



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 24 March 2010

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2010

Applications for reproduction should be made in writing to the Information Policy Team, Office of the Queen's Printer for Scotland, Admail ADM4058, Edinburgh, EH1 1NG, or by email to:
licensing@ogps.gov.uk.

OQPS administers the copyright on behalf of the Scottish Parliamentary Corporate Body.

Printed and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by
RR Donnelley.

Wednesday 24 March 2010

CONTENTS

| | |
|--|----------------------|
| SCOTTISH LOCAL NEWSPAPER INDUSTRY | Col. 3347 |
|--|----------------------|

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE
9th Meeting 2010, Session 3

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

COMMITTEE MEMBERS

*Claire Baker (Mid Scotland and Fife) (Lab)
*Aileen Campbell (South of Scotland) (SNP)
*Ken Macintosh (Eastwood) (Lab)
*Christina McKelvie (Central Scotland) (SNP)
*Elizabeth Smith (Mid Scotland and Fife) (Con)
*Margaret Smith (Edinburgh West) (LD)

COMMITTEE SUBSTITUTES

Ted Brocklebank (Mid Scotland and Fife) (Con)
Hugh O'Donnell (Central Scotland) (LD)
Cathy Peattie (Falkirk East) (Lab)
Dave Thompson (Highlands and Islands) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

Julie Kane (Scottish Government Public Service Reform Directorate)
Jim Mather (Minister for Energy, Enterprise and Tourism)
Richard Wilkins (Scottish Government Culture, External Affairs and Tourism Directorate)

CLERK TO THE COMMITTEE

Eugene Windsor

LOCATION

Committee Room 2

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 24 March 2010

[The Convener opened the meeting at 10:04]

Scottish local newspaper industry

The Convener (Karen Whitefield): Good morning. I open the eighth meeting in 2010 of the Education, Lifelong Learning and Culture Committee and remind those present that mobile phones and BlackBerrys should be switched off for the duration of the meeting. I have received apologies from Claire Baker, who hopes to join us by 10:30. She has had some personal difficulties this morning, which have delayed her getting into Edinburgh.

The first and only item on the agenda is the committee's continued consideration of the landscape affecting local newspapers. I am pleased to welcome to the meeting Jim Mather, the Minister for Energy, Enterprise and Tourism. Mr Mather has been joined by Elisabeth Stark, who is the head of manufacturing and economy response at the Scottish Government; and Richard Wilkins, who is the head of broadcasting policy and Scottish Arts Council/Scottish Screen sponsorship at the Scottish Government. You all have such wonderful titles, and not one of them seems to mention newspapers. Last but not least, I welcome Julie Kane, who is the head of shared services and public sector ICT policy—yet another snappy title.

Thank you for joining us, minister. I understand that you wish to make a short opening statement.

The Minister for Energy, Enterprise and Tourism (Jim Mather): Thank you, convener. I welcome the opportunity to be here today and the chance to exchange views with the Education, Lifelong Learning and Culture Committee. The committee will understand that as Minister for Energy, Enterprise and Tourism, I consider the issues facing local newspapers very much from a business and enterprise angle. Many of the issues facing local newspapers also affect national titles, as is indicated by the formation of the Scottish Newspaper Society. The internet's impact and the recession have led many people to describe the current situation as the perfect storm for newspapers. Not surprisingly, there has been a great deal of interest from my parliamentary colleagues as well as a lot of engagement between industry and Government ministers. I will

not give you the entire list, but it is pretty encyclopaedic.

Back in 2009, we had two major parliamentary debates on the redundancies of January 2009 at the Herald and Times Group, and the redundancies of April 2009 at Trinity Mirror Group plc. In February 2009, we had two industry summits for national newspapers, and just last month we had one for local titles. Following those events, we welcome the news that the University of Strathclyde has commissioned research into current and future delivery of news in Scotland. The research will draw on our recent summits; summits that have been led by the Office of Communications; United Kingdom and Scottish Government documents; parliamentary proceedings; Ofcom reports; consultative and academic documents; and special interviews that will be conducted with most of the key players in the Scottish news. The research is a progression from the mind-mapping sessions that we held with daily and local newspapers titles. It is a welcome development to have comprehensive research conducted by a neutral party on the possible future of the industry. Its results should be generally acceptable and useful.

Local newspapers have been particularly concerned about the proposals on public information notices as, indeed, have members of this committee. However, as I made clear to Parliament on 28 January this year, it was a genuinely open consultation in which we were keen to hear the views of all interested parties. Members know that my colleague John Swinney announced in Parliament on 17 March that we had decided not to proceed with the plans. However, as was clear from our latest meeting in Glasgow, union staff and management have a high awareness and a compelling understanding of the need to work together to develop ideas and solutions for the future. What came out of the sessions was that readers and advertisers should be at the forefront of the debate, where the print media essentially aligns with the needs of existing and—importantly—new readers and potential new advertisers.

The digital revolution offers new opportunities as well as challenges for the sector. I see the internet as providing an additional method of communicating news, rather than as a complete replacement for printed newspapers. In taking forward the debate, the industry is increasingly aware that it needs to consider local experience and thoughts and the general evolution out there in the print media. I welcome the input of committee members to the discussion.

The Convener: Thank you for those comments, minister. I welcome your decision last week on public information notices, and I am glad that you

listened to the concerns that were being expressed by the industry and by a number of MSPs from all parties. I am sure that it is an issue on which you will be questioned later in the meeting.

I start by asking you about the Government's views on the state of the newspaper industry in Scotland, and the extent of the decline. What can the Scottish Government do to assist newspapers at this difficult time?

Jim Mather: At issue is the great transformational change in digital media; a different generation is coming through that has different means of accessing news. Readership numbers are falling and we are in a recession, so there is generally less advertising. Although some major international titles are managing to find mechanisms for making revenue streams out of digital content, that does not yet seem to be happening in Scotland. We are in a difficult and challenging time, but I cannot believe that people like us around this table today or the generality of Scottish society are not going to want access to quality analysis and commentary over the long haul. I am generally optimistic about what is feasible, so although the digital revolution is a challenge, I also see it as an opportunity to engage new generations of readers and people furth of Scotland who have a lively interest in Scotland—either current generation ex-pats, the wider diaspora, or those who have an affinity with Scotland and would like to keep in touch and understand what is happening here.

The Convener: All politicians would think that there is a role for local and national newspapers, but can the Scottish Government do anything specific to support the industry, or do you think that the challenges that face the industry are for the industry to deal with?

Jim Mather: I genuinely think that the answer is very much the latter. It would be arrogant of Government—and is likely that it would be unsuccessful—to go around trying to fix industries. An evolutionary process is needed and the outcome depends on committed people who do the job day and daily. We are beginning to see signs that change is under way. Most of the major titles have made a good fist of their internet offerings, although they might still face the challenge of finding appropriate revenue streams and rewards for that. The *Caledonian Mercury* has now been added to the mix. In my constituency, we have the very noble experiment of the forargyll.com phenomenon, which is essentially a local news website. I imagine that most people who are information-technology enabled in Argyll and Bute will be logged on to that and aware of what is happening there.

I derive great comfort from an English biochemist called Leslie Orgel, whose second rule is:

“Evolution is cleverer than you are.”

The faster we can get the evolutionary process under way and accelerating, the better will be the results. What was interesting about the meetings that we had was the ideas coming forward about what is happening in the States, where people are paying monthly subscriptions for—admittedly national—newspapers and downloading them to their iPhones and Kindles, and will do so for the iPads that will undoubtedly appear. That is an interesting new development. It is about trying to accelerate the process and making sure that we get as much vibrancy as possible here in Scotland, and that we learn as many lessons as possible from elsewhere.

The Convener: Some MSPs have suggested that the Government could offer a year's subscription to a local newspaper. Is the Scottish Government thinking about doing that?

Jim Mather: The issue there is freedom of the press. We would have to have a very open debate before we could do anything like that. Open debate was one of the hallmarks of the two sessions that we ran. We ran the daily newspaper session in Glasgow in February 2009, and the weekly newspaper session was run in Glasgow last month. We have to be open about how we take the debate forward.

10:15

I do not know that there is much appetite for such action on the part of the newspapers—in particular the local newspapers. Although they have also suffered reductions in advertising and readership, there is increased vibrancy in local newspapers. In my constituency, my experience of the *Dunoon Observer*, the *Cambeltown Courier*, the *Argyllshire Advertiser* and *The Oban Times & West Highland Times* is that they are documents that one must have in the home every week in order to know what is happening locally. That will continue for the foreseeable future. I remember that a few years back *The Economist* had a headline that said, “The Death of the Newspaper ... 2040.” That is a long way off, so we now need to help the newspapers make the migration.

The sessions that we have in which we bring people together to have a proper debate are at their best when we get a wide spread of people in the room. The one criticism that I would make of our first two sessions is that we have had only newspaper interests—unions, staff, management, and editors—and academia in the room, whereas in the long term there could be as wide a spectrum of people as possible including advertisers,

distributors, newsagents and so on to get the debate going. People from information and communications technology and internet service providers could also augment the debate.

The Convener: Is it the Government's intention at the end of these events to draw up a plan, or is its intention just to publish the mind maps that get drawn up?

Jim Mather: It would be pretty arrogant for us to draw up a plan and impose it or seek to overlay it on an industry's plan. We are trying to help the industry to make the connections, to raise the issues, to focus on the debate and to consider what we can learn from elsewhere. Some sessions have been very illuminating in bringing to mind what is happening in places such as Finland, where they are going back to simple stuff such as home delivery of newspapers, and are backing that up with a social network behind the newspaper title so that, while people read the hard copy of the paper, they can go in behind that and contribute to a debate on their topic of choice, or several topics of choice, with the logical communities of interest that exist behind the newspaper title. For Government to try to do that, even with dedicated civil servants, would be difficult.

The Convener: So, what exactly is the purpose of the events? I am struggling with that. It is important that all sectors of the industry talk to one another and I am sure that they do, but there also has to be a purpose behind constantly bringing these people together. What is the Scottish Government's role? Is it just to provide the forum for an exchange of views, or do you have some input on the matter, something to say or some direction to offer?

Jim Mather: It is very much a forum. It is about trying to establish a common cause, to achieve cohesion and to create a climate in which people feel that they can offer tangible help on a commercial basis. We create the correct climate. We have proved time and again that when you bring people together their altruism gets the better of them: people buy into a common cause and are keen to move things forward. That has been our experience sector by sector and also in communities.

Margaret Smith (Edinburgh West) (LD): I will start on an issue that you have touched on already and ask the big question, which is whether the internet will inevitably lead to the end of print newspapers. From what you have said, you do not think that it will, but can you give us a bit more information about why you think that?

Jim Mather: I am not a futurologist.

Margaret Smith: If you were, that is not the question that I would be asking; I would be asking you about the 3.30 at Chepstow.

Jim Mather: Exactly. The debate is interesting, but we are talking about a function of anno Domini. Will those who are fourteen-year-olds now be reading print media when they are in their 80s or 90s? I doubt it. The technology will have moved on dramatically in that timeframe. However, thinking about our contemporaries, even many people in their 30s and late 20s, who from my perspective as a 63-year-old are relatively young, are liable to enjoy the tactile feel of a newspaper and the ability to sit down in an easy chair with a cup of coffee and a newspaper. That will be the way in which a good number of people prefer to take news for a long time to come.

I honestly think that the issue for us is to keep polling round and finding out what is working, particularly elsewhere. We need to continue to inform consumers about the options that they have and to inform producers about different ways of engaging wider audiences. The digital issue is much more about opportunity than it is about challenge, because it gives us the chance to beam out Scottish content, news and perspectives to a global audience.

In the long term, that audience might have a distinct preference to draw news, opinion and analysis from a neutral venue. I recently took the Arbitration (Scotland) Bill through the Parliament. That promises the prospect of Scotland becoming a centre for alternative dispute resolution, and our perceived neutrality is a plus in that. Who is to say that that perceived neutrality might not be a plus in the provision of news and analysis?

Margaret Smith: You talked about demographics. There will come a point when the 20 and 30-year-olds of today are 70 and 80-year-olds. At that point, there might not be the same level of concern as there is now. Part of the current concern is that older people are more reliant on print than they are on digital media. Do you consider that to be an issue?

Jim Mather: It is an issue. The difficulty for people in the media is that they end up with two costs for one revenue stream because they have to provide the digital and the print content. The likelihood is that print will become more and more expensive as the relative volumes of it decline and digital picks up the slack. The challenge for the media is to ensure that they ramp up the digital side and have a mechanism to make revenue from digital to cover the print costs.

Margaret Smith: There is a disparity between the advertising revenue that newspapers get online and the amount that they get from print, even after big reductions in things such as

property and car advertising. You talked about the fact that some national titles in America and elsewhere are moving more positively in that direction. What is your analysis of the moves so far? What has been done right and what has been done wrong? What can the Scottish industry do to reduce the disparity between the revenue from print and the revenue from digital?

Jim Mather: It is difficult to talk about absolutes of black and white or right and wrong on the issue, because the jury is still out. However, papers such as the *Financial Times* and *The New York Times* are moving to monthly subscription. I think that *The New York Times* charges \$27.99. Some other titles charge about the \$22 mark. The figure will be lower for local newspapers. That model is about getting the foot in the door vis-à-vis building a digital customer base.

The development of Kindle is intriguing, because it gives people more of the look and feel of a newspaper. The recent launch of the Apple iPad is an issue. It was interesting to read in *The Economist* that some voices say that the iPad might well be the solution, whereas calmer voices say that it is just another tool and that the salvation of the newspapers is more in their hands and might involve other new technologies.

Margaret Smith: You mentioned the *Oban Times & West Highland Times* but—with respect—that newspaper might find it more difficult to move into the digital arena than will the *Financial Times* or *The New York Times*, which operate on a completely different scale. What do you think about local newspapers? I say “local”, but I am sure that people beyond Oban read the *Oban Times*.

Jim Mather: My mother was based in Renfrewshire and had the *Oban Times* posted to her throughout my childhood.

Local newspapers have often been very much on the forward foot. They see that digitisation is happening across the planet and think that it might be an opportunity for them. I have been talking to the *Oban Times* and others about the possibilities, and our work to consult communities and sectors in the local economy has identified interesting possibilities about how sectors can go forward together. In our debates, we begin to discover how interconnected sectors of the economy are. For example, there are huge synergies in the context of property and tourism and the media. The synergies present opportunities for the media to align more with the local economy and to begin to use print or digital media as mechanisms whereby sectors—and combinations of sectors—of the economy can be featured, through advertisements and advertorials, or by allowing businesses to produce laminated pages or send links to customers to inform them about what is happening

in a particular sector. This might be the stuff of a new beginning, which activates not just an engaged readership but local economies. Local media can be the glue that binds sectors with communities and customers with advertisers.

Margaret Smith: That is an optimistic approach. I would not expect anything different from you.

Jim Mather: It is a proactive approach.

Margaret Smith: I have had many jobs in my chequered career—although not as many as Stewart Stevenson—and at one point I sold advertising space for a small local newspaper. It was a tough sell 20 years ago and I imagine that it is even tougher now. The Dunfermline Press Limited said in its submission that

“The decline of the high street has reduced numbers of local independent retailers who have historically been core advertisers in local press.”

The more consolidation there is and the more international companies become, the less the local newspaper is likely to be regarded as the place where companies and organisations should advertise. Is the Scottish Government talking to companies in Scotland—small, medium and large—about how they advertise their businesses and work with local newspapers? There is much in what you said about trying to get newspapers to work more closely with local businesses, not just as a means of getting revenue but in the wider sense. How do you facilitate such engagement?

Jim Mather: I have run 153 sessions with 7,500 people. Again, this might sound a bit optimistic, but the belief is that successful businesses act altruistically towards their customers. Indeed, a lot of evidence suggests that businesses that align themselves with the customer's interests and that are determined to move customers from simply being loyal or dependent on their services to being real advocates who insist that others advertise with, say, the *Oban Times & West Highland Times* or newspaper X, Y or Z find themselves in a much better position.

10:30

As we are discovering, the companies that were doing well before the recession and look as though they will come out of it again have that kind of altruistic attitude. Certainly, what has emerged from our approach to activating Scotland's industrial sectors—for example, getting them in a room and talking and teasing them up to ensure that the press engage with them in a positive way—is that although our high street, like everything else, might be evolving and changing, that does not mean that the people who take over high street retail premises and use them differently will not benefit from advertising, advertorials and

other such coverage to get the wider community to understand their operations.

It is not just that in Argyll and Bute, say, 26 or 28 sectors of the economy could be featured on a rolling weekly basis, with tourism in the first week of January and the first week of June, construction the second week and so on. The approach could be much richer than that; indeed, if we can achieve alignment, we could have a chemistry set of infinite potential with, for example, a session on the construction sector's ability to help tourism or the food and drink sector's ability to help the public sector with school meals, hospital food and so on.

The media is the one sector that we have done well with, but we could do with drilling down into localities. I still have to hold a media session in Argyll and Bute. Although I have a decent appetite for it, I can only imagine what might emerge if I invited to it everyone from the sessions that I have run on aquaculture, food and drink, construction, transport, health, education, tourism, culture, heritage and the arts, estate management and so on. The more people there are in the room talking to each other, the more things emerge. I am a believer in emergence now.

Margaret Smith: You have talked about various meetings and summits. A lot seems to be going on with what is a rich issue. What big outcome, idea or issue did you take away from your most recent summit to work on?

Jim Mather: It was people in the sector's recognition that it has to stay tightly bound, that people must keep talking to each other and try to draw advertisers, academia and technologists into the debate and, that instead of being denigrated as some so-called talking shop, the process of on-going dialogue is likely to produce results. The very clear common goal is the absolute democratic and economic importance of a vibrant press, including good communication among all the players—those who supply them and those who use the press—the building of trust, and the recognition that individual enlightened self-interest, no matter whether it applies to the survival of newspapers, the continuation of jobs or whatever, is entirely right and proper and that people can work together to meet those objectives.

Aileen Campbell (South of Scotland) (SNP): Good morning, minister. The Government has indicated that although it is not progressing the legislative proposals on public information notices, it will nevertheless continue to develop the public sector online advertising portal. How are you engaging with local authorities and newspapers in that respect?

Jim Mather: Our approach, which has been proven in our management of the census and the Arbitration (Scotland) Act 2010, is to initiate a

consultation process, listen to people and try to get them in a room. Consultation can sometimes be daunting if it results in lots of conflicting opinions needing to be consolidated on one desk, but if we can manage the process by getting a dialogue going, we can get a much better understanding and end up with a better position.

In essence, we are looking to work with local authorities, newspapers, advertisers and readers to encourage them to see this next phase as being one of migration, in which we can move to a different place by making better use of the technologies. However, we are keen to do that in as open a way as possible. I think that we are discovering that, the more we go into a room and have that open discussion, the more we get really good outcomes from that mass of inputs.

One useful thing that I learned in taking the Arbitration (Scotland) Bill through the Parliament is that many very bright people have been putting their minds to this issue for many years. One of those people is Professor Ken Cloke from California, who has been across here on the back of the Arbitration (Scotland) Bill. He is a top mediator. Ken Cloke's great proposition is that we need to make room for multiple truths, and I really kind of like that. Rather than thinking of ideas as colliding, blocking one another, or locking horns so that we make no progress and learn nothing, he argues that we can make room for multiple truths in dealing with different people, who have different backgrounds, skills and experience and different cultural bases and, therefore, different biases and prejudices. We need to try to weave that through—especially in a climate in which we are seeing huge technological change—in an open way to see what we can do to get the best solution for Scotland.

However, I am conscious that I have done a lot of the talking and that we have some very bright people here. Richard Wilkins, Elisabeth Stark or Julie Kane might want to chip in on that.

Julie Kane (Scottish Government Public Service Reform Directorate): I am happy to answer any questions on the progress that is being made with public information notices. Was there anything specific that you wanted to ask about?

Aileen Campbell: It has been indicated that there will be no halt to the progression of the online portals, but we heard arguments during the debate on public information notices that such technologies might also exclude folk from accessing the information, such as those who do not have internet or broadband access. On the other hand, we also heard about examples such as myjobscotland, which provides a greater geographical spread of jobs as well as other benefits because of online access. How will that

continue without necessarily crowding out newspaper advertising?

Julie Kane: If the PIN portal is considered simply as an internet application, yes, some of those arguments about access are valid. However, the whole project is about looking at how we can deliver information to the public more effectively through, for example, linking up with digital television, to which 92 per cent of the population has access. Directgov already uses digital television to provide public information. We are also looking at mobile devices and the ability to text people to alert them to notices in their area that they might be interested in. Maximising the use of libraries is another issue, given their ability to provide an information service to the public. The issue is not about just putting notices on the internet, but using a whole range of media, in a digital media age, to enhance the provision of effective public information.

Aileen Campbell: Are there other examples of that working successfully?

Julie Kane: We do not have examples of public information notices being used successfully in that way. In some ways, we in Scotland are leading the way. When we put the contract out to tender in the *Official Journal of the European Union*, the contract to provide the application was won by a small Scottish company—Spider Online—because the provision of statutory information along with links to a range of digital media is a very specialised area that has not been explored very much elsewhere.

Aileen Campbell: The committee has heard about the example of myjobscotland. What success has that had? Will that project be evaluated?

Julie Kane: Using myjobscotland to advertise local government jobs has reduced the length of the recruitment process. The time that it takes to process jobs and to get people in post has always been an issue in the public sector, and there has certainly been a huge reduction in that. However, a number of local authorities have still to put in place not just the advertising but the recruitment management systems. It is certainly felt that an evaluation of the system would be appropriate when it has a wide coverage.

Aileen Campbell: We heard that people from throughout the community can buy local newspapers and get access to public information notices without needing to have digital television or internet access. However, we also heard that the number of newspapers that are sold is declining and that people who buy them do not necessarily read public information notices. Can local newspapers do anything to make the notices more attractive for readers to look at, and more

engaging? That might back up the statement that local newspapers are the proper home for such notices.

Jim Mather: It might be challenging, but if newspapers come together with local authorities, they might well be able to address that. In the longer term, as we move to more digital vehicles, we as citizens will be able to flag up our interests and have public notices that are relevant to us sent by text or e-mail. That will begin to offer us a different level of service. Again, it is a question of how we manage the migration and evolve things while remaining conscious of the need for public notices to fulfil their purpose of informing the public and keeping people engaged.

In many ways, the issue goes full circle to the sessions that we have been running to try to engage communities outwith sectors. I have run sessions in Argyll and Bute in which we brought people in to talk about how they want to move things forward. We are in an interesting phase at present. When we came into government, we were keen on outcomes. In the balance between inputs such as how much money we spend and outputs such as how many new police officers we have, the focus was more on outcomes, such as what happens to the number of people in work, life expectancy and other long-term measures. When we put that in dialogue to the civil service, we found that it was up for that because it had been dealing with Professor Mark Moore of the John F Kennedy school of government at Harvard University. He is interested in public values, which is essentially another term for outcomes, but the other side of his coin is the concept of active citizens. That is where the new digital media offer us a big opportunity for people to feel much more actively engaged.

Aileen Campbell: We took evidence from an academic, David Hutchison, who noted that there has been an imbalance between profit and investment in newspapers. He said that there is anecdotal evidence of

“a drive to cut down on journalism and journalists”.—
[*Official Report, Education, Lifelong Learning and Culture Committee*, 20 January 2010; c 3065.]

Is there an opportunity for more engagement and dialogue between newspapers and local authorities or the Government? If local newspapers continue to receive public information notices and the associated money but are not investing in journalism and training, is there an opportunity to have a reciprocal agreement, as I think David Hutchison suggested, or a quid pro quo to ensure that there is investment in journalism and journalists?

Jim Mather: Any stage where we can have a new beginning and a better alignment between service providers and the public makes sense. I

cannot imagine that people 50 years from now, especially policy makers or opinion formers, will not want to rely on the equivalent of the Bill Jamiesons, the George Kerevans, the Ian Bells and the Iain McWhirters of this world. We must create a climate in which we have that quality in place, and the openness that seems to be coming with the digital approach might well help that process, as well as encouraging new entrants to come forward.

I watch the *Caledonian Mercury* with some interest, but I am parochial enough to focus on what is happening with the amazing website forargyll.com. Academics at a certain stage in their careers are retiring back to Argyll and Bute and bringing immense quality to the offering that is being put forward. We get really well-written articles that motivate people to make a contribution. I am keen for that to continue, but it needs to happen nationally, too. We need to have the very brightest people to help us in forming opinions, and they need to be properly rewarded.

10:45

Aileen Campbell: The issue of local authorities distributing their own publications has been raised with the committee. Many witnesses did not view those publications as a problem so long as they concentrated on local authority issues, but there was concern that they might produce an information overload and could have a detrimental effect on newspapers. Does the Government have a view on local authority publications?

Jim Mather: That seems to be more of a phenomenon down south than it is up here. Part of the answer is to get people in the room to debate how we manage such issues. A wider debate on local media and its potential in each local authority area in Scotland would be helpful.

I have not yet managed to pull that off in Argyll and Bute, but I will not stop trying. Once we get past the election, there will be a window for us to do something along those lines, in terms of considering how we can best make use of media as a mechanism to connect with the wider citizenry. We can debate how best to use the resources in a local authority area, whether those are local authority, community or private sector assets, and how we can work together to get the best for the community.

When we run our sessions in Argyll and Bute, it is interesting that people translate increased sustainable growth in exactly the same way at the local level. They want more people in compelling, rewarding and sustainable work in Argyll and Bute, as that spreads the council tax and keeps the schools, transport system and shops viable. It would be interesting to debate that with

newspapers, local authorities, sectors and communities, in order to ask how the media can help to make that happen. I genuinely believe that the media can provide terrific glue to bring the community together and to help to broadcast the values and value propositions that a local area has to offer, not only in its own communities but among people who are perhaps much further away.

The Convener: I was intrigued by your desire to ensure that people who might be affected by public information notices are notified of them. Who would decide whether, and to whom, the information is relevant? One of the strengths of using local newspapers is that that method does not involve anyone taking a decision: people simply come across the information and realise that it is relevant to them. If people have to go and look for something, they will not necessarily find it.

Jim Mather: It is not a case of either/or; it is more to do with the word "and". A system that allowed information to be flagged up to people who had lively interests in particular issues would be an additional facility that would work in a similar way to the alert system in Google and other facilities. That is another development that we can befriend going forward.

Elizabeth Smith (Mid Scotland and Fife) (Con): There has been an interesting debate about the extent to which BBC News Online has made an impact on local newspapers. Johnstone Press strongly argued its concern about the extent of that impact, but some journalists in the industry feel that that is not the case. Does the Scottish Government have good-quality evidence about the extent to which it has had an effect?

Jim Mather: We are probably meandering into Fiona Hyslop's territory. I am not aware of any evidence of such an impact, but I am aware of the strength of feeling, albeit from discussions that have taken place under Chatham house rules. I recognise the characterisation in your question.

Elizabeth Smith: Obviously, the BBC has public subsidy money behind it, which changes the goalposts with respect to how some forms of information are financed. Does that concern you?

Jim Mather: I prefer level playing fields. It is important that there are diverse voices throughout Scotland. We need voices that are genuinely local and knowledgeable about what is happening in local areas.

Richard Wilkins (Scottish Government Culture, External Affairs and Tourism Directorate): The short answer to the question is that we do not have reliable evidence on the impact of the BBC website. Members are probably aware that the BBC needs to get approval from the BBC Trust for any expansion of or major

change in its web services, which often involves a market impact assessment. That is worth noting. The BBC Trust rejected local video proposals last year, I think, precisely because of fears that they would have an impact on local media. Therefore, the BBC definitely takes local media into account in considering possibilities for expanding services, but we do not have reliable evidence on the impact of its existing services.

Elizabeth Smith: I want to press the issue of financing a little further. Obviously, the BBC is a publicly funded body, and money is available for providing public information through it, whether that information is given online or elsewhere. Who is responsible for making decisions on the information process? That is an important question. Is it the BBC or the Government, or are there joint discussions between the two? There is not a level playing field for a local newspaper, which, obviously, has a very different structure. Has that issue been considered in your discussions?

Jim Mather: As I said in my opening statement, my interests are business and enterprise, so I do not go into those realms. Such issues have been for Fiona Hyslop, and for Mike Russell before her, to take on with the UK Government and the BBC. I intend to maintain my focus on what I can do to help entities to evolve and survive as businesses.

Elizabeth Smith: To clarify, you will have discussions on that matter from a business angle with Fiona Hyslop.

Jim Mather: Yes—and our exchanges with the committee today will inform the conversation that I will have with her.

Claire Baker (Mid Scotland and Fife) (Lab): I apologise for my late arrival.

We have had quite wide-ranging discussions with previous panels about journalists. There is uncertainty and there are changes in the business. We have received evidence that students are still being attracted into journalism and are keen to go on the college courses, but a great many of the skills are learned on the job once they have graduated. There are increasing difficulties with students finding placements in local journalism, which is recognised as a starting point. Do you have any views on that?

Jim Mather: I have a fundamental view about trying to help the sector to achieve a new robust business model that will give it the ability to have a long-term view and give people much better long-term career potentials. That must be the way forward. We are always trying to create a climate that gives people the chance to have secure and robust business models. Things can be difficult if there is uncertainty and a tradition of contracting in an area. Tom Peters has the lovely line:

“You Can’t Shrink Your Way to Greatness”.

You certainly cannot shrink your way to giving people the security of tenure that they are looking for.

Claire Baker: I think that there is a feeling about whether there is enough progression planning in the industry, whether there are opportunities for young people to get into it, and whether a point will be reached at which no talent will come through in it. You spoke to Aileen Campbell about PINs and reciprocal funding. Are there other ways in which the Government could support journalists and other professionals in the newspaper sector? That could include creating more opportunities, particularly for students to get their first step on the ladder.

Jim Mather: We are dealing with uncertainty, which will evaporate as we move forward, the transformation kicks in and the industry comes up with a more robust model. That will take time. At the last session, people were invoking the memory of the demise of the canals in favour of the railways. Transitions take place—I remember the demise of the typewriter industry in favour of the word processor—but there is a potential to reinvent and come out the other side.

A chap called Joshua Cooper Ramo, a managing director of Kissinger Associates, says that in essence the big challenge for any organisation is to become like a resilient immune system. No matter what happens—no matter what environmental or technological changes take place—you have to take stock, dust yourself down and come forward again. I look forward to seeing the sector do that, because there is a huge opportunity. There is no reduction in the number of people who want news, entertainment and analysis, and there is no reduction in the number of businesses that, as the economy strengthens, will want to advertise and connect with consumers. It is a question of understanding what the options are and managing the evolutionary process with the element of enlightened self-interest that will help guide it.

Claire Baker: You mentioned reinvention, but one concern in previous discussions has been that, in the process of reinvention and the move towards new media, what is valuable about local journalism—the journalist’s direct contact with and knowledge of the community and the quality that comes from that—might be lost in a different setting. The question is whether that is worth preserving and how that can be done in a different method of delivery.

Jim Mather: Those qualities are definitely worth preserving, and I am seeing signs of them being enhanced. We have a lady in Argyll and Bute called Lynda Henderson, who has been the driving

force behind forargyll.com. Not only is she proactive in campaigning on issues, but she is engaging and attending public meetings and even calling public meetings that maintain the focus on the website.

What is interesting is that Lynda Henderson has taken a very different tack. I remember that, in his book "My Trade", Andrew Marr says that there are only two stories in politics: split and spat. Lynda has come to the conclusion that concentrating on split and spat, attack and blame is not a good way to run a campaigning news website. People will become defensive, avoid you and hide behind process, and they will certainly not be your pals in the long term. Lynda Henderson has taken a more conciliatory approach and tried to bring people together. If nothing comes out of today but that a few more people look at forargyll.com to see what they can learn, that will be a constructive outcome—not that it is perfect; I am sure that it can learn from other places, too.

Ken Macintosh (Eastwood) (Lab): If the proposal for an independently funded news consortium in Scotland goes ahead, will it have an impact on the local newspaper industry?

Jim Mather: Any change must have an impact. That is clearly a factor, but the question is whether it will happen. We have the prospect of a UK general election, and Elizabeth Smith's party is against the proposal. My view is that, as with any of these things, it is best to get people together early to talk about how it might happen and what the unintended consequences may be, so that they can be talked out and properly understood and steps can perhaps be taken to mitigate them.

11:00

Ken Macintosh: Does the Scottish Government have a policy? STV might win the news contract and it has said that it wants to attract advertising revenue from local newspapers.

Jim Mather: We operate downstream of what is a reserved matter. We are keen on anything that moves forward proactively in Scotland and which helps to migrate us through the current phase.

Ken Macintosh: I am trying to determine the Scottish Government's view. Do you accept that there is a public interest in having a vibrant newspaper industry in Scotland?

Jim Mather: Absolutely. I not only accept that but have experience of it. Like you, we talk to constituents and to the newspaper sector. We have spoken to management, editorial staff and unions in the past two years to an unprecedented extent to understand the situation. I am keen to ensure that we move forward with open debate,

because that provides the possibility of the best result.

Ken Macintosh: Is the Scottish Government concerned that an action by the Government—whether it is the UK or the Scottish Government—to control the broadcasting landscape could affect the Scottish newspaper industry?

Jim Mather: We are concerned about the wellbeing of all elements of our media and we will talk to all sectors openly and all the way down the line to achieve the best outcome for all elements of the media and for the people of Scotland.

Ken Macintosh: I will explore a couple of issues on the Government's role. I welcome some of the minister's comments, but I am still unclear about how the Government sees its role in relation to the newspaper industry. For example, why did the Government decide not to proceed with the change to public information notices but to proceed with funding myjobscotland?

Jim Mather: I do not see the logic of the connection. I think I said five times in the parliamentary debate that, for the Government, consultation means consultation—we listen. We are keen to build a reputation for listening and reacting to what we hear and we are proud of that. We have an outcome on PINs that will help the sector to migrate, which I welcome.

Ken Macintosh: I will make a comparison. Myjobscotland is intended to save local authorities money—money that will be lost to the local newspaper industry. The fear was that removing PINs from newspapers would lose money to that industry, although it would save local authorities money. Both cases raise issues of access. The question was whether PINs should be published in local newspapers to maximise access and the same question applies to jobs. Is there still an argument that jobs should be advertised locally to maximise access?

Jim Mather: Sure.

Ken Macintosh: The situations are similar. In one case, the Government has decided not to proceed and has perhaps not changed its mind but reversed the direction of travel, but in the other case, it is funding a move away from local newspaper advertising and access.

Jim Mather: We are seeing an evolution to take advantage of the new technologies. On PINs, we have responded to genuine concerns to which we have listened. We are engaging with the newspaper sector and with local government to migrate in the long term. That is the best way to move forward. Would you prefer us not to listen?

Ken Macintosh: The question is not about a natural evolution but about what Government

policy is. You seem to have one policy for PINs and another policy for myjobscotland.

Jim Mather: That is your definition; it is certainly not mine. I do not recognise your definition.

Ken Macintosh: Having started to consult on removing PINs from local newspapers, why did you change your mind on the proposal? Why will you not proceed with that?

Jim Mather: When we consult and hear opinions that persuade us not to take one particular route, listening to those opinions is the right thing to do.

Ken Macintosh: Will you describe the reasons why PINs should be maintained in local newspapers?

Jim Mather: The issue is all about migration and maintaining access for people of a certain age who are not involved in the digital world and for people who are excluded for other reasons. We are debating not only PINs but digital participation in Scotland. All those debates are continuing, and we are trying to achieve the best possible outcome for the people of Scotland. The fact that we are doing that openly, and that we are listening and reacting to what is said, should be a cause for celebration, not denigration.

Ken Macintosh: I am not denigrating—I am trying to get to the bottom of the matter. It is to do with access, then. Is funding an issue at all? Is that a factor that comes into your reasoning? I believe that myjobscotland is being funded partly because it will save COSLA money. The argument that COSLA is making with regard to PINs is that money can be saved. Is that not something that you have taken into account?

Jim Mather: Absolutely, but that had to be balanced against matters of access, the democratic process and the health and vibrancy of our local newspapers. We can make balanced decisions that are not based on just one criterion.

Julie Kane: I should clarify that the Scottish Government provided the initial funding to set up myjobscotland, but the funding to develop that recruitment portal now comes from local government—no additional funding comes from the Scottish Government. Local government is pursuing a partnership with all the online newspaper recruitment advertisers, so that they can share jobs. People who go to s1jobs, for example, will also be interested to see what is in myjobscotland, so there is a connection across those sites. That is an evolution from the original project, which makes it more inclusive with regard to what the newspaper industry wants. It has been a valuable development.

The concept of myjobscotland was not simply one of putting jobs online. The aim was also to

provide information on the role of local government and on the sorts of jobs and services that local government delivers, both in their respective localities and in Scotland as a whole. That could, in some ways, enhance the reputation of local government as an employer in Scotland. There were a number of factors—it was not simply about putting jobs online.

The aim is similar with regard to the PIN portal: it is about trying to provide a picture of what is going on across Scotland. For example, if there are road closures across a number of local authority areas, people can use the portal to map their journey across a number of area boundaries. That is about more effective information, not simply about transferring information from newspapers on to a website.

Ken Macintosh: Indeed. However, representatives from the newspapers raised concerns in their evidence to us about whether or not there would be a continuing relationship with myjobscotland. They saw it as something that was affecting them, taking revenue away from them, and they suggested that it was not necessarily in their interests to maintain the relationship.

We are not considering issues around myjobscotland directly, but there is some concern. It is all very well advertising jobs in that way, and there are some advantages to it—if it is in addition to local advertising. People want access to jobs in their locality. It used to be a policy on the part of local authorities—it still is, in some areas—to recruit locally. If websites were being used in addition, there would be no question about it, but the fact that they are being used instead of local newspapers has a downside, including an impact on the newspaper industry. Whatever the other policies are, the approach has an effect on the local press.

I will move on to something that Aileen Campbell suggested, although you did not quite answer the point, minister, if I may say so. Local authorities publish their own magazines, which take private advertising. Does the Government support that, or not?

Jim Mather: If we start restricting options and limiting people's capabilities, we will get into a difficult position, not only stifling the sort of innovation that has brought about myjobscotland but limiting people's options. We should be concerned about closing down options when we could be creating something useful and beneficial to the citizen.

Ken Macintosh: Do you accept, though, that if local authorities take paid advertising in their own publications, that might take advertising away from local newspapers, just as myjobscotland has taken

advertising away from local newspapers? That has been shown to be the case.

Jim Mather: With all due respect, this zero-sum game mentality is pretty depressing. I see a very different Scotland, which is starting to follow a growth agenda. Having a private, paid advert in a local government publication might generate additional business that motivates the same advertiser to advertise in yet more publications to get yet more customers. The idea that there is a finite sum that is spent one way or the other is extremely limiting. I genuinely think that this Scotland of ours can achieve much higher levels of growth and can be much better than that.

Ken Macintosh: I am not putting forward an argument; I am asking questions of your policy, which is not the same. I am not stating my policy; I am asking the Government to define its policy.

Written submissions have suggested that newspapers have suffered a £13.5 million decrease in advertising income as a result of myjobscotland. That is the evidence that the committee has received. The implementation of the Government's policies is having a direct effect on newspapers. What is the Government's view on the fact that that is costing the papers £13.5 million in advertising revenue?

Jim Mather: We must put the weight on the front foot. Imagine if I had been appearing before the committee 25 years ago and had been asked similar questions about the typewriter factory in Hillington and what we could do to give it more business because word processing was coming in and taking the business away. We must befriend change and evolution, especially when it gives us increased efficiencies, better results and faster processes.

Scotland is not an island in the global economy; it is interlinked. We must do things that give us a competitive edge and which allow us to earn our keep in a competitive global world. We must move on and we must do so together. The issue here is less about looking in the wing mirrors at what has happened and what is being lost in terms of revenue streams and more about looking through the front windscreen at what new revenue streams, new readership and new advertisers can be gained, and what other ways we can find to help newspaper businesses find new revenue streams and get stronger through recognition of their quality and the great brands, reputations and archives that they have. I am talking about the archives of the printed word and the archives of photographs of the great titles that we have in Scotland at local and national level. We must have much more of an asset register mentality, which involves recognising the strengths that we have and how best to leverage those assets.

Ken Macintosh: I have one final point. The minister has clarified a number of points. The Scottish Government's relationship with newspapers can be direct or indirect—it can operate through public sector advertising, public sector publications, PINs, myjobscotland and so on. Does the minister not feel that there is room for a reciprocal response from the newspaper industry, as I think Claire Baker put it, or what Aileen Campbell described as a quid pro quo? Can we not get more back from our newspapers in terms of investment in journalism or training? Is that not something that the Government wants to see?

Jim Mather: Any Government's ability to legislate for that or to write contracts around it would be extremely limited.

However, it is heartening that when we get people in the room to talk about common interests—especially when there is a good spectrum of people from different backgrounds, such as trade union staff, editorial staff, management, people from academia and ICT and network provider representatives—it is definitely apparent that, as with all other sectors, there is an element of altruism in the room. People want to do the right thing. They want to have success, but they want to have success that involves a good element of corporate social responsibility.

One of the benefits that I should have mentioned to the convener is that, when we get people in the room, that kind of social awareness is now coming to the fore. There is an American lady called Rosabeth Moss Kanter, at Harvard University, who is undertaking studies in the field and looking at the survivability of companies. She is finding that it is those companies that have aligned themselves with their staff, their customer base and the communities in which they operate that are showing the most marked signs of survivability. I honestly believe that the more we have that conversation on a cross-party basis, the more we can get that aligned behaviour in all sectors of the Scottish economy.

11:15

Ken Macintosh: We would all welcome a greater altruistic effort, but you do not want to increase regulation or Government intervention in the area.

Although I said that that would be my final question, I have another one.

The Convener: This must be your final question.

Ken Macintosh: We heard evidence at our first session about the financial difficulties that are faced by the press. The National Union of

Journalists and other witnesses then came back to us to point out that the newspaper groups are making profits greater than 10 per cent. They contrasted average journalist salaries—which are around £20,000 or less—with the salaries of the chief executives, which are greater than £500,000. What is your view on that contrast? How does that fit with your desire for altruism?

Jim Mather: In my experience, when we have an open dialogue about such things, things begin to move. People take more responsible positions when matters are out in the open for debate. We have no expectation that we can change everything overnight, but we can establish a new, more collegiate direction of travel. That is one of the big benefits to be had from engaging people, and we are proving that that is the case. I would welcome more of that taking place and a wider public debate on the matter.

Christina McKelvie (Central Scotland) (SNP): Good morning, minister. Let us move on a wee bit and talk about broadband internet access. The figures for 2009 show that the percentage of the population who have internet access is about 60 per cent Scotland-wide and 68 per cent in the UK, but only 39 per cent in Glasgow. Can you tell us about the impact on those who do not have internet access of the on-going digital migration process?

Jim Mather: Digital access is key to opening up people's life chances, so we must all work closely to address digital exclusion. Yesterday, we met the Scottish Trades Union Congress to look at what we do in Scotland in the lee of what is happening at the digital Britain level. The clear view was expressed that the Government, trade unions, business organisations, Ofcom and so on must be proactive in ensuring that we drive forward on that. The better educated that someone is, the better they will do in life and, nowadays, people also need to be digitally enabled and digitally connected. It is clearly an issue for a high level of focus.

Christina McKelvie: At a previous evidence session, Martin Boyle from Cardonald College, said that local newspapers play an important role as a

"collective cultural and historical memory of an area".—*[Official Report, Education, Lifelong Learning and Culture Committee, 13 January 2010; c 3042.]*

David Hutchison also talked about the valuable archives that local newspapers hold on their communities. Will local newspapers' ability to report local issues properly and act as a

"collective cultural and historical memory"

be affected by the pressures on journalists that we have been talking about, which are created by a lack of investment in journalists?

Jim Mather: There are always immense pressures when the income side of the equation is frozen or declining and increasing pressure comes on cost. That takes us back to the argument that you cannot shrink your way to greatness. The local newspapers have to find ways to open up the revenue potential. For starters, they must ensure that they do not lose current generations of readers. Where possible, local newspapers need to reach out to their diaspora and connect with it. There will be a Lanarkshire diaspora everywhere, from Aberdeen to London to Abu Dhabi. There is always a market for nostalgia. Many newspapers are good at recycling photographs, even relatively current ones, that strike a chord with people. Inventive and ingenious people will come up with solutions that allow newspapers to find new revenue streams.

We must keep trying to optimise the debate and get more people involved in it so that it develops at the fastest possible rate. We want to ensure that there is no discontinuity and that we have as vibrant a newspaper sector as possible. That is why I am scratching my head and thinking about how to get my local newspaper to become the social, economic and environmental glue in the area. I am getting the debate going and adding focus to what we are all trying to do together.

Christina McKelvie: In evidence to the committee, and in follow-up information, the NUJ said that the ability of good journalists to do good investigation, whether on historical or current stories, is being affected and that some journalists are being spread too thinly across geographical areas. That will have an impact on the quality, quantity and depth of the research that journalists do. How can we remedy some of those issues?

Jim Mather: It is a difficult issue, but most businesses are familiar with it. When they are faced with the two paths of bolstering quality or cutting costs, it is tempting in difficult circumstances to go down the cutting costs avenue. If they go down that avenue, the quality tends to deteriorate, which is a tragedy. We are beginning to find that successful companies have chosen the path of bolstering quality, even in difficult times, because doing so gives them revenue. There is a bush telegraph of people out there selling the newspaper title, the computer or the motor car by telling people, "This is great—you should have one." There is a lot of interesting material to suggest that, if companies go down the path of cutting costs, they could end up on a slippery slope. It is far better to go down a path of quality, so that people feel that they need to have the product and they are willing to pay for it.

Kenneth Gibson (Cunninghame North) (SNP): One issue that has been raised with us is about local industry consolidation and acquisition.

What is the Scottish Government's view on that? Do you believe that it has gone too far, that it is at the right stage or that there should be more of it? Alternatively, do you not have a view on the issue?

Jim Mather: There are lots of wonderful options there.

Kenneth Gibson: Tick one of the four.

Jim Mather: We are Scottish. You are from Ayrshire. We play the ball as it lies. We have what we have just now.

I recently spent a lot of time with a group of people in Glasgow in the Strathclyde institute for operations management. They are interesting thinkers about how we can run businesses more effectively. They are keen on Tom Johnson and Anders Bröms—two guys who have an interesting proposition. In essence, Johnson and Bröms say that the west went down the wrong path in 1945—the path of managing by results, acquisitions, mergers, takeovers, bigger turnover, bigger market share, bigger share price and bigger profits. Sadly, that has gone to the point of companies being too big for the food chain and not as flexible as some of the smaller players.

Johnson and Bröms advocate a different and more eastern path, which they call managing by means. They talk about pleasing customers, which I mentioned earlier, to the point at which the customer is no longer simply loyal or dependent, but is an advocate out selling for the company. They also talk about pleasing staff, to the point at which they are rewarded for their loyalty and ingenuity and proving that by acting on their ingenuity. The same applies to suppliers. Johnson and Bröms pinpoint much better results.

In the long term, I would like us to have a media that is diverse as well as able. The big players need that ecology, too; they need new entrants to appear and create vibrancy in the marketplace.

Kenneth Gibson: In short, you do not think that further consolidation would necessarily benefit the local newspaper industry in Scotland.

Jim Mather: That is my opinion, and I think that it is the opinion of academics.

Kenneth Gibson: I want to ask about hubs and spokes. Concern has been expressed to the committee about the sharing of back-office functions. That is an issue in my constituency, where three newspapers have their offices in the same building. Having a single head office could have cost benefits, but there could be an adverse effect on newspapers' ability to keep in touch with communities, which might lead to a reduction in sales and difficulties in the industry.

Jim Mather: That takes me back to what I said about the evolutionary process. Consumers will

ultimately decide what they want from the products that are on offer. Years ago in the insurance industry, there was a big feeling that the industry was static, because the cost of entry was so prohibitive—a new General Accident, Sun Alliance or Norwich Union could not be created overnight. However, even in that sector the phenomenon of Direct Line Insurance and other such companies has demonstrated that the technology is such that the cost of entry is no longer a barrier. In the digital world, cost of entry is clearly no barrier.

Kenneth Gibson: There is concern that cross-ownership of local newspapers and radio, for example, might create local monopolies, whereby a single organisation owns and controls the local newspaper and radio. People might choose not to buy the local newspaper, but not everyone has access to the internet, as Christina McKelvie said. How do you feel about the rules being relaxed by Ofcom in that regard?

Jim Mather: Technologies are removing barriers to entry. There is publicly available technology that enables pretty much anyone to set up their own news website and perhaps even find mechanisms to communicate with a wider community.

Kenneth Gibson: Yes, but 61 per cent of people in Glasgow do not have access to the internet, so they are excluded from such activity.

Do we have the democratic press that you talked about? There is tight media ownership in Scotland and the UK. In 1997, News International withdrew its support for the collapsing Conservative Government and switched to Labour. That was supposed to be because of an agreement that if Labour came to power BSkyB's monopoly would not be broken up and newspaper ownership would not be restricted. Surely it is unhealthy for any proprietor to have such influence, at local, Scottish or UK level.

Digital entry might be cheap and many people might go down that road, but what happens in areas in which people are loyal to their local paper and do not want to read their news online, but still want a plurality of information from local newspapers and radio?

Jim Mather: I understand your concern, but things are changing at a dramatic rate. I do not know whether you noticed the interesting article in *The Economist* last week, on the huge dominance that Google had had on the web. The number of people contacting the site had flatlined and Google had been overtaken by Facebook, whose trajectory was almost vertical. New technologies will dramatically change how we communicate, exchange views, handle news and so on. I am much more inclined to look forward to what is liable to evolve, rather than analyse and remedy a

particular position. Evolution will change things for us.

Kenneth Gibson: Professor David Hutchison suggested that if cross-ownership rules were to be relaxed or a public subsidy provided:

“there would have to be very clear, enforceable, undertakings from the newspaper companies on investment in journalism.”

Is there a quid pro quo in that regard? We are all concerned about the quality of journalism and opportunities for young people to get into the newspaper industry—and the media more broadly. In Sweden and in other countries support is given for the training of journalists, to ensure that quality is maintained or increased. Could such support be provided in Scotland?

Jim Mather: There is certainly a debate to be had on that, but until I am apprised of all the voices that are contributing to it I will not rush forward with an opinion.

The Convener: I thank the minister and his officials for coming. The committee has concluded its evidence taking for our inquiry into the Scottish local newspaper industry. Is the committee content to begin work on our report?

Members *indicated agreement.*

The Convener: I hope that you all have a good Easter and come back refreshed after the recess, when the committee will meet on 14 April.

Meeting closed at 11:31.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

Members who wish to suggest corrections for the archive edition should mark them clearly in the report or send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP.

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Printed and published in Edinburgh by RR Donnelley and available from:

Scottish Parliament

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

For more information on the Parliament, or if you have an inquiry about information in languages other than English or in alternative formats (for example, Braille, large print or audio), please contact:

Public Information Service

The Scottish Parliament
Edinburgh EH99 1SP

Telephone: 0131 348 5000

Fòn: 0131 348 5395 (Gàidhlig)

Textphone users may contact us on **0800 092 7100**.

We also welcome calls using the Text Relay service.

Fax: 0131 348 5601

E-mail: sp.info@scottish.parliament.uk

We welcome written correspondence in any language.

Blackwell's Scottish Parliament Documentation

Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries

0131 622 8283 or

0131 622 8258

Fax orders

0131 557 8149

E-mail orders, subscriptions and standing orders
business.edinburgh@blackwell.co.uk

Blackwell's Bookshop

**53 South Bridge
Edinburgh EH1 1YS
0131 622 8222**

Blackwell's Bookshops:

243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Accredited Agents

(see Yellow Pages)

and through other good booksellers