenue) as well as on other sources (eg. recording equipment or blank media, retransmissions, new media).

Supporting the continued availability of original content in this way will, in our view, be the most effective means of securing a viable and successful media sector for the digital age.

In our view the chief barrier to the meaningful development of local television is the current lack of a viable financial model – certainly on a commercial basis. We take the view that **local television may best be developed in partnership with rather than as an alternative to our existing PSB services in the nations and regions** – which continue to be immensely popular with television audiences, however this must not result in the loss in quality of television

services broadcast in the nations and regions, in particular Wales where **S4C exists as the only Welsh language channel in the world.**

As indicated above, we believe the successful development of our broadcasting sector has been based on our strong framework of PSB regulation. It is this which fostered the production of original programme content with the attributes of quality, range and innovation and which prove continuously popular with audiences. Strong regulation has demonstrably worked. We should not allow deregulation to become a burden on viewers by undermining this.

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**National Assembly for Wales
Communities, Equality and Local Government Committee
Task and Finish Group on the future outlook for the media in Wales**

**Skillset Cymru Submission
07 November 2011**

1.0 Who we are

Skillset Cymru is the Welsh arm of Skillset, the Sector Skills Council (SSC) for the Creative Industries which have been identified as a priority growth sector in the Welsh Government's *Economic Renewal Programme* and the UK Government's *Plan for Growth*.

Our work in Wales is overseen by our National Industry Board, which is made up of representatives of the independent sector, broadcasters, unions, trade associations, sector support agencies and Welsh Government departments (see Annex 1). It is a dynamic and influential Board, Chaired by John Geraint, Creative Director of Green Bay Media and member of the Welsh Government's Wales Employment and Skills Board (WESB).

Our sector footprint includes TV, film, radio, interactive media, animation, computer games, facilities, photo imaging, publishing, advertising and fashion and textiles. We are an independent, employer-led organisation, recognised by the government as a private sector body and licensed by government across the UK to support skills and training for people and businesses in the Creative Industries.

2.0 Our response to the Key themes

Key Theme 1 and 3 (we have dealt with these jointly as they cover similar areas in terms of skills)

-The current state of the media in Wales and how new technology and other developments are impacting on this, in the context of continuing concerns about the future of the Welsh broadcast and print media.

-The opportunities for new media business models to be built in Wales

Skillset Cymru's work is informed by a comprehensive, industry endorsed programme of research about the industries and the training provision available to them. We are the leading specialists in providing research for the Creative Industries in Wales and across the UK. Skillset estimates show that over 30,000 people and an estimated 3,300 companies (the vast majority of which are small) operate within the Creative Industries we represent in Wales. 29% of the sector is made up of freelancers.

The Creative Industries in Wales faces many of the same major challenges as the rest of the UK, such as exploiting intellectual property in a digital environment in creative media and a lack of technical skills in fashion & textiles.

The Hargreaves' review of the Creative Industries in Wales recommended a move away from the service model and an increased focus on the generation and exploitation of intellectual property. This was of particular relevance for those parts of the Creative Industries that were most dependent on public spending.

A vital part of Skillset's work is to look to the future of the Creative Media Industries so that we can prioritise our investment in ways that seek to help our industries maximise opportunities and avoid pitfalls. Skillset research needs to continue to measure current and future skills demand to ensure a constant flow of evidence to inform priorities and decisions.

Our research is also fundamental to our role as the voice of the industries on skills issues. The information does not exist anywhere else. These reports highlight the following key issues related to skills and the Creative Industries in Wales:

A sector of continued importance - while elements of the sector in Wales have undoubtedly been affected by public sector cuts and enforced spending constraints, including redundancies across the board, the sector continues to punch above its weight. In particular, it is a source of well paid, knowledge based jobs; is highlighted by the Welsh Government (WG) as being of key strategic importance in employment and skills terms; and has the invaluable asset of a well-qualified and well-motivated workforce.

A sector that performs at a global level - the sector in Wales (as in the rest of the UK) is affected by a range of global drivers, including the fast moving pace of technology and the appetite for new platforms on which to consume content. The challenge of this in a skills context is that the current and future Creative workforce in Wales has to be equipped to keep up with the pace of change and competition from elsewhere as well as improve productivity, quality and the overall contribution of the sector to the Welsh economy; Internationalisation of activities and attitudes should be across the board - from established companies to new entrants acting locally but thinking internationally.

Distinctive and localised challenges - the increasing levels of TV drama production over recent years looks set to continue. This will provide a platform on which to build and explore further commercial opportunities and entry to new markets. Key to realising these opportunities will be the need to ensure that Wales has a Creative workforce fully equipped with the skills to take maximum advantage.

Leadership and management skills – we need to generate a step change in leadership and management skills across our sub-sectors. For example, the need to reduce the dependency on a small number of key individuals within production companies and ensure that the “next generation” has the necessary skills to take the sector forward. Provision in this area must also be industry relevant, of sufficient quality and accessible.

Business acumen and entrepreneurship skills – need to be significantly improved amongst employed staff and freelancers, particularly in understanding intellectual property rights (IPR), finance generation, co-production, sales, marketing, promotion and distribution. It is necessary to build stronger and more robust creative companies in Wales innovating in their business models and practices.

Adopting transferable skills and multi-skilling within the workforce - this is essential in the context of convergence and is resulting in the blurring of conventional occupational roles across most of Skillset’s footprint in Wales.

Flexible support for freelancers – freelancers make up a substantial part of the workforce in Wales (29%) and this is set to increase. Freelancers face several barriers when it comes to accessing training (cost, time, choice of training available). We need to ensure accessible financial systems, better choice and more flexibility in addressing freelance training needs.

Developing and exploiting multi-platform skills - the onset of convergence across our sub-sectors is creating new challenges and demanding new skills from the Creative workforce. Those working within the Publishing sector for example, need the skills to develop high quality content and make sure it can be used in many different formats: in print, online, and with mobile technology. They also need to understand the implications this has on intellectual property and sales.

Improving the employability skills of new entrants – we need to ensure that new entrants are equipped with “real world” skills such as general business acumen and digital skills which employers say are of crucial importance to them in Wales.

Improve Careers Information, Advice and Guidance (IAG) within the education system - the provision of IAG from secondary school level onwards needs to be more comprehensive in Wales and needs to better inform potential new entrants of, and prepare them for, the opportunities and challenges of a career in the sector.

Education needs to keep pace with sector developments - it is vital that the education system in Wales keeps pace with the rapidly changing global drivers that affect the Creative Industries and ensures that new entrants are equipped with the best possible transferrable skills to undertake the more mixed functions and roles that will be required to improve the competitiveness of the Welsh Creative sector in the future.

Continued priority given to the Creative Industries – the Creative Industries should continue to receive attention as sectors of strategic importance by the Welsh Government, with priority placed on their skills needs and workforce development. Government and business should work more closely together, with employers having increased influence and investment in the skills system, and with government policy enabling greater tailoring of skills strategies to meet the high level skills needs of the industry.

Increased investment in Research and Labour Market Information - before the skills needs of the Creative Industries can be addressed, they must first be identified. With increased resources and the continued support of industry and Government, Skillset's Research programme can grow alongside the growth of the industry and do much more to understand the needs of employers and the workforce.

Diversifying the Industries - the Creative Media Industries both serve and draw on the talents and skills of a diverse population. In Wales, the sector is made up of a relatively young workforce; is under-represented by women and Black, Asian and Minority Ethnic members of the workforce (BAMEs); it is a highly qualified workforce with strong reliance on freelance and cross sector workers. The sector needs to harness diversity which will result in a globally successful, creative and productive industry. We need to support and value equality and diversity within the skills agenda across the industry.

Cross fertilisation within the Creative Industries - encouraging partnerships and experimentation drawing on other sectors' areas of expertise in a converged digital world is another area which should be explored.

Key Theme 2 - What the priorities should be from a Welsh perspective as the UK Government brings forward proposals for its *Communications Bill*

As an industry-led body, Skillset is only too aware that globalisation, digitisation, commercialisation and intellectual property rights are driving change in these industries. We are aware that the Communications Bill will be examining these drivers for change in order to create a framework that can support growth in the sector for the next 10 years and beyond.

Skillset considers the impact that changes to the industry have on skills and talent development but also assesses the future impact, needs and requirements that these changes will bring. For example in Wales, we are about to publish a new piece of research which examines The Future Skills Needs of the Creative Industries in Wales and compares those needs with the education and skills programmes currently being delivered by our education establishments.

The creative media industries in Wales, supported by Skillset, have progressed in recognising the importance of skills in developing and expanding their businesses as well as their competitiveness. But, in our view, more still needs to be achieved.

We would like to emphasise that a balanced ecosystem for the digital and creative industries is the one that within its arrangements provides opportunities for the development of knowledge, skills and talent.

Action on and investment in skills and talent development leads to competitive advantage by providing better content and services. Moreover, within a converged environment, investment (or not) in skills at one end of the service chain could affect (positively or negatively) performance and product delivery in other parts of the chain.

Content creation now encompasses many forms of delivery through different platforms of distribution. Therefore, people working within the digital and creative industries are already required to converge in both their practice and their professional/business environment (e.g. creating across the print, broadcast and internet, or producing for film, broadcast and web distribution). Employers operating under a changing regulatory environment need to be able to support the people and the companies as they adapt to new business environment. For example, changes to Intellectual Property rights management - as suggested by Ian Hargreaves review – *Digital Opportunity* (2011) will impact on the way people in the industries operate, create, distribute and monetise their content. These changes in practice will need to be supported by updating their knowledge and skills. In addition the development of the local media agenda has a critical link to develop the skills and talent base.

The 2011 Skillset Sector Skills Assessment for Wales (January 2011) recognised as one of the key areas of skills development the fusion of creative, business & technological skills needed to develop high quality content and exploit digital rights and new technologies. We strongly believe that addressing skills issues deriving from the development of the industry should be discussed within the context of progressing towards the new Communications Act. We also suggest that the Communications Review links with other strategic work currently in progress, such as the Film Policy Review and the deliberations of the Creative Industries Council, as there are correlations to consider.

Key Theme 4 - What the Welsh Government is doing to implement the Hargreaves report recommendations and what other steps could be taken to strengthen the media in Wales in terms of content and plurality of provision.

Skillset's industries recognise that employer-owned action, leading to increased ambition, investment and the better use of skills and talent will achieve increases in enterprise, employment opportunities and growth. No longer a 'fringe sector' but a top priority 'growth' sector, they know that now is the moment when they have to more systematically address sustainable employer ambition and investment in order to drive through their vision.

The structure of the industries makes this challenging and that is why they see the pivotal need for Skillset Cymru to strategically drive and coordinate their work and broker effectively with stakeholders and providers.

What is supportive is that the sector in Wales does seem to have an appetite for learning. The sector is characterised by a highly qualified workforce, with 68% of the workforce in possession of a degree level qualification. Approaching three-fifths (57%) of the Welsh Creative Industries workforce have also participated in training during the last 12 months. Demand for training still remains high, with 56% of the workforce indicating that they have a current training or development requirement.

The focus of the Hargreaves's review in terms of skills and education is narrowly focused on further and higher education and excludes school level education and continuous professional development. The review does note however that the:-

"picture is quite positive with regard to training issues on the media side of creative industries (the Skillset footprint), with a good supply of new initiatives and impressive examples of collaboration between employers and educational institutions".

If we focused initially on new entrants training (which is the main focus of the Hargreaves review) Skillset is tackling a number of issues raised in the report – which are listed below:-

The Skillset Cymru Apprenticeships

Skillset Cymru is currently piloting the Level 3 Apprenticeship in Creative and Digital Media in Wales with support from the Welsh Government's Sector Priority Fund Pilot and has recruited two cohorts of Apprentices, one in South Wales and one in North Wales in partnership with Cardiff and Vale College and Coleg Llandrillo.

A total of 11 apprentices have been offered placements with 10 production companies including Rondo Media, Boomerang, Green Bay, Telesgop, ITV Wales, Live Tech, Fragrant Films, CC4Web, Ceidiog, Cwmni Da, It's My Shout. Over half of these Apprentices have been offered employment upon completion of the qualification in December 2011.

24 apprentices have also been confirmed for 2012 – 12 with the BBC Wales Drama Village and 12 with the independent sector.

We will also soon be offering our Fashion and Textiles Apprenticeship Framework in partnership with Training Services Wales who will soon be offering our Laundry, Dry Cleaning, Textile Care Services pathway.

Skillset Media Academy Wales and Skillset industry kite-marking of courses

There were 1,090 Higher education courses relevant to Skillset's footprint, in Wales in 2008/09 with a total of 19,040 students studying on these courses. Too many of these courses produce graduates with insufficient specialism to meet the needs of industry, and employers have voiced strong support for industry backed accreditation of courses. There is also a need for better careers advice and mentoring and better signposting and access to relevant training opportunities.

To address these issues, Skillset has devised a system of:-

- Licensing Skillset Film and Skillset Media Academies across the UK;
- Established a process of individually accrediting courses;
- Piloting the Accreditation of providers delivering Skillset Apprenticeships

Both initiatives have been taken forward in Wales.

The Skillset Media Academy in Wales was established in in 2009 and had operated prior to then in the form of the Skillset Screen Academy Wales which focused specifically on Film. The Media Academy, covering all of our sectors, was approved and licensed by Skillset in June 2009 and is made up of a partnership of four Universities - University of Wales, Newport, University of Glamorgan, Swansea Metropolitan University and University of Aberystwyth. The Academy has so far been financed with funding awarded by Skillset and the Higher Education Funding Council for Wales. The principal benefit of Media Academy status is the endorsement from Skillset on behalf of its industry stakeholders that the Academy is a centre of excellence in media education and training. It forms part of a network of 23 Skillset Academies scattered across the UK.

Skillset's accreditation of courses recognises University courses within the UK that provide exceptional standards of training. Each course undergoes rigorous assessment by industry professionals in order to be awarded the Skillset *Tick*. These courses are widely recognised as those that best prepare students for work in the industry and those that have the strongest links with industry. In Wales, 4 HEI courses have been accredited so far – these include the:-

BA *Computer Animation/BA Animation* and the BA *Computer Animation* at the University of Glamorgan; BA *in Animation* at the University of Wales, Newport; and the BA (Hons) *Film and Video* at the University of Wales, Newport. All these courses fall within the Skillset Media Academy Wales.

All colleges in Wales will be invited to submit their courses for Skillset accreditation in autumn 2012.

These programmes are proving to be beneficial to new entrants pursuing courses at higher and further education. Recent analysis revealed that the first cohort of students to graduate from Skillset's accredited courses were over three times more likely to gain employment in the sector as compared to students graduating from similar subjects but non-accredited.

We are also about to embark on a new programme of piloting the Accreditation of providers delivering Skillset Apprenticeships. Two of our Welsh Further Education Colleges – Coleg Llandrillo and Cardiff and Vale College have been invited to take part.

The courses in the future will be under pressure by the changes in funding for HE and learners will become more cost conscious and ask more from course providers to deliver courses which are advantageous to their future progression.

The introduction of the higher fee structure is also anticipated to drive a need for more part time, flexible and short courses to meet market demand. Skillset Cymru is currently informing a large CDP programme called Skillset Academi+ (funded by the Higher Education ESF fund), with the Skillset Media Academy Wales to meet this need. The *Build your Own MA* model devised by Skillset, will allow students to complete flexible 20 credit modules of learning, which when added together can lead to an MA.

The Welsh Government's review of the Creative Industries *The Heart of Digital Wales: a review of creative industries* makes particular reference to Skillset's work in this area highlighting the work of Skillset Media Academy Wales. The same review specifies that the Welsh Government would like to see Sector Skills Councils having a leading role in evaluating courses within their areas.

Skillset Cymru is particularly keen to take our HE agenda forward in Wales in partnership with the new Creative Industries Panel and feels that the work to be achieved this year is of particular importance.

Principal Learning in Creative and Digital Media within the Welsh Baccalaureate Qualification

Four Welsh Further Education Colleges and schools are delivering the Principal Learning in Creative and Media within the Welsh Baccalaureate qualification. This line of learning has been informed by Skillset and is a new way for students to learn the context of the creative and media industries and brings learners closer to the reality of the workplace. The aim is to enable learners to apply their knowledge and skills effectively as they progress into further and higher education and future employment.

Non main-stream new entrant training schemes

Skillset offers grants to organisations to support the delivery of structured new entrants training schemes to recruit new and diverse talents into the Welsh creative industries. These are financed via our Film Fund and our TV Funds – which are made up of industry levy and government support. In addition to these UK-wide funds, specifically in Wales, we also invest in various new entrants training schemes via our Training Framework which is made up of S4C and Teledwyr Annibynnol Cymru (TAC) funding for training, which Skillset Cymru manages on their behalf. A large percentage of these schemes have been delivered by Cyfle, a Skillset approved training provider in Wales.

The Hargreaves review does not refer to the importance of investing in workforce skills, where a great deal of work is being taken forward by Skillset Cymru in partnership with all its key stakeholders. It also does not mention the role of Sector Skills Councils in gathering LMI on sector trends and skills issues or our remit in relation to qualifications. Skillset Cymru has pressed ahead in addressing some of these issues through its various industry-informed initiatives.

These are outlined below:-

Skillset Research

Skillset's vast research programme, including its recent Futures Research is used to inform its skills investment funds, is forwarded to Welsh Assembly Departments, Further and Higher Education institutes and training providers to inform course content, provision and career advice and guidance. Skillset research is being used extensively by the Skillset Media Academy in Wales (made up of the Universities of Newport, Glamorgan, Swansea Metropolitan and Aberystwyth) to inform course provision and the delivery of its Academy+ CPD programme).

Company and Freelance support

Skillset Cymru Training Framework

Our Framework is a joint approach by Skillset Cymru, the Welsh language broadcaster S4C, the trade association Teledwyr Annibynnol Cymru (TAC) membership levy and Welsh Government, to support the skills and training needs of the Welsh independent production sector and the wider Creative Industries in Wales. It offers a collaborative and strategic approach to identifying training needs, gathering data and intelligence from the sector in Wales, and using it to fund training provision.

Managed by Skillset Cymru, the programme uses Skillset research to inform approximately £420,000 per annum of S4C and TAC funding in various training initiatives in skills priority areas. This funding is topped up by various other funds such as those from the Welsh Government and participant fees.

It also offers bursaries to freelancers to attend courses in skills priority areas and collaborates closely with the Welsh Government's Workforce Development Programme to encourage companies to develop training plans and to utilise research on skills needs gathered by that programme. In the years 2010-11, a total of £635,136 was invested in various training schemes. This funding secured approximately £350,000 in match and was used to train approximately 539 individuals.

Examples of courses financed 2010-11 are detailed below – and cover the skills priorities identified by our Sector Skills Assessment for Wales and our research examining the Future skills needs of the sector. The focus has primarily been on supporting training in the areas of digital, business and finance, production skills, co-production and technical skills and include the following:-

- Digital Delta
- Principles of Digital Archive & Digital Rights Management
- Developing & pitching multiplatform projects
- Multi-platform Symposium
- Multi-platform Development Scheme for TV
- Talent Attraction Scheme for Executive Producers
- Ideas generation and innovation
- Production Management for Junior Professionals
- High level Series Producer Scheme
- International Co-production
- Creative Business Leader Programme
- High Level TV drama scriptwriting
- Attachment for Media Asset Managers

As part of its monitoring and evaluation framework, Skillset Cymru operates a thorough impact analysis of all the courses it supports. Skillset also receives support from the Welsh Government's Business and the Economy Department and S4C to manage all the activity covered by the Framework.

Skills for the Digital Economy Project

The aim of the *Skills for the Digital Economy* project is to address the skills needs of the creative media industry across West Wales and the Valleys. The four year training programme is backed with £2.7m from the European Social Fund, through the Welsh Assembly Government, with the rest of the funds provided by the broadcaster S4C, the trade association for independent producers in film and television in Wales, Teledwyr Annibynnol Cymru (TAC) and Skillset Cymru. There are two main elements to the programme – a) research and b) support for the delivery of training. The programme is overseen by an industry Steering Group and the Skillset Cymru Industry National Board.

Skillset Cymru will be researching the skills needs of the Creative Media workforce in the target regions and will use this data to inform the development and delivery of training provision which will be tendered out to training providers and companies to deliver.

Key skills priority areas identified so far are in the areas of Multiplatform, Intellectual Property, Multi-camera, leadership and management, editing and business skills.

Qualifications

Employers within our sectors rely on a skilled and qualified workforce to help ensure their competitiveness. Skillset Cymru's role is to take this agenda forward in Wales, taking on board variations in terms of demand for different types of qualifications and addressing National Occupational Standards through the medium of Welsh, for example. This activity broadly covers the following areas:-

- Create and maintain National Occupational Standards (NOS) and addressing the development of standards through the medium of Welsh. We are currently developing a Welsh language version of an online NOS consultation tool. This will facilitate the gathering of feedback on existing NOS, NOS under review and development and will serve as a dynamic method of engaging directly with industry to ensure that NOS are accurate reflections of current best practice across the UK.
- Work in partnership with Awarding Bodies to develop and maintain qualifications – for example the WJEC in Wales and aids the delivery of the 14-19 Principle Learning in Creative Media element within the Welsh Baccalaureate Qualification.
- Develop a Sector Qualifications Strategy for Wales that identify the qualifications needs of our industries.
- Help influence the Vocational Qualifications Reform Programme in Wales – the Credit and Qualification Framework for Wales. We are aiming to collaborate with training providers and employers with non-accredited learning to examine what courses could be accredited and placed on the QALL.
- Develop Apprenticeship Frameworks - we are currently piloting the Apprenticeship in Creative and Digital Media in Wales with 14 employers and 11 apprentices in partnership with Cardiff and Vale College and Llandrillo.

In addition to the above a substantial amount of Skillset Cymru's time is spent informing and advising qualifications developed by Higher Education institutes in Wales. For example, in the areas of Foundation Degrees and Work Based Learning.

Skillset UK-wide initiatives benefiting Wales

The sector in Wales also benefits from the UK-wide initiatives Skillset delivers for new entrants, freelancers and employers. These include the Skillset Film Fund and the TV Freelance Training Fund. The sector in Wales has benefited considerably from these initiatives which offer funding to training organisations and bursaries to individuals to attend training, once again in priority skills areas.

We would like to note in particular that a large percentage of Skillset Cymru's investment in the creative industries in Wales is made up of the S4C funding and the Teledwyr Annibynnol Cymru levy. Indeed, this forms the basis of almost all CPD training that exists for the creative industries in Wales.

Its key outputs are highlighted in section 3.4 of this report and of key importance is that it is being used to match-fund our ESF funded programme *Skills for the Digital Economy*.

To note finally:-

With the recent S4C and BBC governance announcement we need to ensure that skills will remain at the top of the broadcasters' agenda and that their investment in our projects remains as it is. Our ESF project in particular, is over 4.5 years – up until 2015 and is dependent on the S4C and TAC match, so guaranteeing that is a priority and we would welcome the Welsh Government's support in this respect.

Skillset welcomes the opportunity to contribute to the National Assembly for Wales' Communities, Equality and Local Government Committee task and finish group inquiry into the future outlook for the media in Wales. We do hope that this paper has provided you with a meaningful summary of what we believe are the key skills issues for the sector in Wales and the various services and initiatives Skillset Cymru is delivering to address some of these.

Appendix 1

Skillset Cymru National Board

- Pauline Burt, Film Agency for Wales
- Roger Carter, Head of Research, Business and Communities, HEFCW
- Joedi Langle, Business Development Officer Broadcast & Film, Welsh Government
- Aron Evans, Director, Dinamo
- Catrin Evans, Senior Producer, Tinopolis
- Rwth Foulkes, Sector Policy & Programme Manager, Department for Education and Skills, Welsh Government
- John Geraint, Creative Director, Green Bay Media (CHAIR)
- Delyth Wynne Griffiths, Director of Business Affairs, S4C (DEPUTY CHAIR)
- Stephen Hagen, Deputy Vice Chancellor at University of Wales, Newport
- Mark John, owner, Vision Thing Communications Ltd and TAC training representative
- Brian Kelly, Training Officer, BECTU
- David Mackie, Head of Production and Business Development, BBC Wales
- Alan Morgans, Director of Tinopolis Interactive, Tinopolis
- Huw Owen, owner, CC4 ltd.
- Dawn Simpson, Director for Out of London, PACT
- Nia Thomas, Head of Production, Boomerang
- Hywel Wiliam, Director at AIM Advisors in Media

Appendix 2

Skillset UK Board of Directors

David Abraham - CEO, Channel 4

Eileen Gallagher - CEO, Shed Productions

Andrew Harrison - CEO, RadioCentre

Stephen Heppell - Professor/Founder, Heppell.net

Betty Jackson - Betty Jackson Ltd.

Iona Jones - most recently the Chief Executive of S4C

Christine Payne - General Secretary, Equity

MT Rainey - Founder, Horseshmouth

Gail Rebeck DBE - Chairman and Chief Executive, Random House

Peter Salmon - *Director of BBC North, BBC*

Stewart Till - *Chair Skillset/CEO Icon Entertainment UK*

Stephen Woodford - *Chairman and CEO, DDB UK*

Stop Press? The Crisis in Welsh Newspapers, and What to Do About It

Dr Andy Williams

Cardiff University School of Journalism, Media, and Cultural Studies

In this extended essay I look at the political economy of the press in South Wales, and argue that as the subsidy provided to news by commercial advertising diminishes, serious public funding for a new generation of non-profit news outlets may be the only way to salvage public interest journalism at our local and regional papers

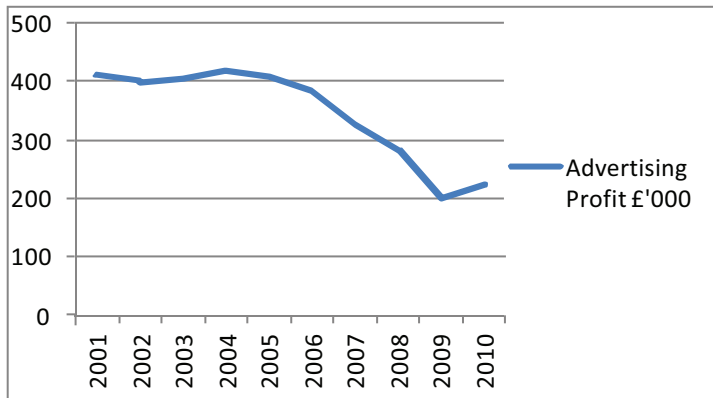
There are a number of reasons for the crisis in our press industry. Newspapers have traditionally made their money in two ways: by selling news to us, and selling us to advertisers. But advertisers are currently leaving newspapers in droves. Quite understandably they no longer find subsidising our news to be profitable, and are migrating to other more lucrative markets (online search engines, social networks, classified ad websites). At the same time, we as readers no longer feel inclined to pay upfront for news. The papers all put it online for free, why would we? There is also the problem that decades of staff cuts have left journalism severely diminished in quality and independence. Perhaps the news just isn't worth what it used to be.

Many critics leave the diagnosis of the problem at that, blaming inevitable and unavoidable changes in the market since the rise of the internet. But there is another cause to this crisis, which can be located firmly in corporate management strategies, and the choices we have taken as societies about who owns newspapers, and how that ownership should be regulated. Even before the rise of the internet, free content, and new advertising markets, newspaper companies had been steadily cutting staff to maximise profits. Since the 1980s there has been a trend in developed media markets towards consolidation: ever-fewer and larger companies buying up more and more papers. This was enabled by a string of UK governments caving in to pressure from industry to relax regulation on media ownership. Consolidation leads to problems with editorial independence and freedom of the press (as we have seen so clearly this summer with the influence of Murdoch), but it also encourages these big companies to cut staff in the name of creating efficiency savings across their media empires, and arguably to prioritise the generation of profits above the production of high quality news; to favour corporate interests over the public interest.

The Crisis in Cardiff and the Valleys

We have not lost a newspaper in Cardiff, yet, but there are places not too far away that have. Port Talbot and Neath were two of at least 60 UK towns to lose their local papers between 2008 and 2009 (Greenslade 2009a). And those of us who live in the Welsh capital should not get complacent. Media Wales, which publishes the *Western Mail*, *WalesOnline.co.uk*, the *Echo*, and a shrinking series of local weeklies in the valleys, do not publish breakdowns of how much they make from advertising, but advertising revenues at parent company Trinity Mirror's regional division are down 43% since 2003 (from £408.5m to £222.5m).

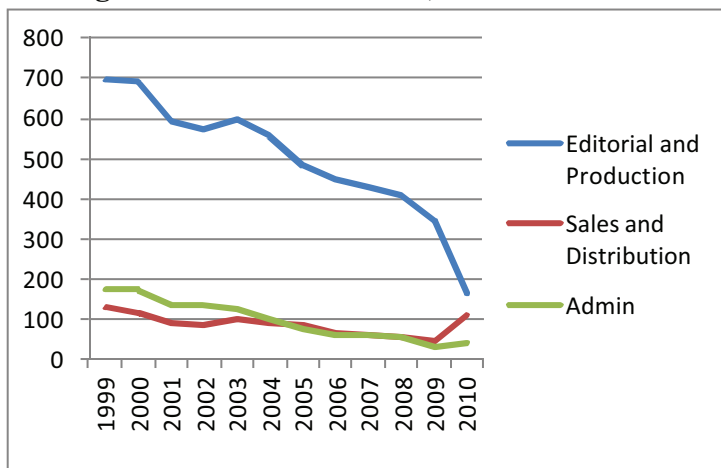
Advertising Profit at Trinity Mirror Regional Division, 2001-2010



Source: Trinity Mirror Annual Accounts 2000-2010

The number of journalists at Media Wales has also dropped extremely sharply. In 1999 there were almost 700 editorial and production staff at Media Wales, now there are only 136. These figures include the loss of some non-journalists (such as those responsible for page design) but they are still incredibly worrying. Only a fraction of the reporters who produced our South Wales papers 10 years ago are now left. As the almost uniform downward trajectory of the blue line in the graph below suggests, those who have had their jobs cut are very unlikely to be hired back.

Staffing Levels at Media Wales, 1999-2010

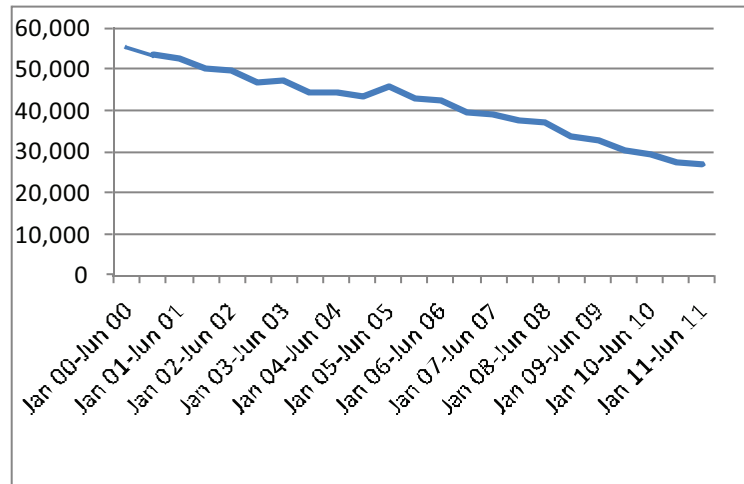


Source: Media Wales Annual Accounts 2000-2010

In 2010 the local Celtic Weekly papers endured yet more restructuring, which ended up with a number of much-needed local journalists being shown the door, and the editorships of some papers being merged. The most recent cuts include 22 journalism jobs axed in July 2011 (Welsh Ramblings 2011), with seven compulsory redundancies announced at the Celtics in August leaving just six senior reporters and five trainees to cover the seven remaining local titles in communities like Pontypridd, Merthyr, Aberdare, Llantrisant, and the entire Rhondda Valleys (Press Gazette 2011).

Not many people are buying the national newspaper of Wales, either: since 2000 circulation has fallen by more than half, from 55,273 to 26,931. If sales fall in similar numbers over the next 10 years there will not be anyone left reading the *Western Mail* by 2021.

Falling circulation of the *Western Mail*



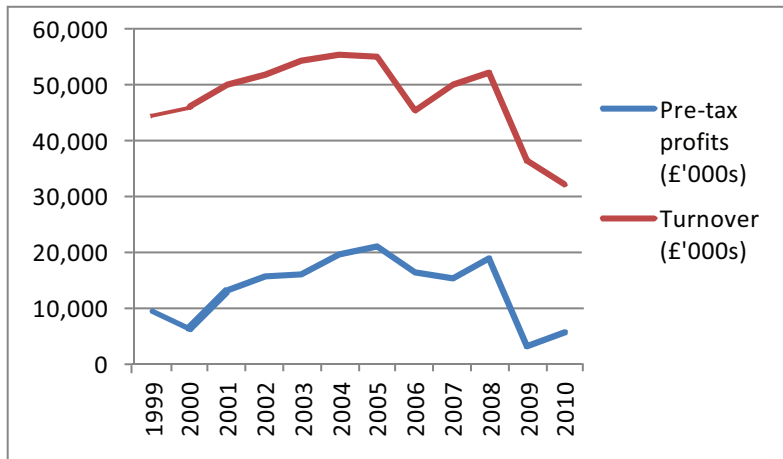
Source: 6 monthly ABC circulation figures 2000-2011

But advertisers pay newspapers for access to readers' eyeballs, and if we are not reading they have no reason to stick around. Commercial advertisers do not subsidise coverage of Welsh politics, Welsh corruption, Welsh crime, Welsh Rugby, or even Catherine Zeta's summer holidays out of the goodness of their hearts. There will surely come a time before long when it is no longer worth advertisers sticking around. The plunging circulation is a serious headache, but not just because it means less cash in the coffers. A crisis point will come when advertisers see the falling sales and figure it is no longer profitable for them to prop up an ailing paper. How far away is this point? A clue that it is threateningly close might be seen in the Cardiff NUJ chapel's reaction to the July 2011 job cuts. Initial talk of a strike ballot (Pugh 2011) evaporated after the union was shown "up-to-date financial information on a confidential basis" (Press Gazette 2011). Afterwards, instead of continuing plans for industrial action NUJ Father of Chapel and senior reporter Martin Shipton was talking about working with management to "make sure this place keeps going", and citing speculation about "the future of the company" (Press Gazette 2011). Things must already be pretty serious.

Who is to blame?

We cannot simply blame inevitable market forces, the web, or changing news consumption habits for the sorry state of our newspapers, although all of these factors have played a part. Mismanagement and greed by Trinity Mirror executives in London are also clearly to blame. Much of this period of declining circulation and staff cuts came at a time of extreme profitability for Media Wales. Between 2002 and 2008 income was incredibly high: the company consistently turned over between £45m and £55 annually, and posted pre-tax profits of between £15m and £20m.

Turnover and Profits at Media Wales, 1999-2010



Source: Media Wales Annual Accounts 1999-2010

Profit margins in this period were between 30% and 38%. Margins like this are, of course, rare in most *healthy* industries; for markets in *crisis* or steep decline they are unheard of. At the same time as it was shedding readers at an unprecedented rate, instead of investing significant amounts of its revenue back into producing high-quality journalism the company was cutting reporters. Even at the height of the most serious recession in a generation proportionally decent profit margins were still being squeezed from the Cardiff newsroom: In 2009 it stood at 8.75%, and in 2010 it had shot back up to 18%. Again, this short-term gain was bought at the long-term expense of the workforce and news audiences, and gives us further proof that that Trinity Mirror is more concerned with the financial interests of shareholders and London-based executives than the public interest and the strength of the Welsh public sphere.

What is the Problem? Journalism, the Public Interest, and Democracy

All of this matters so much, of course, because journalism is not only a commercial product, it is also essential to the health of our society. For most of the last century the democratic functions of journalism were subsidised by commercial advertising. This subsidy has now been completely withdrawn in some places, and in others it is in the process of disappearing. The public interest value of news can broadly be distilled into two main functions: information provision and critical scrutiny.

Ideally news provides us with the kind of accurate, independent, fact-checked, information we need in order to make good decisions as active citizens. This has a direct practical use to us as well as less obvious, indirect, value. News tells us what is going on, but it also defines who that “us” actually is. As well as keeping communities informed, it binds communities together by highlighting common concerns and facilitating discussion, disagreement, and consensus. At their best local and regional papers have been agents of social cohesion, and enablers of civic and political participation, as well as providers of information. They are places where communities can meet and discuss issues of common concern and, like those

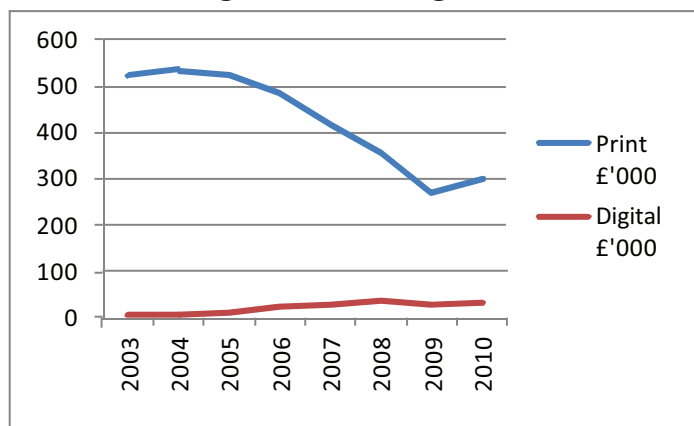
other informal havens of gossip, scandal, and sedition, pubs and post offices, they are disappearing fast. At a time when political participation is in decline we desperately need the democratic debating chamber supplied by well-resourced local and regional news.

Journalism also plays an incredibly important monitorial, scrutinising, role in ensuring that our elected politicians remain accountable. According to the critic and web evangelist Clay Shirky, small and medium sized cities and towns across the US are sliding into “casual endemic civic corruption” because of the newspaper crisis (Greenslade 2009b). The same may be happening here in those towns and villages no longer served by the commercial local news sector. We do not know, because in many of these places there are no journalists left to find out. There are also reasonable concerns that many of those local and regional papers currently suffering a sad and degrading death by a thousand cuts might be missing such critical “fourth estate” stories because so many of them are understaffed by overworked media workers.

The Proposed Solutions to the Crisis, and Why They are Inadequate

There are a number of solutions to this crisis being suggested at the moment. Firstly, the big four news conglomerates are all arguing for less exacting regulation of media consolidation: this would no doubt allow the generation of short-term profits for big media, but it would undoubtedly lead to further job cuts, less media plurality, and weaker journalism. Secondly, there are those that still hope that even though we might lose some titles advertisers will eventually migrate to online news. Despite much talk in the industry of improving digital profits from local and regional news, there is little evidence this will happen in anything approaching sufficient volume. This is starkly illustrated by simply comparing recent revenues from print and digital advertising. For example, in 2003 Trinity Mirror’s regional printed newspapers made £521.5m in profits; by 2010 they were only making £298.8m.

Print Versus Digital Advertising Revenue at Trinity Mirror Regionals Division



Source: Trinity Mirror Annual Accounts 2003-2010

Steady decline in print revenue has been accompanied by *some* profit increases online; in 2003 the company’s local news websites made £3.8m, and last year £32.4m. This is impressive growth, but it is nowhere near enough to provide the resources needed to sustain

public interest journalism on the scale newspapers used to provide. The US Project for Excellence in Journalism declared in 2009, “it is now all but settled that advertising revenue – the model that financed journalism for the last century – will be inadequate to do so in this one” (McChesney and Nichols 2010). There is little reason to believe the situation will be much different in Wales.

Alternatively, some news executives think that online pay walls will convince the public to stump up where advertisers will not. This might be a viable model for suppliers of news to elite niche markets (e.g. the *Financial Times*, the *Wall Street Journal*), but there is very little evidence this can work elsewhere, especially in the often economically deprived areas which have already been abandoned by big newspaper conglomerates.

A fourth solution is that unpaid citizen journalists will fill the void left by the redundant professionals, either in the form of independent blogs, or in collaboration with scaled-down commercial media players. I am a great supporter of the democratic and democratising potential of alternative media and collaborative journalism. But despite the well-chronicled limitations of the mainstream news media I am also extremely sceptical about citizens’ ability to replace professional public interest journalism. Accurate, sceptical, watchdog reporting costs in both money and time, and media workers need to be supported by strong, independent, journalistic institutions which can stand up to political and corporate flak. I know from experience that citizen journalists usually lack both the resources and institutional support to seriously challenge power and vested interests. It also seems that some news companies are currently hoping to exploit citizens as unpaid digital serfs. Hiding behind the rhetoric of community reporting I fear they are actually hoping to use volunteers as cover for further cutting into the professional workforce.

All of these solutions are distinguished by their inability to replace *the scale* of journalism previously underwritten by the advertising subsidy which sustained the old business model for news. Unless this scale can be sustained, restored, and eventually built back up then the quality of information provided to us by the news, along with the scrutiny levelled at public officials and elites, is bound to suffer. The answer to this problem has to lie in no longer seeing this as a crisis in *news business models*, but expanding the parameters of the debate and instead considering it as a crisis of journalism and the public sphere.

The Solution that Dare Not Speak its Name: Public Subsidy and Non-Profit News

So what to do about this problem? Last summer the editor of the *Western Mail* called me a “one-eyed hyperbolist” with a taste for “quaint 1970s rhetoric” after I outlined the kind of critique I just did here (Ponsford, 2010). I was also accused of making criticisms without understanding the challenges faced by the industry, and without offering solutions for solving this problem. There are no simple solutions to what is an incredibly complicated problem. But unless we debate and discuss radical and effective action to save journalism now, our already ailing democracy, the accountability of our politicians and business elites, and the quality of public debate will suffer, perhaps irreparably.

Over the past few years a trickle of influential figures have come out in favour of public subsidies for the news. Last month one of the most influential figures in world media, the advertising mogul Sir Martin Sorrell, claimed that state subsidies were needed to protect “quality journalism” (Fenton 2011). The former editor of the *Daily Mirror* Roy Greenslade thinks likewise (Greenslade 2011b), as do the former editor of the *Washington Post* Leonard Downie Jr., and a growing list of influential academics (Downie Jr and Schudson 2009, Usher 2011). There will, no-doubt, be opposition from newspaper owners, and some journalists (for different reasons): the former largely because they fear encroachment on their territory and interference in the market, and the latter mainly because they fear political interference with the content of news and a loss of editorial independence. The worries about meddling from policy makers are well-founded, but not insurmountable. We have effective mechanisms in place to protect the independence of public service broadcasters, and some European countries already subsidise the press alongside their broadcast news without much problem (Nielsen and Linnebank 2011).

The exact forms this public subsidy might take needs serious and imaginative debate. But we cannot put this debate off indefinitely. Given the precarious state of Wales’ national newspaper, in the not-too-distant future we, the Welsh public, might have to think about intervening to ensure its continued existence. We need to begin to think through the most effective ways to do this, should the need arise. My own view is that to bail out existing local news conglomerates would be to throw good money after bad, and would probably involve subsidising the City of London rather than quality journalism. I believe a good place to start would be to limit public subsidy to a new generation of non-profit, perhaps co-operatively-owned, news organisations, beginning with existing “news holes” in areas where local papers have closed down.

In some places such organisations are already there, struggling to produce high-quality local news in a sustainable way (Slattery 2011). I should declare an interest here: I am a supporter of a small, non-profit, local news co-op in Port Talbot. A band of recently laid-off journalists from all over South Wales are currently struggling on little or no budget to attract advertisers and replace the local news previously provided by Media Wales’ now defunct *Port Talbot Guardian*. Recently-redundant journalists are not, unfortunately, in short supply. Enabling such committed professionals to staff a series of non-profit community news hubs in Wales would provide much-needed jobs and ensure that the skills of this soon-to-be lost generation of news workers are kept alive.

These news hubs would not be newspapers in the traditional sense. They could also operate as community media centres, offering training opportunities to those interested in truly collaborative journalism. Rather than the “pump and dump” approach to working with audiences employed by so many commercial news organisations, this would facilitate properly-funded skill-sharing between journalists and publics (both individuals, and groups including schools, colleges and civil society organisations). It could address some of the serious skills deficits that exist in so many of our towns, and also improve news content by

allowing reporters to reconnect with young people, local campaigners, and other aspiring citizen journalists. There is little doubt that the long-term future of news will be primarily online. But this does not mean that print should be abandoned. The digital divide is alive and well in Wales: 29% of us do not have broadband. The oldest and poorest of us suffer most: 52% of those over 55, and almost half of those in DE social groups, miss out on fast web access (Ofcom 2011). Until access to broadband has increased substantially, and across all social classes, publicly-funded local news cannot afford to abandon print. There is little point funding public interest news aimed at strengthening local democracy if those publics most in need are unable to access it.

Once given a boost with initial start-up funds these hubs could be run on hybrid business models, part-supported by public money, partly by hyper-local advertising. State or municipal subsidy could be used to fund advertising sales teams to support clusters of local news hubs. A series of small-scale, non-profit, co-operative local news outlets could be built, and just as importantly tested for viability should our larger titles teeter or fall. Wales has a long and proud history of cooperative worker-ownership: it is time this historic commitment to mutual aid and community values replaced the profit-at-all-costs mentality that has dominated the provision of our news for too long.

The US academic Robert McChesney sums up the need to subsidise local papers when he argues that the news is a public good, “something the public needs, but that the market cannot produce in sufficient quality or quantity” (McChesney and Nichols 2010). Another example would be public education – it benefits everyone to live in a well-educated society, even if you do not have children currently in school. The market is currently in retreat; in many towns it has already gone. Soon it may no longer find it profitable to sufficiently subsidise our local news at all. If we want to live in a functioning democracy in which citizens are reasonably informed, and politicians are accountable, we will have to pay for it ourselves, indirectly, with serious and smart public subsidies designed to replace the disappearing commercial advertising subsidy.

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Item 2b

National Assembly for Wales,

Communities, Equality and Local Government Committee

Task and Finish Group on the future outlook for the media in Wales

Cube Interactive Submission

8 November 2011

Introduction

This document represents a contribution from Cube to the current inquiry into the future outlook for the media in Wales, being undertaken by the National Assembly for Wales's Communities, Equality and Local Government Committee task and finish group.

Background

Cube Interactive Limited ("Cube") was formed in 2005 to offer digital media services and productions, primarily to broadcasters. Since then, Cube has become a leading provider of interactive, digital content and services to major brands, including S4C, BBC, CITV and Microsoft. It has also won industry recognition for its work from Bafta.

Response

The inquiry's terms of reference are quite broad. Cube's primary area of expertise & interest is in digital media, so we will restrict our comments to this sub-sector of the creative industries. It is worth noting that analyses of UK economic performance single out the digital media / software sector as being a significant driver of growth both historically, over the last few years, and into the future.

The state of the (broadcast) media

Since the Hargreaves report was published, the pressure on broadcast media businesses in Wales has intensified, due to public sector expenditure reduction and continued economic weakness.

Consumer behaviour and digital technologies have continued to evolve, but we observe that, at a time when clarity of strategic purpose is still vital, our main PSBs have been preoccupied with internal issues.

This environment has not been conducive to the growth of the indigenous new media sector. With deliberations over the new Communications Act to come, it may be too early to expect this period of turmoil to draw to a close; nevertheless, we continue to hope that our major broadcasters can begin to interpret the role of digital media in their remit with more confidence and ambition.

Hargreaves revisited

Cube submitted a note to the Hargreaves review of Creative Industries making four key recommendations, summarised as follows:

- a) Broadband access needs to be improved.
- b) The level of technology literacy among the Welsh workforce needs to be raised
- c) Government should make available seed funding for digital innovation
- d) The Welsh Government should review both its service delivery processes and its procurement policies to ensure that productivity-enhancing investment can provide opportunities for Welsh digital businesses to grow

These recommendations remain valid and we believe that there is broad agreement with them. The actions taken in the wake of the Hargreaves report, including re-organising the delivery structures in the Welsh Government and establishing sector panels, should translate into policy initiatives to address these areas, though the pace of change is slow from a private sector viewpoint.

A cautionary note is needed in relation to point a), Broadband. The Digital Wales plan includes supporting “basic” and “next generation” broadband rollout – placing the accent on “pipe” infrastructure. From a creative point of view, we need to consider how much Welsh (language and / or cultural) content may be carried on these pipes in the future.

Regulation of the Broadcast environment is well–developed; for example, regulatory intervention in EPG slot allocation secures prominence for Welsh services on certain broadcast platforms.

The growth of the “connected TV” is becoming apparent: internet video already accounts for 40% of global internet traffic, and a number of UK-wide telcos and content creators have come together to create the YouView platform. We can expect this to generate another impetus to audience fragmentation, as occurred with the introduction of digital TV. Without regulatory preference to help build awareness and audience share, should we therefore anticipate a further marginalisation of content from and about Wales; and if so, is there any suitable policy response from the Welsh Government?

Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol Cynulliad Cenedlaethol Cymru

Grŵp gorchwyl a gorffen ar y cyfryngau yng Nghymru

Tystiolaeth Golwg Cyf. a Golwg Newydd Cyf.

Mae dau bapur yma – un gan Golwg Cyf. yn cryhoi rhai pwyntiau cyffredinol a phwyntiau mwy penodol am y wasg; y llall gan Golwg Newydd Cyf. yn canolbwyntio ar ddatblygiadau ar-lein.

Tystiolaeth Golwg Cyf. (Dylan Iorwerth – Golygydd Gyfarwyddwr)

1. Cefndir y cwmnïau

1.1 Fel y mae'r enwau'n awgrymu, mae Golwg Cyf. a Golwg Newydd Cyf. yn ddau gwmni sy'n cydweithio'n agos er mwyn creu a hyrwyddo deunydd newydddiadurol trwy gyfrwng y Gymraeg.

Cafodd Golwg Cyf. ei sefydlu yn 1988 i gwrdd â'r angen am gylchgrawn newyddion a materion cyfoes, gan gyflogi newyddiadurwyr proffesiynol ac anelu am safonau uchel o ran cynnwys a diwyg.

Mae cylchgrawn Golwg wedi ei gyhoeddi'n wythnosol ers hynny, gan werthu rhwng tua 2,800 a 4,000 o gopiau. O ystyried bod llawer o'r copïau'n mynd i ysgolion a sefydliadau, rydym yn amcangyfrif bod hynny'n golygu rhwng tua 9,000 a 12,000 o ddarllenwyr.

Ers yr 1990au, mae cwmni Golwg Cyf. hefyd yn cyhoeddi cylchgrawn bob deufis i ddysgwyr Cymraeg, Lingo Newydd, a chylchgrawn misol i blant bach, WCW a'i ffrindiau, sydd hefyd yn cynnwys cyfieithiad Saesneg.

Masnachol

1.2 Efen arall o'r busnes yw Gwasanaethau Golwg, sy'n gwneud gwaith ysgrifennu, dylunio a chyhoeddi i amrywiaeth o gwsmeriaid cyhoeddus a phreifat – o ddeunydd hysbysebu i gylchgronau, cylchlythyrau newyddion a llyfrau.

Cafodd yr adain hon ei chreu yn gynnar yn hanes y cwmni er mwyn cynhyrchu incwm i ddatblygu'r cylchgronau. Mae'n golygu mai cyfran gymharol fechan o incwm y cwmni – llai nag 20% - sydd wedi bod yn grantiau.

Y model oedd defnyddio'r sgiliau a'r adnoddau oedd gennym er mwyn creu incwm ychwanegol i gefnogi ein gwaith craidd.

Mae'r cwmni bellach yn cyflogi 14 o bobl (yn cyfateb i 11½ swydd amser llawn). Mae saith o'r rhain yn newyddiadurwyr.

Golwg360

1.3 Yn 2009, fe sefydlodd Golwg Cyf. gwmni newydd, Golwg Newydd Cyf., i gynnal gwasanaeth newyddion ar-lein, Golwg360, sy'n cael ei adnewyddu bob dydd, trwy'r dydd.

Cafodd y gwasanaeth newydd ei gynllunio i weithio ochr yn ochr â'r cylchgrawn wythnosol, yn hytrach na'i ddisodli. Mae'r gwasanaeth ar-lein yn delio gyda newyddion y funud a'r cylchgrawn yn gwneud mwy o straeon ymchwil, nodwedd a dadansoddi.

2. Cyflwr y wasg yng Nghymru

Mae'r wasg – a'r cyfryngau traddodiadol yn gyffredinol – yn wynebu sawl her fawr.

- Mae technoleg cyfathrebu'n newid ar gyflymder syfrdanol sy'n ei gwneud hi'n anodd i'r ffurfiau traddodiadol addasu, o ran cynnwys a busnes.
- I bob pwrpas, fe fydd geiriau fel 'y wasg', 'teledu' a 'radio' yn mynd yn fwy a mwy diystyr, gan eu bod yn disgrifio dulliau technegol o gyflwyno cynnwys. Yng ngweddill y papur hwn, mae termau fel 'newyddiaduraeth brint' yn cael eu defnyddio i sôn am newyddiaduraeth trwy eiriau ysgrifenedig, ar bob math o lwyfannau.
- Bydd 'dyddiol', 'wythnosol' a 'misol' hefyd, i raddau, yn colli eu hystyr yn y cyd-destun hwn.
- Mae cymdeithas ei hun yn newid, o ran arferion darllen, arferion diwylliannol, natur poblogaeth a masnach.
- Mae'r argyfwng economaidd wedi creu gwasgfa sy'n arbennig o llym yn y maes.
- I'r cyfryngau Cymraeg traddodiadol, mae yna her arbennig oherwydd y cwmp yn nifer y siaradwyr Cymraeg iaith gyntaf a'r rhai y mae'r Gymraeg yn brif iaith ddiwylliannol a chymdeithasol iddyn nhw.
- Oherwydd y methiant i sicrhau lle'r Gymraeg mewn gwasanaethau radio lleol, masnachol, mae yna fwch pwysig yn y ddarpariaeth.
- Gydag S4C yn dod dan adain y BBC, mae mwy o beryg nag erioed i luosogrwydd (plwraliaeth), yn enwedig wrth i'r darlledwyr symud fwy fwy i'r maes amlgyfrwng a deunydd ar y We.

Yn gyffredinol, mae hyn wedi arwain at gau rhai papurau lleol ac at dorri'n ôl ar nifer newyddiadurwyr. Mae'r papurau 'cenedlaethol' yn arbennig wedi gweld cwmp mawr yn eu cylchrediad.

Er bod gwasgfa fasnachol ar gylchgrawn Golwg, yn arbennig o ran lleihad mewn hysbysebion swyddi a hysbysebion cyhoeddus, mae'r cylchrediad wedi dal ei dir.

3. Y dyfodol

3.1 Mae'n ymddangos bod y cyfryngau newyddion i gyd yn dod at ei gilydd o ran llwyfannau technegol – offer cyfrifiadurol symudol. Tra bydd lle o hyd i gyhoeddiadau papur traddodiadol, mae angen sicrhau lle newyddiaduraeth brint yn y cyfryngau newydd. Dim ond newyddiaduraeth brint – geiriau, yn hytrach na lluniau a sain – sy'n gallu cynnig y dyfnder parhaol sy'n angenrheidiol o ran diwylliant a democratiaeth. **Mae angen chwilio am ffyrdd o roi cymorth i gyhoeddiadau addasu a manteisio ar y dechnoleg newydd.**

3.2 Yng Nghymru, a thrwy'r Gymraeg yn arbennig, mae peryg i'r maes newydd hwn gael ei feddiannu gan y sector cyhoeddus. Dim ond cyrff fel y BBC ac S4C sydd â'r adnoddau i allu buddsoddi yn y dechnoleg yn gyflym ac ar raddfa ddigonol. **Dylai'r pŵer hwn a'r gallu i gomisiynu yn ogystal â chynhyrchu gael ei ddefnyddio i hyrwyddo mentrau annibynnol ac lluosogrwydd yn hytrach nag i**

feddiannu'r maes. Gallai hyn ddilyn yr un math o egwyddor ag wrth gomisiynu rhaglenni teledu gan gwmnïau annibynnol.

3.3 Mae cyfryngau newyddion yn fwy na chynnwys newyddiadurool a diwylliannol. Maen nhw hefyd yn gerbydau ar gyfer masnach. Yn draddodiadol, mae hysbysebion wedi bod yn rhan hanfodol o unrhyw bapur newydd ac, yn achos papurau lleol, yn cynnig gwasanaeth o bwys i fyd busnes eu hardaloedd trwy greu marchnad. Gyda globaleiddio, twf archfarchnadoedd, siopau cadwyn a siopa o bell ar y We, mae'r rôl hon yn bwysicach nag erioed, ond mewn peryg. **Mae angen ystyried bod gan y cyfryngau yng Nghymru ran mewn datblygiad economaidd. Gallan nhw gyfrannu at ddatblygu economi gwybodaeth yng Nghymru a helpu busnesau cenedlaethol a lleol i ymateb i'r chwyldro cyfathrebu a masnach. Gallai helpu'r wasg a'r cyfryngau traddodiadol i ddatblygu eu defnydd o'r dechnoleg newydd hefyd helpu busnesau Cymru.**

3.4 Un o brif amcanion Llywodraeth Cymru yw sicrhau Cymru ddwyieithog. Mae sawl llywodraeth wedi cydnabod mai hyrwyddo defnydd o'r iaith ym mhob maes yw un o'r allweddau – a hynny y tu allan i ysgolion a'r sector cyhoeddus. Mae amrywiaeth o gyfryngau, lleisiau a chynnyrch diwylliannol yn hanfodol er mwyn cyflawn i hynny. O ystyried natur newydd rhwydweithio cymdeithasol, bydd sicrhau lle'r Gymraeg yn y cyfryngau digidol hefyd yn allweddol ond fydd dim modd gwneud hynny trwy un neu ddau o gyrrff cyhoeddus mawr. **Mae helpu'r cyfryngau Cymraeg traddodiadol i addasu i'r dechnoleg newydd a manteisio arni, a helpu i sefydlu mentrau newydd yn y maes, yn rhan o'r ymdrech i hyrwyddo'r iaith a chreu Cymru ddwyieithog.**

3.5 Mae'r lleol yn bwysig iawn. Un o gryfderau a gwendidau Cymru yw ei bod yn gymuned o gymunedau. Mae effaith hynny i'w weld yn nhwf a dirywiad y wasg draddodiadol. Does gan Gymru ddim papur newydd gyda chylchrediad eang ym mhob cornel o'r wlad ac un o wendidau'r wasg Gymraeg broffesiynol oedd methiant i ddatblygu rhwydwaith o bapurau lleol. Ar y llaw arall, mae llwyddiant cymharol y papurau bro'n dangos pwysigrwydd y lleol iawn. Fel mae'n digwydd, dyma un o dermau mawr y chwyldro cyfathrebu hefyd. Mae hyn yn cynnig cyfle – mae'n ffordd y gall cyfryngau Cymreig a lleol wneud yn well na chyrrff a chwmnïau Prydeinig a rhyngwladol a byddai'n cynnig llwyfan masnachu i fusnesau cysefin hefyd. **Mae hyn yn golygu gweithio o'r lleol i fyny, gan gefnogi mentrau a datblygiadau newydd sy'n cynnwys y wasg a harneisio ymdrechion ym maes datblygu economaidd, datblygu cymdeithasol a datblygu ieithyddol hefyd.**

3.6 Wrth i'r gwahanol gyfryngau ddod at ei gilydd, mae sôn am radio lleol neu deledu lleol yn ymddangos yn anacronistaidd. Yn hytrach na hynny, efallai y dylem feddwl am wasanaethau gwybodaeth ac adloniant lleol, aml-gyfrwng, sy'n cael eu cyflwyno trwy ddulliau digidol. **Trwy gael y gwahanol gyfranwyr traddodiadol i weithio mewn partneriaeth ar y llwyfannau hyn, byddai modd sicrhau amrywiaeth o ran cynnwys a llais a chreu gwasanaethau gwerthfawr o ran cymdeithas, diwylliant, iaith a ffyniant economaidd. Yn achos y Gymraeg, bydd angen cymryd agwedd weithredol (*pro-active*) at hyn er mwyn sicrhau lle'r iaith mewn gwahanol gymunedau ar draws Cymru.**

3.7 Mae ein pwyslais ar weithredu'n holistaidd, gan weld ffyniant y wasg yn rhan o ddatblygu economaidd, datblygu cymdeithasol a datblygu ieithyddol. Rydym hefyd yn gweld y wasg – newyddiaduraeth geiriau – yn rhan hanfodol o batrwm y cyfryngau yn y dyfodol. Ond mae angen cymorth i ymateb i'r sialensiau technegol a masnachol. Un o'r pethau mwyaf anodd i gwmni bach fel ni yw buddsoddi mewn ymchwil a datblygu technolegol. Mae hefyd yn anodd gwybod pryd i fentro

ar dechnoleg sy'n addawol ond heb ei phrofi. **Gallai Llywodraeth a'r sectot cyhoeddus – prifysgolion er enghraifft – fod â rôl allweddol yn hyn o beth.**

Dylan Iorwerth

7.11.11

Cyflwyniad Golwg Newydd, gan Owain Schiavone (Prif Weithredwr)

Cefndir

Golwg Newydd yw'r cwmni sy'n rhedeg y gwasanaeth newyddion Cymraeg di-dor ar-lein, Golwg360.com.

Lansiwyd y gwasanaeth ar-lein ym mis Mai 2009, ac mae wedi mynd o nerth i nerth ers hynny. Ar gyfartaledd, mae Golwg360 yn cyhoeddi tua 30 o straeon bob dydd ac rydym bellach yn denu dros 5000 o ymwelwyr i'r safle'n ddyddiol. Er na allwn fod yn gwbl sicr, rydym yn credu mai Golwg360 yw'r safle Cymraeg mwyf poblogaidd ar y We erbyn hyn.

Dros y ddwy flynedd a hanner ddiwethaf mae'r gwasanaeth wedi wynebu sawl her yn ymwneud â'r cynnwys a'r dechnoleg, ond heb os yr her fwyaf yw honno i geisio rhoi sail fasnachol gadarn i'r cwmni. Yn yr hinsawdd economaidd bresennol mae'n debyg bod hon yn broblem gyffredin i'r cyfryngau Cymreig.

Llenwi bylchau

O ran cynnwys y wefan, yr egwyddor rydym wedi'i ddilyn yw i geisio llenwi bylchau ac ychwanegu gwerth i'r cynnwys Cymraeg sy'n cael ei ddarparu gan gyfryngau eraill, ac rwy'n teimlo ein bod wedi llwyddo i wneud hyn yn effeithiol.

Cynlluniau

Wrth gynllunio i'r dyfodol rydym yn bwriadu dal parhau â'r egwyddor hon, gan gyfuno cynnwys gwreiddiol Golwg360 â bod yn borth i gynnwys Cymraeg arall ar-lein.

Un flaenoriaeth yn y cyfnod nesaf yw i gyflwyno adrannau mwy lleol i'r gwasanaeth. Wrth wneud hyn rydym yn gobeithio cyfuno newyddiaduriaeth broffesiynol gyda newyddiaduriaeth 'dinesydd' (h.y. straeon gan y darllenwyr) yn ogystal â bwydo gwybodaeth a newyddion perthnasol o fannau eraill ar y we.

Blaenoriaeth arall yw rhoi llwyfan i fwy o gynnwys aml-gyfrwng ar Golwg360.com. Rydym yn gobeithio gallu cynhyrchu mwy o gynnwys fideo a sain yn fewnol, ond hefyd yn awyddus i roi llwyfan i gynnwys sy'n cael ei gynhyrchu gan bobl eraill e.e. rydym yn cydweithio ar hyn o bryd â rhaglen Sgorio i roi uchafbwyntiau gêmâu pêl-droed ar y wefan.

Argraffiadau o'r cyfryngau Cymreig

Rwy'n teimlo bod rhaid i'r cyfryngau amrywiol yng Nghymru weithio'n llawer agosach er mwyn gwarchod a chryfhau'r sector. Mae adnoddau ac arian yn brin gan bawb ond mae cyfle trwy rannu arbenigedd ac adnoddau.

Mae Cymru'n dal i fod ychydig yn naïf ynglŷn a photensial technoleg newydd a chryfder y we yn arbennig. O'i ddefnyddio'n iawn, gall y we gael ei ddefnyddio i gryfhau'r cyfryngau ehangach gan gynnwys darlledu traddodiadol a'r cyfrwng print. Mewn un ffordd, roedd cyflwyno Golwg360 yn cael ei weld fel bygythiad i gylchgrawn Golwg. Ond, trwy addasu rhywfaint rydym wedi datblygu system

ble mae'r ddau gyfrwng yn cydweithio'n effeithiol ac yn cryfhau'r naill a'r llall. Mae llwyddiant y model yma'r rywbeth a ellid ei gyflwyno mewn sawl rhan arall o'r cyfryngau Cymreig.

Blaenoriaethau i Gymru

Mae angen proses o addysgu cyffredinol yng Nghymru ynglŷn â chryfder y cyfryngau newydd.

Mae angen i fusnesau Cymreig angen gwneud defnydd mwy effeithiol o'r We i farchnata eu gwasanaeth – boed trwy hysbysebu ar y cyfryngau ar-lein neu trwy ddefnyddio rhwydweithiau amrywiol (e.e. rhwydweithiau cymdeithasol).

Ar lefel gymunedol, mae cyfle i ddefnyddio'r We i gryfhau cymunedau daearyddol. Er bod rhwydweithiau cymdeithasol yn dod a phobl yn nes, ac yn ei gwneud yn haws i gymdeithasu ar un llaw, gall hefyd fod yn fygythiad i weithgarwch cymunedol ar lawr gwlad wrth i bobl deimlo llai o angen i adael y tŷ er mwyn cwrdd a ffrindiau ac ati. O'i ddefnyddio'n effeithiol wrth gwrs, mae modd defnyddio'r dechnoleg i hyrwyddo'r hyn sy'n digwydd ar lefel leol a chymunedol a chyrraedd cynulleidfa ehangach. Rhaid i gymunedau felly gofleidio'r we a'i ddefnyddio yn hytrach na'i ofni.

Mae dealltwriaeth y cyfryngau Cymreig o dechnoleg y We hefyd yn gymysg. Mae'r We'n agored iawn bellach ac mae'n ddigon rhwydd creu gwefannau, ond mae angen mwy na gwefan annibynnol i gyrraedd y gynulleidfa, mae hefyd angen traffig. Wrth ddweud hynny, does dim rhaid denu traffig uniongyrchol i drosglwyddo neges bob tro – mae gofod ar wefannau a rhwydweithiau poblogaidd, lle mae traffig cyson yn gallu bod yr un mor effeithiol os nad yn fwy effeithiol.

Owain Schiavone

7.11.11

**Ymchwiliad Grŵp Tasg a Gorffen Pwyllgor
Cymunedau, Cydraddoldeb a Llywodraeth Leol
Cynulliad Cenedlaethol Cymru i' r rhagolygon ar
gyfer dyfodol y cyfryngau yng Nghymru.**

Academi Fyd-Eang Prifysgol Cymru: cyflwyniad

Richie Turner

9 Tachwedd 2011

**Prifysgol Cymru
Academi Fyd-eang**



**University of Wales
Global Academy**

Sefydlwyd yr Academi Fyd-Eang gan Brifysgol Cymru yn 2008, a'i nod yw hybu arloesi yng Nghymru drwy gydweithio cynyddol rhwng y sector breifat a phrifysgolion yng Nghymru a thrwy'r byd.

Nid yw'r cyflwyniad hwn yn adlewyrchu barn Prifysgol Cymru na'r Academi Fyd-Eang. Mae'r cyflwyniad hwn yn adlewyrchu barn yr awdur Richie Turner yn unig

Cylch gorchwyl yr ymholiad yw: “Edrych ar y rhagolygon ar gyfer gwahanol lwyfannau'r cyfryngau yng Nghymru drwy ystyried:

- 1. Cyflwr presennol y cyfryngau yng Nghymru a'r effaith y mae technoleg newydd a datblygiadau eraill yn ei chael ar hyn, yng nghyd-destun pryderon parhaus ynghylch dyfodol y cyfryngau darlledu a phrint yng Nghymru;**

Efallai ei bod yn bwysig dechrau drwy egluro'r hyn a olygir wrth sôn am y cyfryngau yng Nghymru. Mae'r cyfryngau yn golygu gwahanol bethau i wahanol bobl. Mae cyfryngau yn ei ystyr ehangach yn cynnwys pob math o sianelau cyfathrebu a ddefnyddir i ddosbarthu newyddion, adloniant, data neu negeseuon hyrwyddo. Yn ei ystyr ehangach mae'r cyfryngau'n cynnwys platfformau traddodiadol megis y teledu, papurau newydd a chyhoeddwr eraill, radio, hysbysfyrddau, post uniongyrchol yn ogystal â'r diwydiannau creadigol hynny a gwmpesir o fewn y sectorau digidol newydd ac esblygol megis datblygu meddalwedd, gemau, rhwydweithio cymdeithasol, ffonau symudol a chymwysiadau dyfeisiadau clyfar.

Yn amlwg ceir cydgyfeiriant cynyddol o ran technoleg, gyda dyfeisiadau caledwedd a chymwysiadau meddalwedd, ac mae angen i Gymru sicrhau bod hyn yn cael ei gymhwyso er ei budd cymdeithasol, economaidd, diwylliannol a gwleidyddol. Efallai'n fwy hanfodol ceir cydgyfeiriant hefyd o ran cynnwys diwylliannol byd-eang ac mae hyn yn fygythiad i gyflwr y cyfryngau yng Nghymru. Mae argaeledd cannoedd, yn wir miloedd o sianelau teledu, radio a chyfryngau ar-lein dros y blynyddoedd diweddar drwy gebl, lloeren, telegyfathrebu symudol a'r rhyngwrwd yn rhoi'r ffug-argraff fod y cyfryngau yng Nghymru yn fwy amrywiol a'u bod yn cynnig cyfle ymddangosiadol i dyfu mewn marchnadoedd byd-eang. I'r gwrthwyneb byddwn i'n dadlau bod y cyfryngau yng Nghymru dan fygythiad yn sgil uffurfioli cynnwys sydd yn gynyddol 'Americanaidd', ac yn sicr nad yw wedi'i wreiddio yn y diwylliant Cymreig.

Yn ei araith ddiweddar i gynhadledd yr IWA ar ddarlledu yng Nghymru, bu Huw Jones, Cadeirydd S4C yn trafod y mater gan gyfeirio at y modd y gellid cefnogi'r iaith Gymraeg yn y byd newydd o gyfryngau cymdeithasol lle gwelir y Saesneg (Saesneg wedi'i Americanaiddio fel arfer) fel norm. Yn gryno ceir dau brif yrrwr o fewn y cyfryngau yng Nghymru (a gweddill y byd). Yn gyntaf, cydgyfeiriant technoleg a'r cynnwys diwylliannol 'Americanaidd' byd-eang (yr amlinellwyd uchod). Yn ail, y cynnydd sylweddol yn y cyflenwad o sianelau digidol a phlatfformau ar-lein ynghyd â chynnydd yn y galw gan ddefnyddwyr am gynnwys mwy lleol ac sydd wedi'i greu gan y defnyddiwr. Mewn geiriau eraill, mae galw gan ddefnyddwyr yn dod yn fwyfwy segmentaidd a thameidiog yn ddiwylliannol. Mae'r ail o'r tueddiadau hyn yn cynnig cyfleoedd i Gymru, a chenhedloedd bach diwylliannol annibynnol eraill tebyg, gystadlu'n effeithiol a'u gwahaniaethu eu hunain yn erbyn 'Disneyeiddio' a 'Facebookeiddio' yr holl gyfryngau yng Nghymru.

Yn fyd-eang, mae technoleg newydd yn galluogi ac yn ymrymuso pobl i greu eu cynnwys cyfryngol eu hunain a lledaenu'r cynnwys hwnnw eu hunain. Mae hyn yn newid modelau busnes cyfryngol (y byddaf yn eu trafod yn fanylach yn ddiweddarach) ond mae hefyd yn annog greu

cynnwys mwy lleol a rhanbarthol. Ar draws Ewrop ceir tystiolaeth glir fod defnyddwyr yn defnyddio'r nifer enfawr o blatfformau digidol ac ar-lein sydd ar gael bellach iddynt ond dim ond os yw'r argaeledd cynyddol hwn hefyd yn cynnwys mynediad gwell at gynnwys a ddarperir yn eu hiaith eu hunain, ac yn cynnwys newyddion ac adloniant o'u cymuned, rhanbarth neu genedl eu hunain gan ganiatáu i ddefnyddwyr ryngweithio'n uniongyrchol â'r cynnwys cyfryngol.

Fel cenedl ddwyieithog mae Cymru mewn sefyllfa dda i elwa ar yr angen i gyflenwi cynnwys cyfryngol amlieithog, wedi'i greu'n lleol ac sy'n berthnasol yn lleol. Mae'r mwyafrif o'n cwmnïau yn y diwydiannau creadigol eisoes yn gyfarwydd iawn â chynhyrchu cynnwys dwyieithog. Dylai'r sgiliau hyn alluogi Cymru i fod ar y blaen yn nhermau arloesi technolegol a diwylliannol wrth greu a chyflenwi cynnwys cyfryngol, nid yn unig yng Nghymru ond ar draws y marchnadoedd byd-eang yn enwedig yn Ewrop ac Asia.

Felly mae'r sefyllfa hon yn cyflwyno cwestiynau pwysig i'r cyfryngau cyfredol, mwy traddodiadol yng Nghymru am eu cynladwyedd a swyddogaeth tymor hir. Wrth i'r farchnad a chyfran cynulleidfaoedd erydu fwyfwy yn sgil yr holl ddechreuwyd cyfryngol newydd dylai'r cyfryngau yng Nghymru anelu at gystadlu drwy ddarparu cynnwys o'r ansawdd uchaf sydd yn berthnasol yn lleol ac yng Nghymru, ond sydd hefyd o ddiddordeb yn fyd-eang. Rhaid i'r cyfryngau masnachol yng Nghymru fod yn gallu gwerthu eu cynnwys i'r farchnad fyd-eang er mwyn i'r sector ei gynnal ei hun yn erbyn incwm y marchnadoedd cartref sy'n disgyn.

Mae cyflwr cyfredol y sector teledu yng Nghymru yn berthnasol. Mae'r holl ddarlledwyr gwasanaeth cyhoeddus yng Nghymru yn wynebu setliadau cyllidol llym yn y dyfodol rhagweladwy. Mae hyn eisoes yn cael effaith sylweddol ar y sector cynhyrchu annibynnol fel y gwelwyd gyda'r toriadau diweddar yng nghwmni Boomerang +. Mae gwir berygl y bydd y toriadau hyn mewn cyllidebau comisiynu, yn enwedig yn BBC Cymru ac S4C yn arwain at gwmp yn ansawdd y rhaglenni teledu a gynhyrchir yng Nghymru. Os bydd hynny'n digwydd yna bydd y cyfryngau yng Nghymru yn wynebu bygythiadau mwy fyth i'w cyfran o'r gynulleidfa oddi wrth wneuthurwyr rhaglenni byd-eang sydd â gwell adnoddau. Datrysiaid syml posibl fyddai lleihau'r nifer o raglenni teledu a gynhyrchir yng Nghymru er mwyn gwarchod cyllidebau cynhyrchu ac yn sgil hynny ansawdd. Rwyf i'n credu y byddai hynny'n gwbl gyfeiliornus gan fod angen rhagor o gynnyrch cyfryngol o ansawdd uchel ar Gymru, nid llai.

Felly'r unig opsiynau sy'n weddill i sector teledu Cymru yw bod yn fwy effeithlon ac arloesol. Rhaid ystyried y trefniadau cyllido newydd rhwng y BBC ac S4C bellach fel cyfle i rannu adnoddau, lleihau costau gweithredu'n sylweddol a gwella cydweithio creadigol. Dylai rhannu safle, costau trosglwyddo a gwasanaethau cymorth gweinyddol arwain at arbedion sylweddol y gellid eu trosglwyddo ar unwaith i gyllidebau comisiynu llinell flaen. Byddai darparu cynlluniau cyllideb llawer hirach yn y dyfodol i'r sector teledu annibynnol a galluogi cyfran uwch o gyd-gomisiynau yn arbed arian yn ogystal â denu buddsoddiad o'r tu allan i Gymru o bosibl.

Mae'r sector cynhyrchu teledu yng Nghymru ar hyn o bryd yn fregus yn economaidd ac yn wynebu blynyddoedd anodd iawn. Nid yw'r model 'super indie' (fel y'i cyflwynwyd sawl blwyddyn yn ôl) wedi profi'n llwyddiannus gyda'r cyfan ar wahân i Grŵp Tinopolis a Dinamo Productions yn parhau'n hynod ddibynnol ar gomisiynau S4C. Nid yw hynny'n golygu nad yw'r sector wedi ceisio amrywio ei farchnadoedd, ac mae'n parhau i geisio ond i raddau helaeth ni allai'r sector cynhyrchu teledu annibynnol yng Nghymru oroesi heb gomisiynau darlledu gwasanaeth cyhoeddus. Rhaid gwneud popeth posibl i warchod cyllidebau rhaglenni er mwyn sicrhau bod Cymru'n cynnal a gobeithio yn cynyddu amrywiaeth a phluraliaeth rhaglenni o ansawdd uchel.

2. Beth ddylai'r blaenoriaethau fod o safbwynt Cymru wrth i Lywodraeth y DU gyflwyno cynigion ar gyfer ei Bil cyfathrebu.

Mae dwy brif flaenoriaeth i Gymru yn sgil Bil Cyfathrebu Llywodraeth y DU. Yn gyntaf rhaid i Gymru geisio elwa ar y newidiadau i hawliau eiddo deallusol. Mae angen i'r Bil adlewyrchu'r farchnad fyd-eang ar gyfer cynnwys creadigol a galluogi cynhyrchwyr cynnwys i fanteisio'n rhwyddach yn fasnachol ar y cynnwys hwnnw mewn amrywiaeth o blatfformau a marchnadoedd. Mae Codau Ymarfer cyfredol yn tueddu i gyfyngu ar allu naill ai cynhyrchwyr cynnwys neu'r sawl sy'n trwyddedu'r cynnwys i ddod o hyd i farchnadoedd a chwsmeriaid newydd.

Rwyf i'n cefnogi safbwynt S4C bod ei gylch gorchwyl cyfredol fel darlledwr gwasanaeth cyhoeddus yn cyfyngu ar ei allu i elwa ar ecsbloetio eilradd mewn perthynas â chynnwys sydd eisoes yn bodoli. Byddai mwy o hyblygrwydd yn y maes hwn yn caniatáu i S4C a'r sector cynhyrchu teledu annibynnol yng Nghymru gydweithio yn rhwyddach a helpu i greu ffynonellau cyllid amgen. Fodd bynnag mae hefyd yn hanfodol fod unrhyw lacio o ran deddfwriaeth a rheoliadau hawliau eiddo deallusol yng Nghymru yn annog ymglymiad y sector preifat. Mae angen i ni wneud yn siŵr nad yw darlledwyr gwasanaeth cyhoeddus yn tra-arglwyddiaethu ar y farchnad cyfryngau newydd. Dylai Cymru greu amgylchedd lle gall cwmnïau digidol bach, creadigol ac annibynnol ddefnyddio cynnwys a gomisiynwyd gan ein darlledwyr gwasanaeth cyhoeddus a chaniatáu i'r cwmnïau hyn arloesi'n rhydd yn nhermau cynhyrchion newydd a gwasanaethau y gallent ddymuno eu darparu.

Fel ail brif flaenoriaeth yn y bil dylai Cymru drwy'r Cynulliad Cenedlaethol a Llywodraeth Cymru geisio gwell atebolrwydd a chyfrifoldeb am ddarlledu yng Nghymru.

3. Y cyfleoedd ar gyfer adeiladu modelau busnes newydd ar gyfer y cyfryngau yng Nghymru

Mae Academi Fyd-Eang Prifysgol Cymru yn gweithio gyda chwmnïau i hybu arloesi yn economi Cymru drwy, yn rhannol, brosiectau cydweithredol gyda rhai o brif brifysgolion y byd megis MIT. Rydym ni'n barhaus yn chwilio am arloesiadau a modelau busnes newydd i'w cymhwyso yma yng Nghymru. Mae'r sector cyfryngau creadigol byd-eang yn wynebu newidiadau sylweddol i'w fodelau busnes traddodiadol yn enwedig yn nhermau sut i greu incwm mewn byd lle nad yw defnyddwyr yn fodlon talu am gynnwys y gallant ei gael am ddim mewn manau eraill; er bod pobl yn aml yn cael cynnwys yn anghyfreithlon.

Er mwyn sicrhau bod modelau a chwmnïau busnes yn y cyfryngau creadigol yn datblygu yma yng Nghymru mae'n rhaid i ni ddarparu maes arbrofi diogel i entrepreneuriaid creadigol allu meithrin a deori eu syniadau. Mae Cymru yn farchnad fasnachol llawer rhy fach i ddisgwyl i gwmnïau cyfryngau creadigol newydd gystadlu yn erbyn cwmnïau newydd yn yr UDA sydd â marchnadoedd sydd 300 gwaith yn fwy na'n heconomi ni. Enghraifft dda yw Vodo, a sefydlwyd gan y gwneuthurwr ffilm ac entrepreneur creadigol Jamie King yn Abertawe. Rhwydwaith dosbarthu ffilm newydd yw Vodo sy'n anelu at ddarparu ffynonellau o refeniw i wneuthurwyr ffilm ar wahân i'r model ffilm nodwedd gyfredol. Mae'n rhoi ystyriaeth i dueddiadau defnyddwyr o ran lawrlwytho ffilmiau 'am ddim' ond mae'n canolbwyntio ar yr angen i gefnogi'r cynhyrchydd

creadigol. Mae model busnes newydd Vodo yn esblygu'n barhaus, gan symud o system o roi i system cyrchu torfol i system ddsbarthu hybrid. Gellir cyferbynnu Vodo â chronfa cynhyrchu cyfryngol yn UDA o'r enw Kickstarter. Yn sgil graddfa a phoblogaeth marchnadoedd UDA er 2009 mae Kickstarter wedi codi \$95M, yn bennaf ar gyfer cynhyrchion ffilm, teledu a cherddoriaeth newydd, drwy roddion yn unig. Mae Kickstarter wedi galluogi 13,000 o gynhyrchion a gwasanaethau cyfryngau creadigol ac wedi derbyn dros 1 filiwn o addunedau. Mae gan Vodo y potensial i gyflawni graddfa debyg os yw Cymru yn penderfynu cefnogi cwmnïau cyfryngol arloesol o'r fath yn ystod eu cyfnodau datblygu a chychwynnol.

Cwmni arall sy'n gweithio gyda'r Academi Fyd-Eang drwy raglen Ysgoloriaethau Arloesi Tywysog Cymru (POWIS), yw Tornado Films sydd wedi'i leoli ym Mhort Talbot. Mae hefyd yn ceisio canfod modelau dosbarthu ffilm amgen y tu allan i'r model busnes lle mae Hollywood yn tra-arglwyddiaethu. Un o'r ffyrdd rydym ni'n ceisio eu cynorthwyo yw drwy ragor o amlygrwydd i farchnadoedd byd-eang. Yn gynnar yn 2012 byddwn yn mynd â dirprwyaeth o gwmnïau busnes cyfryngau newydd yng Nghymru, gan gynnwys Tornado Films, i Ddyffryn Silicon i geisio sicrhau cwsmeriaid newydd, buddsoddiad newydd ac i elwa ar y rhwydweithiau cyfryngau byd-eang yng Nghaliffornia. Mae cwmni POWIS arall, ML4D, yn ceisio dod â'i gynnyrch arloesol ym maes cyfryngau cymdeithasol 'Loccit' i'r farchnad yn erbyn tra-arglwyddiaeth cewri byd-eang megis Facebook. Drwy raglenni cefnogi arloesi penodol a chydweithio â grwpiau ymchwil prifysgol ar draws Cymru gobaith yr Academi Fyd-Eang yw rhoi hwb angenrheidiol i'r cwmnïau hyn allu llwyddo.

Mae digon o gyfle yng Nghymru i ddyfeisio modelau busnes cyfryngau newydd ond mae'n rhaid i ni geisio darparu sail gref i'n hentrepreneuriaid cyfryngau creadigol allu adeiladu eu syniadau a'u cwmnïau arni. Byddai hyrwyddo brand creadigol Cymreig cryfach yn rhyngwladol yn bendant yn help. Nesaf datblygu gwell rhaglenni cymorth busnes creadigol i raddedigion cyfryngau creadigol o Gymru i'w hannog i aros yng Nghymru a masnacheiddio eu syniadau. Yng Nghymru ceir rhai o'r cyrsiau prifysgol gorau yn y cyfryngau digidol ond yn anffodus mae'r mwyafrif llethol o raddedigion y cyrsiau hyn yn mynd i swyddi yn Llundain yn syth ar ôl graddio. Mae'n ddraen dawn y mae angen i ni fynd i'r afael ag ef ar frys.

4. Beth mae Llywodraeth Cymru yn ei wneud i roi argymhellion adroddiad Hargreaves ar waith a pha gamau eraill y gellid eu cymryd i gryfhau'r cyfryngau yng Nghymru o ran cynnwys a phlwrailiaeth y ddarpariaeth."

Rwyf i'n cefnogi argymhellion Adroddiad Hargreaves yn llawn. Mewn perthynas â'r cyfryngau yng Nghymru rwyf i'n credu bod yr adroddiad wedi amlygu dau fater allweddol ar gyfer yr Adolygiad hwn. Mae'r cyfryngau yng Nghymru yn dod â budd economaidd pwysig i'r economi. Eto rhaid i'r cyfryngau yng Nghymru yn eu tro chwarae rhan yr un mor allweddol yn agweddau cymdeithasol, diwylliannol a democrataidd cymdeithas Cymru.

Mae Cymru yn gyw-ddemocratiaeth ifanc a dylid cryfhau'r cyfryngau yng Nghymru i dyfu a chefnogi dialog a thrafodaeth ddemocrataidd. Rhaid i ni sicrhau plwrailiaeth o fewn ein cyfryngau gyda lefelau uwch o sylw cyfryngol gwleidyddol. Nid oes modd cyflawni hyn drwy BBC Cymru a'n ddau bapur newydd cenedlaethol yn unig. Rhaid gwarchod annibyniaeth olygyddol i S4C a dylai Llywodraeth Cymru lobbio'n galed i warchod adnoddau newyddiadurol a rhaglenni o Gymru ar ITV Wales.

Er mwyn sicrhau plwraliaeth eang yn y cyfryngau dylai Cymru hefyd annog mentrau busnes a phlatfformau newydd y tu hwnt i'n darparwyr allweddol cyfredol. Er bod hyn yn anochel yn golygu rhannu ffynonellau creu incwm ar draws rhagor o ddarparwyr cyfryngau, bydd hefyd yn gwella'r amgylchedd creadigol ac economaidd ar gyfer arloesi. Ni all Cymru fforddio bod yn rhy ddiffynnol mewn perthynas â'i sector cyfryngau cyfredol neu fe allai golli ei hawch cystadleuol.

Mae Adroddiad Hargreaves yn cynnig fframwaith cryf ar gyfer y dyfodol. Rhaid i Lywodraeth Cymru beidio â chilio i sefyllfa sydd wedi'i gor-symleiddio lle caiff ein diwydiant cyfryngol ei gefnogi fel gyrrwr economaidd yn unig. Mae angen i ni fod yn glir y dylid darparu rhywfaint, os nad y cyfan o'n cynnwys cyfryngol i uchafu ein diwylliant, ein hetifeddiaeth a'n lle yn y byd. Roedd Adroddiad Hargreaves yn ceisio pontio'r rhaniad rhwng y diwydiannau creadigol a yrrwyd gan economeg a darparwyr yn canolbwyntio ar ddiwylliant eto yn ddiweddar mae'n ymddangos bod Llywodraeth Cymru unwaith eto yn trin y ddau ar wahân. Mae llawer o gynhyrchwyr cyfryngau creadigol yn symud yn fynych rhwng y sectorau masnachol / economaidd a diwylliannol / cymorthdaledig. Mae angen i ni sicrhau nad yw polisiau a blaenoriaethau Llywodraeth Cymru yn rhwystro cydweithio rhwng darparwyr cyfryngol oherwydd ni allwn fforddio rhaniadau ymhlith ein sector cyfryngol cymharol fregus.

Eitem 3

Media(4)-03-11 : Paper to Note : Paper 9

Task and Finish Group on the future outlook for the Media in Wales

BRIEFING PAPER: The Media in Europe's Small Nations

**Professor Steve Blandford & Dr Huw D Jones
Centre for the Study of Media and Culture in Small Nations
University of Glamorgan**

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There has been a pervading sense of crisis in the media in Wales over the past few years. BBC Wales, ITV Wales and S4C are all facing pressure to cut costs and reduce staff numbers, threatening the level and quality of service they provide in Wales, while the *Western Mail*, Wales's only real national newspaper, is suffering from falling levels of readership and profitability. At the same time, with the increasing power and influence of the National Assembly for Wales and the need for greater scrutiny of the Welsh Government, demand for Welsh news and current affairs has never been more vital.

On the positive side there is real evidence of an appetite for the 'local' in key forms of media, something which the Centre found in its work on the impact of landmark television programmes such as *Doctor Who* and *Torchwood* on Welsh audiences (Blandford et al, 2010).

Equally small nations have the potential to turn their size into a distinct advantage. In a climate of public dissatisfaction with some of the effects of globalisation there is an appetite for the closer relationship between governments and populations that small nations can offer. An effective media that has the capacity to properly report on and reflect the richness of local cultures has a huge role to play in maximising such potential.

This briefing paper examines how other small European nations have tried to develop their own media in a globalised world and considers some of the lessons for Wales. It is based on the small but growing body of literature on the media in small nations.

Key points:

- Small nations face particular challenges in developing their own media. These include few resources, a limited market, dependency and vulnerability to foreign penetration.
- Technological changes and market regulations make it difficult for small nations to resist foreign penetration. The best option is therefore to invest in indigenous broadcasting.
- Comparison between north and south Europe shows that political backing is the key factor to developing strong public service broadcasting sector. The Welsh Government should therefore seek to strengthen Wales's voice within the existing communications regulatory framework, or even devolve some areas of media policy.
- Direct subsidies for the press are another way for small nations to develop their media. However, these should be targeted to help newspapers adjust to the new digital economy.
- The Welsh Government should consider introducing direct subsidies for the press, as a strong and diverse media is a vital part of a healthy democracy.
- Paywalls are a promising alternative business model for the press in Slovakia, but are less suitable for small nations like Wales which share a language with a larger neighbour.
- Further research is needed to establish other strategies to develop the media in Wales.

1. Structural challenges

Research conducted during the early 1990s, when interest in small nation media systems first emerged with the creation of a single European market policy for broadcasting, showed that small nations face particular structural challenges in developing their own television, radio and press. Trappel (1991), for example, found that countries with a population below 18m typically suffer from less talent, fewer capital resources, higher production costs and a smaller market for advertising and licence fee revenue. This can leave them dependent on importing foreign media content and therefore vulnerable to foreign penetration, threatening both their economic potential and cultural identity (see also Burgelman and Pauwels 1992). Trappel also found these challenges are particularly acute in countries such as Ireland and Austria which share a common language with a larger neighbour (see also Lurgers 1992). Small nations like Denmark or Iceland, by contrast, can more easily resist foreign penetration because they operate in a smaller language community, although this also means they are less able to export their own media content and services overseas.

More recent research by Puppis (2009) confirms that countries with small populations continue to face the same problems as the early 1990s. However, whereas Trappel found that smaller states were able to adopt corporatist policies to limit foreign penetration and protect their media identity, this strategy is becoming

less tenable due to a combination of technological and market change. The growth of new digital technology such as the Internet, for example, means that small nations are virtually powerless to resist exposure to foreign media, while the proliferation of television channels means that established broadcasters face greater competition for viewers and advertising revenue. Meanwhile, the need to develop international rules to allow free trade has forced many small nations to accept neo-liberal policies in the form of deregulation, limiting their ability to protect their own domestic media industry. The ‘country of origin’ principle within the EU’s Audio Visual Media Directive (2007), for example, prevents Member States from blocking television transmissions from other Member States in all but exceptional circumstances. Furthermore, as Humphreys and Gibbons (2011) show with reference to Ireland, Sweden, Austria, Belgium and the Netherlands, small nations have failed to persuade European lawmakers to take account of their particular structural challenges, not because the strength of their argument lacks merit, but because as small nations they lack political clout at a European level.

2. Support for public service broadcasting

So how can small nations overcome these structural challenges? According to Humphreys and Gibbons (2011: 10), ‘there is relatively little potential for small countries to promote cultural and media policies by defending against external pressures through the imposition of local content regulations’. As noted above, new digital technology and market regulations make it difficult for small nations to resist foreign pressure. Moreover, as Puppis (2009) points out, protectionist policies can also limit media diversity and therefore undermine democratic values such as freedom of choice and expression.

‘The better option for preserving national cultural and media identity’, Humphreys and Gibbons (2011: 10) conclude, ‘is likely to be found in the production of indigenous material through public service content’ (see also Burgelman and Pauwels 1992). This is a strategy which many small nations have adopted in relation to broadcasting. A 2006 report by the Swedish media research centre Nordicom (cited in Humphreys and Gibbons 2011: 10), for example, found that among the countries with the highest per capita spending on public service broadcasting (PSB), seven out of ten had a population below 18m. However, in absolute terms, larger countries usually spend far more on PSB than small ones because they have a higher population from which to draw licence fees and advertising revenue.

Furthermore, while small nations spend more per capita on PSB than larger countries, ‘there is a clear difference between the revenues commanded by PSBs in northern European small countries and Ireland and the two southern European small countries, Greece and Portugal’ (Humphreys and Gibbons 2011: 12). According to Puppis (2009), this arises from the different political cultures and traditions between north and south Europe. Northern European countries like Norway, Sweden and Denmark have a long history of democratic corporatism and a strong

emphasis of social democracy. Accordingly, there is broad agreement within these countries that PSB is a public good and an integral part of a modern welfare state. Austria and Switzerland have also developed 'a broad political consensus that public broadcasting as an institution is important and desirable' (Trappel 2010: 213), although as Steinmaurer (2009) notes, both countries have also faced considerable pressure in recent years to adjust their programming more to market imperatives, particularly as, unlike the Nordic countries, they share a common language with a larger neighbour.

Elsewhere, Belgium and the Netherlands continue to spend high levels on PSB, although debate about public spending tends to be more polarised in these countries due to historical cleavages along the lines of language, religion and class (Humphreys and Gibbon 2011). In Belgium, for example, the French-speaking region of Wallonia has pursued a commercial-logic rather than a culturally-protected one, to take advantage of the French and Luxembourg market. As a result, its PSB has one of the lowest audience shares of all northern European countries. The audience for PSB in Dutch-speaking Flanders, by contrast, remains relatively healthy due to high levels of investment in Flemish language programming.

In the small countries of southern Europe, however, there is far less support for PSB due to a more polarised political culture. This has resulted in a spectacular decline in PSB audiences in the face of commercialisation and deregulation. Iosifidis (2000), for example, notes that Greece's ERT retains only a 10.3 percent audience share, whereas Portugal's RTP's audience is about 26.4 percent, one of the lowest in western Europe. PSB in southern Europe also tends to rely on advertising rather than licence fees, making it vulnerable to market fluctuations.

In central and eastern Europe, meanwhile, PSBs are less well resourced due to the lack of wealth compared to western Europe (Humphreys and Gibbons 2011). Moreover, rather than opt for state intervention, which is stigmatised by Soviet era practices, their media policies have been generally characterised by liberal regulation and market-orientated logic (Balcytiene 2010). This has led to an influx of foreign media companies against which PSBs have failed to compete, except by standardising and commercialising their output (Dobek-Ostrowska and Glowacki 2010). According to Wyka (2008), PSB in many post-socialist countries also suffers from a lingering politicisation and unprofessional working practices.

3. Subsidising the press

If investment in PSB is one strategy small nations use to develop their media, providing subsidises for the press is another. Indirect subsidies, such as tax breaks or low postal fees, are fairly commonplace throughout western Europe. In Britain, for example, newspapers are exempt from paying VAT. However, direct subsidies, typically in the form of a loan or cash transfer from the state, are far more controversial. For conservatives, they offend against the principle of a free and independent press, while for economic liberals, they distort the free market. Direct

press subsidies therefore tend to be justified only in those countries where newspapers operate within a limited market and have few resources or otherwise to ensure cultural or political diversity in the face of media concentration (Humphreys 2006).

Again, the small nations of northern Europe, with their democratic corporatist political culture and strong leaning towards social democracy, tend to spend the most on direct press subsidies, although some large countries also provide quite generous grants to newspapers. France, for example, spends about EUR 5 per head on direct press subsidies, the highest in Europe (Nielsen 2011). Only Germany, Ireland, Britain and Switzerland eschew direct press subsidies, yet even these states provide small grants to minority language publications. Ireland, for example, gives grants for several Gaelic language publications, including the daily newspaper *La*, which receives EUR 252,091 per year from the state (Jones 2006: 167).

Norway and Sweden introduced press subsidies in 1969 and 1972 respectively for 'second newspapers' – those with the second highest circulation within a particular city or region – to halt the decline in newspapers and ensure press plurality (Humphreys 2006). Sweden also provides low interest loans for companies to invest in developing new technology (Gustafsson, Ornebring and Levy 2009). Norway and Sweden spend about EUR 35m and EUR 57m respectively on direct press subsidies, the latter financed through a small tax on advertising revenue (Fernandez Alonso and Blasco Gil 2006: 68-72).

Austria introduced direct subsidies for all daily and weekly newspapers in 1975, but these have been steadily cut back over the years. Likewise, Belgium's system of direct subsidies has become 'more selective and less generous' since it was introduced in 1973 (Humphreys 2006: 44). In the Netherlands, meanwhile, grants have been replaced by loans, credit facilities or subsidies targeted for reorganisation or restructuring.

Pressure to limit direct subsidies for the press has intensified as governments look to cut public spending, to reduce their deficits and debt levels in response to the economic crisis which began in 2008. Some also question whether subsidies work in the way advocates claim. According to Picard (2003: 107), 'most subsidies in Europe have had little effect on the financial situations of newspapers and do not provide a mechanism for real long-term viability of subsidised newspapers'. Sanchez-Taberner and Carvajal (2002) likewise argue that subsidies have done little to increase the diversity of the press. In Norway, for example, the two largest companies control half of newspaper circulation, while in the Netherlands, 60 percent of circulation is controlled by just two companies. Nevertheless, as Skogerbo (1997: 109) argues in relation to the Norwegian newspaper industry, 'subsidies have contributed to slowing down the process of monopolisation, as many of the remaining 'No.2' newspapers are kept alive by the subsidies'. Comparison between

the press structure in Denmark, which has no direct subsidies and relatively few papers, and that in Finland, Norway and Sweden, which have direct subsidies and many newspapers, further underlines this point.

Another reason why direct press subsidies are coming under pressure is due to the advance of new technology. With the development of the Internet, newspapers can now make their content available online, where news stories can be published immediately rather than wait for the paper to be printed and distributed. Some argue that press subsidies inhibit newspapers from restructuring to meet the needs of the new digital economy. Moreover, the abundance of choice created by the Internet removes the rationale for subsidies designed to promote press plurality. However, as Humphreys (2006: 48) points out, while newspapers 'clearly have to invest in the new technologies and diversify their strategies... most newspapers are finding it difficult to make their web services pay'. Paying for online news is proving to be inconvenient and unpopular, particularly as there is so much free content available on the Internet, while revenue from online advertising has failed to make up for falling print sales. Humphreys therefore argues direct subsidies to invest in new technology, staff training and restructuring to meet the digital challenge are actually more justified, particularly as newspapers face 'the additional competitive challenge presented by the online content services of licence-fee funded (i.e. effectively subsidised) public broadcasters' (*ibid*).

4. Alternative business models

Rather than rely on state subsidies for the press, some small nations have tried to develop alternative business models to meet the challenges of the new digital media economy. This is especially true in central and eastern Europe, where state intervention in the press has been viewed with suspicion since the fall of Communism. Slovakia, for example, has become the first country in Europe to erect an internet paywall that encompasses nearly all the country's main media outlets (BBC News 2011). Users are asked to pay a flat fee of EUR 2.90 per month or EUR 29 per year in return for full unlimited access to nine major news sites, including the broadsheet *SME* and *Pravda*, the country's oldest newspaper. Piano Media, which runs the service, takes a 30 percent cut of any revenue, while the other news organisations are allocated the rest in line with how much time visitors spend on their site.

The strength of this model lies in its convenience. Consumers do not need to use their credit card or login-in with a password each time they want to access a news story. However, concerns have been raised about the restriction which the paywall places on the free access to information on the Internet. Some internet search engines have also opposed the scheme because it discourages people from using their services to search for news.

Although the Slovakian paywall was only introduced in May 2011, Piano Media has already reported profits of EUR 40,000 during its first month of operation and hopes to make EUR 2m by the end of 2011 if it reaches its target of enlisting between 0.8 and 1.5 percent of the Slovakian population. It has also secured EUR 300,000 from investment firm Monogram Ventures (bringing its market value to EUR 1m) and aims to roll out the service to Czech Republic and other eastern European countries in 2012 (NetNewsCheck 2011).

The key to the success of the Slovakian paywall lies in the fact that Slovakia is the only country where the Slovak language is universally spoken. Slovak speakers therefore have little choice but to consume news from the main news sites which are part of the paywall scheme. On the other hand, the model is perhaps less appropriate for small nations like Wales which share a common language with a larger neighbour. Moreover, though Piano Media's early profits are promising, few media analysts believe that the paywall system will replace the revenue generated by newspaper sales and advertising in the past.

Conclusion

What lessons can Wales learn from how other small European nations have tried to develop their media in a globalised world? Firstly, due to technological change and European market regulations, Wales has no power to resist foreign penetration and should therefore focus on investing in Welsh PSB. As comparison between north Europe and southern and eastern Europe shows, political backing is the key factor. However, this presents a problem in Wales, since broadcasting policy is reserved by Westminster. The Welsh Government should therefore do what it can to strengthen Wales's voice within the current communications regulatory framework, or even press for devolved power over certain areas of broadcasting.

Secondly, if Wales wants to ensure the survival of its newspaper industry, it needs to give serious consideration to providing direct subsidy for the press. Newspapers in Wales already enjoy indirect press subsidy in the form of VAT exemption. Some Welsh language publications such as *Barn* and *Golwg* also receive small public grants through the Welsh Language Board (Jones 2006: 170). Yet Wales is still one of the few small nations in western Europe not to provide any direct subsidy for its main newspapers. Compared to countries like Norway and Sweden, the Welsh press therefore lacks both quality and diversity. While governments throughout Europe are under pressure to reduce public spending, a strong and diverse press is a vital element within a healthy democracy. The Welsh Government should therefore look in more detail at the costs and benefits of introducing a direct subsidy for the press in Wales, particularly to help newspapers adjust to the new digital media economy.

Thirdly, although it is unlikely that Wales would benefit from Slovakian-style internet paywall, because users can always access free news elsewhere on the web, alternative business models for the press in Wales still need to be explored. With this

in mind, the Centre for the Study of Media and Culture is holding a conference on 19 November 2011 with the National Union of Journalists (NUJ) to discuss the future of the press in Wales, and will report on our findings in late-2011.

Finally, it is clear that further research is needed to establish other strategies to develop the media in Wales. The opportunities offered both by the BBC's new drama production facility at Roath Lock and the relative stability of S4C's future through the recent agreement on editorial independence with the BBC need to be capitalised upon. In 2007 a conference in Taragona in Spain brought together scholars from across the world to debate the importance of 'the nation on screen' (see Castello et al, 2009). In a world where our sense of which screens matter and to whom is changing rapidly it is vital that in future Wales both actively contributes to such debate and learns from others in similar positions,

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