

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee
Newyddiaduraeth Newyddion yng Nghymru / News Journalism in Wales
CWLC(5) NJW12
Ymateb gan Rhea Stevens, Sefydliad Materion Cymreig / Evidence from Rhea Stevens, Institute of Welsh Affairs

1. About the IWA

1.1 The Institute of Welsh Affairs is an independent think-tank. Our only interest is in seeing Wales flourish as a country in which to work and live. We are an independent charity with a broad membership base across the country. We aim to bring people together from across the spectrum in a safe space where ideas can collide and solutions can be forged in our five priority areas: the economy, education, governance, health & social care, and the media in Wales.

2. IWA Media Policy Group

2.1 The IWA Media Policy group guides and informs our policy priorities. Its members include practitioners, academics and policy professionals with expertise across a diverse range of media platforms and issues. A list of members is available on request. The purpose of the IWA Media Policy Group is to develop, influence and improve media policy for an engaged and connected Wales. In late 2015 we produced the second Media Audit. In 2017, we ran our 3rd Cardiff IWA Media Summit, bringing together broadcasters, journalists, creative industries and universities to consider the future of the media in Wales. Evidence from both these activities informs this response.

3. Summary of recommendations

- The **Culture, Welsh Language and Communications Committee** should closely examine the potential impact of the Department for Culture, Media and Sport's (DCMS) consultation on proposals to deregulate commercial radio. While there is much to be commended within the consultation document regarding the importance of protecting the provision of local news, we are particularly concerned about proposals to deregulate the requirement that local news (and news for Wales as a whole) broadcast by stations based in Wales should be produced in Wales. It is essential that commercial radio news production for Wales remain within Wales.
- The **Welsh Government** should create a challenge fund for the development of innovative local online content. This should be administered at arm's length from the Welsh Government, for example by the Arts Council of Wales or the Welsh Books Council.

- The **Welsh Government and Ofcom** should jointly commission a study of the future of those local media in Wales which are particularly vulnerable, and this study should include commercial and community radio, local newspaper and hyper-local sites.
- The **Welsh Government** should consider the available evidence on workforce diversity¹, and how the recommendations of “Rewriting the Script”, *Diverse Cymru*², might apply to News Journalism in Wales.
- The **BBC** should make its regional and local audio and video content available for immediate use on the internet for use by local and regional news organisations’ internet services.

4. Context

4.1 We welcome this important inquiry from the Culture, Welsh Language and Communications Committee. News journalism plays a central role in informing people of the political, social and economic realities of Wales, and directly affects both their understanding and their ability to be active citizens. Robust, pluralistic news journalism is a democratic, social and cultural necessity.

4.2 Our most recent Media Audit (November 2015) found that whilst the availability of media communications had significantly improved since the 2008 audit, the position regarding content for audiences across Wales was considerably worse. While there have been substantial increases in Welsh audiences’ ability to access news through a range of digital platforms, this has not compensated for a reduction in the forensic capacity of Welsh Journalism as resources and revenue options continue to shrink. The primary issues relating to news journalism in Wales are sustainability and plurality. It is becoming more difficult for Wales to retain its visibility to itself and portray the reality of relevant issues beyond its borders to the rest of the UK, and further afield.

5. Innovative models to support news journalism in Wales

5.1 The continued growth and increased availability of digital platforms has meant that much innovation has and will continue to develop online, such as *Yr Awr Gymraeg* (The Welsh language hour) on Twitter, Wednesdays from 8–9pm. There has also been encouraging growth in hyper-local web sites in Wales, in large part

² <https://www.diverseecymru.org.uk/wp-content/uploads/Rewriting-the-script-Exec-Summary.pdf>

as a response to a diminished local newspaper industry. Joint research³ between Cardiff University's Centre for Community Journalism and NESTA found that 46 of the 400 active hyper-local sites in the UK are in Wales, almost twice the proportion expected based on population share. This research also found that 48% of hyper-local site owners have journalistic training or experience of working in the media, and that most sites are self-funded. Only 13% were found to generate more than £500 per month. While 44% had carried out an investigation into a local issue, many were carried out by people with no formal journalistic training.

5.2 This evidence raises important issues about sustainability. Many hyper-local sites rely on the work of volunteers. As well as making the production of content vulnerable and dependent on individual's personal circumstances, it also means these sites are operating without legal and administrative support, to which more formal institutions have access.

5.3 It also raises questions about the rigour and quality of some output, given the variable qualifications of those involved. Some hyper-locals are compiled by individuals with no formal journalism training, whilst others have significant input from professional journalists, albeit by some who are contributing on a voluntary basis. Whilst hyper-locals are making an important contribution to a greatly reduced local news service –for instance The Port Talbot Magnet, Caerphilly Observer and the Pembrokeshire Herald are examples of 'hyper-local' news operations that have had a significant impact in their local areas –they cannot be viewed as directly replacing the work of professional paid journalists.

Securing sustainable sources of funding for hyper-locals, and resourcing independent, paid, professional journalism, are key challenges.

5.4 Improved collaboration offers the opportunity to improve the sustainability of news journalism in a small nation. There is a need to explore possible linkages between hyper-locals and the community radio sector, and in some circumstances the commercial radio sector. With commercial radio, community radio and hyper-locals all under financial pressure, hybrid models are an obvious source of potential collaboration. We fully support the BBC's proposal to make its regional and local audio and video content available for immediate use on the internet services of local and regional news organisations.

³ <http://www.cardiff.ac.uk/news/view/137125-intervention-for-uks-hyperlocal-journalism-sector>

5.5 IWA recommends that the Welsh Government should create a challenge fund for the development of innovative local online content. This should be administered at arm's length from the Welsh Government, for example by the Arts Council of Wales or the Welsh Books Council. This would support the sustainability and quality of local online services. It would build on the model of the Welsh Government's support for the Welsh language magazine Golwg and its associated website Golwg 360, but mitigate concerns about the impact of direct state aid on journalistic output.

6. The provision of news journalism in Wales⁴

6.1 A more robust evidence base tracking news consumption across media and looking at UK, Wales and local news would provide a stronger basis for understanding the impact of changing news provision in Wales. It is difficult to access data on news audiences in Wales consistently partly due to commercial confidentiality. This presents a fundamental challenge to scrutiny, in particular the extent to which the public are effectively served.

6.2 Ensuring plurality and sustainability are key issues affecting news journalism in Wales. Print circulations of Welsh newspapers have dropped sharply in recent years, like newspapers the world over. Online usage has, in many instances, risen just as sharply. Print products of newspaper groups remain relevant since they are vehicles for display advertising and, in general, tend to generate up to 90 per cent of their advertising revenues. At the recent IWA Media Summit (March 2017), Claire Enders of Enders Analysis presented evidence that for every £1 gained in digital press revenues in the UK, £31 is being lost from revenues formerly sourced from print.

6.2 This decline in print circulation has been more than matched by the growth in usage of newspaper online sites, many of which have considerable followings, in particular WalesOnline. Although access to hard data is limited due to commercial confidentiality, anecdotally it would appear that some online sites in Wales do not attract sufficient advertising revenue comparable to print, presenting a significant challenge for the future sustainability of the online market. There are also significant questions to be asked as more news is consumed via social media platforms. At our March 2017 Media Summit, Claire Enders presented evidence from the USA on Millennial's news consumption: of

⁴ Additional information on the numbers and reach of news outlets in Wales can be found in our Media Audit 2015: http://iwa.wales/wp-content/uploads/2016/01/IWA_MediaAudit_v4.pdf

24 separate news and information topics probed, Facebook was the No. 1 gateway to learn about 13 of those, and the second-most cited gateway for seven others⁵. We are not aware of any evidence that suggests the picture in Wales or the UK is significantly different. Globalisation is bringing prominence to new on-line platforms that are making substantial sums publishing content from media news organisations. With no regulatory framework in place to address this shift, these organisations are not required to invest (in any sense of the word) in Wales or Welsh public life.

6.3 The loss of local newspaper titles and the reduction in the number of journalists, even in those titles that remain, has meant a net reduction in professional journalistic capacities. The erosion of local reporting means that local democratic institutions, such as justice and local government, are not being scrutinised in anything like the depth they once were: a significant barrier to local democracy. For example, according to 2013 research by Cardiff University⁶, "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, but they are still incredibly worrying. Only a fraction are now left of the reporters who produced our south Wales papers ten years ago". This has meant a significant narrowing of the range of voices. Plurality remains a key concern in television too. Outside the BBC, and including its provision for S4C, ITV Cymru Wales continues to make a significant contribution, providing around 4 hours per week of TV news for Wales, much of which is broadcast in peak time supplemented by content delivered online. The ITV Cymru Wales licence, which includes this news commitment, runs until the end of 2024.

6.4 Universities in Wales make a very significant contribution to the education of future journalists both within Wales, the UK and internationally. However, jobs and career pathways have never been less certain. Current and future news journalists face very real barriers to joining and remaining in the workforce in Wales. This raises questions about diversity in newsrooms, and the extent to which the workforce now and in the future represents the diversity of Wales' population. We

⁵ American Press Institute, How Millennials Get News: Inside the Habits of America's First Digital Generation, March 2015. Accessed at:

<http://www.mediainsight.org/PDFs/Millennials/Millennials%20Report%20FINAL.pdf>

⁶ Williams, A., [Stop press? The crisis in the Welsh media and what to do about it](#), Cyfrwng: Media Wales Journal 10, pp. 71–80, 2013

encourage the Welsh Government to consider the available evidence, and how the recommendations of “Rewriting the Script”, Diverse Cymru⁷, might apply to News Journalism in Wales.

6.6 Alongside the BBC’s services for Wales –Radio Cymru and Radio Wales – commercial and community radio stations also produce news bulletins for their localities. Ofcom’s recent announcement of a further round of community radio licensing in areas of Wales currently un-served provides a welcome opportunity to enhance this output. The Department for Culture, Media and Sport’s recent consultation on Commercial Radio deregulation emphasised the importance of protecting the news services provided by local and regional commercial stations, however it also proposed “giving all local commercial stations the flexibility to produce and broadcast locally relevant content for the licensed areas they serve without requirements on where that local content is made or broadcast from⁸”. A move to produce news for Wales outside Wales risks further reducing the range of voices within the Welsh media and the provision of relevant local and regional news. Such a move could also result in an even further reduction in the number of professional paid journalists working in Wales. We consider the Culture, Welsh Language and Communications Committee has a clear role to play by examining the potential impact of such a move for Wales.

6.7 The way in which Wales is represented to itself and the rest of the UK by UK based media should also be a point of consideration for the Committee during this inquiry. Though the terms of this inquiry relate to news journalism in Wales, it is important not to lose sight of the fact that the majority news consumed in Wales comes from UK based media⁹. The extent and manner in which UK press and broadcasters do or do not cover stories of relevance to Wales matters. A 2014 BBC Wales Poll¹⁰ found that 43% and 31% of respondents thought health and education respectively were the UK government’s responsibility, while 42% of people wrongly believed policing was an assembly matter.

⁷ <https://www.diversecymru.org.uk/wp-content/uploads/Rewriting-the-script-Exec-Summary.pdf>

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/591508/RadioDer eg-Final13Feb.pdf

⁹ <http://theconversation.com/british-media-is-failing-to-give-voters-the-full-picture-ahead-of-elections-57020>

¹⁰ Available at: <http://www.bbc.co.uk/news/uk-wales-politics-27739205>

7. Welsh Government support for local news journalism

7.1 It is critical that good policy be built on robust evidence. An overarching priority for impactful media policy in Wales should be ensuring we have regular, comprehensive information about the state of the media, including News Journalism, upon which reliable analysis can be produced for good policy. The sector is evolving rapidly to keep pace with a fast-moving external environment, and it essential that we have the information needed to ensure policy both responds to and anticipates change.

7.2 Our 2015 Media Audit recommended that the Welsh Government and Ofcom should jointly commission a study of the future of those local media to Wales which are particularly vulnerable, to include commercial and community radio, local newspaper and hyper-local sites. Specifically, we call for the study to include consideration of:

- The future of FM and Medium Wave transmission in a DAB environment. It is worth noting that the recent DCMS consultation on commercial radio de-regulation now envisages placing local content requirements for local DAB radio services. Currently, legislation does not require this).
- The relationship between commercial and community radio and the possibility of hybrid models
- The future of papurau bro
- The likely impact of the BBC's proposals for a shared journalistic resource (Local Accountability Reporting Service, Shared Data Journalism Centre, News Bank).