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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.

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.