



Communications and Digital Committee

Corrected oral evidence: The future of news: impartiality, trust and technology

Tuesday 26 March 2024

1.15 pm

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Members present: Baroness Stowell of Beeston (The Chair); Lord Dunlop; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Kamall; Lord Knight of Weymouth; The Lord Bishop of Leeds; Lord McNally.

Evidence Session No. 8

Heard in Public

Questions 88 – 94

Witnesses

I: David Rhodes, Executive Chairman EMEA, Sky News; Jonathan Levy, Managing Editor and Executive Director, Sky News.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

David Rhodes and Jonathan Levy.

Q88 **The Chair:** This is the Communications and Digital Committee and we are continuing our inquiry into the future of news. We have two panels of witnesses today, starting with Sky News, and then moving on to GB News. Could I ask our first witnesses to introduce themselves with the position that they hold at Sky News? Mr Rhodes.

David Rhodes: I am executive chairman of the Sky News Group.

Jonathan Levy: I am the executive editor and managing director of Sky News here in the UK.

The Chair: Thank you both very much for being here with us today. We will cover four categories of questions with both panels: first, we will talk about the role of Sky News in the wider news environment; then we will come on to the financial model and sustainability of the business; followed by how you are serving audiences and talk about trust and impartiality; then finally, the relationship with the tech platforms and the regulatory framework. I will move us on swiftly to questions and ask the Lord Bishop to start us off.

Q89 **The Lord Bishop of Leeds:** Thank you for coming. We have been meeting with a number of witnesses covering different areas of news; last week was radio and podcasting. I would like us to begin by asking how you see Sky's role in the broader news environment? What is distinctive about Sky, and how do you compare with the PSBs?

David Rhodes: Lord Bishop, thank you for engaging us in this discussion. First, just about our role in general: we are based here in London and operate rolling news channels on both traditional television and streaming platforms. We have video, audio and text-based journalism all available free of charge, we like to say, "Wherever you get your news".

Our newsroom is about 700 strong in the English language, with a substantial operation also in Italian, joint ventures around the world and more than a dozen foreign bureaux. We also supply news coverage to sister news organisations in English and Spanish that are controlled by our parent company, which is Comcast NBCUniversal. As somebody who spent most of my career working in US broadcast media and observing the impact that UK journalism has from that vantage point, it is an honour to have this opportunity today.

The news media here in the UK punch above their weight globally, and this is a benefit of the English language. It is a reflection on the journalistic talent that is available in this market. It is also about the respect that is traditionally afforded to our profession, and robust protections for the freedom of expression.

The news media are changing rapidly, and we are a part of that change. As we answer your questions today, I will be responding especially to

your questions about the industrial and commercial context for Sky and Sky News, and Jonathan will have a particular perspective on the editorial context for our journalists.

The Lord Bishop of Leeds: In that case perhaps I can ask Jonathan, what is distinctive about Sky compared with PSBs?

Jonathan Levy: Good afternoon, Lord Bishop. To answer your question specifically from an editorial point of view, we see Sky News as the bold, independent alternative to the public service broadcasters. David was just talking about the UK landscape, and it is very fortunate to have a strong tradition of public service broadcasting with a robust national broadcaster that sets the tone for impartial high-quality news provision. We embrace that tradition, we think it is a good and fortunate thing, but viewers deserve an independent alternative to that national broadcaster, and we believe that is Sky News.

We have a strong 35-year track record in impartial, authoritative and trusted journalism with particular focus on political and specialist journalism, and eyewitness reporting in the UK and across the world. Last month Sky News was named the Royal Television Society News Channel of the Year for the seventh year in a row. Last week our journalism was recognised in two out of the three nominations in the BAFTA news coverage category for our reporting from Myanmar and the Middle East. We reach about one in three people in the UK and millions of people around the world, and we are one of the most followed English news brands on social media.

No broadcaster outside the BBC is investing as much in British journalism in as many places and on as many platforms as Sky News. We believe in bringing our audiences the full story first with speed, accuracy and expertise, and that is why we think we are the bold independent alternative to the PSBs in the UK.

The Lord Bishop of Leeds: Almost everything you have said could have been said by someone sitting here from the BBC in terms of content. When I watch Sky News or BBC News, formats are very similar, even down to newspaper reviews. What is distinctive?

Jonathan Levy: I think there is a lot of distinctiveness, to be honest. Our tradition of news over the last 35 years is of course similar to the BBC in that it is about a public service broadcasting tradition and a focus on high-quality, impartial news. I think the approach to news is different; we approach it as an independent commercial news organisation. We see stories differently and take different risks, and sometimes we take risks in the public service space that they do not.

If you take the Westminster Accounts Project which we did in partnership with Tortoise Media last year, that was a fantastic example of public service journalism. It was recognised with an Innovation Award at the Royal Television Society Awards last month, plus loads of other awards. It was Sky News that led the way with that innovative, dynamic piece of public service journalism that helped people understand how money moves around Parliament. That is just one example; I could quote many.

During the pandemic, Sky News was the first broadcast news organisation to report from an Italian ICU and from inside a care home; I could go on and on.

Where the distinction comes is an attitude to taking calculated risks, to being independent of all things other than the service of powerful eyewitness, impartial, objective journalism.

The Lord Bishop of Leeds: One final question from me, because we are going to drill down into some these things as we go through. From a Sky perspective, do you think that the UK news environment is plural enough?

Jonathan Levy: We believe that plurality comes from the role we can play in the way I have spelled out in terms of providing a bold alternative to the public service broadcasters. There are quite high barriers to entry for the type of eyewitness journalism that we specialise in, which is why the kind of plurality that we provide by being that alternative to the PSBs is important. Beyond that, the market has clearly become more competitive in different areas more recently as there have been some new entrants; we value and embrace that competition.

The Chair: We will move on. Lord Dunlop.

Q90 **Lord Dunlop:** Good afternoon. Can I start by asking where news sits in the Sky portfolio? You obviously have a lot of strings to your bow to drive revenue ranging across entertainment and sport. So my question is, how attractive is the provision of news to Sky as a commercial proposition?

David Rhodes: Well, first, we invested in the news business because we think it is the right thing for those audiences that you are describing. It is the right thing to do, but also there is enormous audience engagement with news content, the same as we see with entertainment and sport. So it is an important part of that overall portfolio.

What the news portfolio has in common with the entertainment and sports products is that it is essentially an intellectual property business. The goal is to properly monetise that intellectual property across our whole estate over time. But we create a great deal of it; that is why it has become a critical part of our wider business strategy. That context is changing all the time in terms of the ways that we will monetise it, but we have always had a lot of audience engagement with news content, and we think we will for a long time to come.

Lord Dunlop: Picking up on that point about monetising IP; like other media organisations, the Sky Group has been facing a very challenging economic backdrop, not least that advertising revenues have been hit. So against that background, how has Sky News been faring financially? How profitable are you?

David Rhodes: In a forum like this we obviously talk about trust and our basic editorial independence, but the third thing that we bring to the news media as a business is a lot of financial strength. So the company has invested over £100 million a year in what we provide for quite some

time now, and has a commitment to continue to do that, to continue to reach those audiences that I described. The strength that we bring is that we are part of the multinational conglomerate that I described, so we have the wherewithal to continue to do that for a very long time, and to plug in to this wider ecosystem.

To Jonathan's point about the news reports that we provide; when we look at last night, I think we were the only people providing real-time reporting from the crisis in Haiti. We were pleasantly surprised at the level of digital engagement by our audiences around that news report; maybe that was because no one else was covering it. In the context that you mentioned about advertising markets still seeing surprising resilience in various ad formats across the news estate, it may be that we are one of the only broadcast-based news providers doing that sort of coverage, and that is some of the uniqueness of the commercial opportunity as well.

Lord Dunlop: Can I just come to the commitment to invest? Obviously, it is well known that when the merger took place you undertook to invest in the business, and those guarantees last, I think, until 2028. What happens when those commitments expire? Why should we expect that your parent company will remain as committed to Sky News post 2028?

David Rhodes: You would have to look at the parent's stewardship of news assets across the whole estate and see that this is a really critical part of the proposition in every territory where we operate. Sky News is one, and there are some regulatory guardrails around it, but we have an ongoing commercial and business plan to properly monetise what we do and spread it into more and more areas of digital, audio and visual presentation, as we have been doing. We think there are actually great commercial outcomes that can come from that, and I would expect us to find those commercial outcomes, the same as we do on all the other various news products from the company.

Lord Dunlop: We have heard from other news organisations how they have had to respond to significant financial pressures. Presumably you are facing those same pressures and I wonder how you are responding to them. Are you having to tighten your belt? If you are, how do you ensure and safeguard the quality of your journalism in that situation?

David Rhodes: Today and every day we will speak up for the quality of what we are putting on each day: that is a constant. I mentioned Haiti, but there is a variety of other places; if I look at today's news report, we are providing excellent coverage from Russia on the situation since the attacks last Friday, and how those are playing out in the context of the Ukraine war, which we have had a commitment to covering since the start. Even if it is an incident like the Baltimore Bridge collapse today, a lot of audiences in this country and around the world will learn of those events from our coverage.

As for the general economic environment for what we do, for the 30 years that I have been doing this—at one organisation or another—certainly for the 35 years that Sky News has been in operation, there have always been financial pressures, and there has always been a

changing technological and economic context around news provision. I would not sit here today and tell you with absolute certainty what those commercial outcomes are going to be in five or certainly 10 years; that economic context will change.

At the moment it is very much advertising supported, but the categories of that advertising are themselves changing. Whereas at one time this was entirely a proposition of selling spots of commercial interruption and linear television output, now it is equally selling programmatic ads within connected television presentation. It is documentary development, advertising in audio formats—podcasting—syndicated content to some of the other broadcasters that I mentioned, live events, membership communities and newsletters. There are a dozen different business lines that are not where our heritage is in linear television broadcasting, but each in their own right represents an economic opportunity, and we have a plan to seize that opportunity.

Lord Dunlop: One of the areas that Sky News has been investing in significantly is digital platforms like TikTok and YouTube. I just wondered, what is the motivation behind that? Is it about building the brand, or do you see it as a good long-term new revenue stream for the business?

David Rhodes: It is both. First, 75% of our overall audience today, which is to say 75% of the brand reach and the impressions that we have, is for our digital output in some form.

Secondly, we have unique advantages in that marketplace that others, principally others that are not based in the UK, do not have. An important part of our proposition is our live linear output, which also goes live to some of those platforms you mentioned; for instance, some US-based rolling news presentation cannot do that because of conditions having to do with their terrestrial distribution agreements principally in that market. We do not face that. So we have the unique attribute that if you go to YouTube you can watch us live, with some programmatic commercial interruption, and not many other news operations of our style can do that.

Some of it is about reach and finding an audience for our journalism on digital platforms that is just not available to us on traditional television because it is not where that audience spends its media day. We are among the biggest, if not the biggest, on TikTok as far as the engagement we see there on a range of other social media platforms. The terms and conditions and the commercial opportunity around that are also changing over time, but with the relationships of the Sky Group and the broader company, we think we are well-placed to manage those terms and conditions and make it a real commercial opportunity as well.

Lord Dunlop: One final question from me: how does Sky News gain attention on social media, which obviously rewards highly provocative and opinionated content? And how do you protect your editorial values in that world?

David Rhodes: The only question I would raise about the premise of your question, Lord Dunlop, is that it has to be opinionated content to do that. In our own experience, just yesterday, for instance, there were demonstrations here in Westminster having to do with agriculture. If I look back at the last month, it is fair to say that our best-performing video clip on social media was straight news coverage of a similar demonstration, in this case in Brussels, which surprised us all by the level of reach we had for that. Like many other platforms, in the end social media engagement is a game of the more impressions, the more revenue potential. So in that case that was a component of our general news report on those demonstrations as they pertained to agricultural policy in Brussels, and it was our best-performing clip of the month.

Jonathan Levy: Can I just add that on social media, if you look at TikTok, we are the biggest broadcast news brand in the UK, with nearly 6 million followers. Contrary to our instincts, we have found from the beginning that our news report, in its straight, objective and impartial form, was actually very popular. We have grown a huge number of subscribers on that platform by just doing what we do—whether it is our science editor straightforwardly explaining something, or any other of our specialist journalists, or anyone else for that matter.

On that platform, which particularly reaches younger audiences, we have grown our audience by just doing what we do. So we have not had to be provocative or do something particularly different to reach those audiences, which has been encouraging.

Q91 **The Chair:** That is probably a neat segue to move us on to the next group of questions, which is about the relationship between you at Sky and all audiences.

Mr Levy, one of the things that you said in answer to the questions around the first group was that you see Sky as a bold alternative to the PSBs, but clearly there to serve all audiences. How well do you think you are doing that at the moment? Are you concerned about the loss of a particular demographic to challenger new arrivals in terms of the broadcasting environment?

Jonathan Levy: What is changing is the way people are receiving the news; what is not changing is the essence of the news and journalism itself.

The way that we are addressing the fact that people are getting their news in different ways and different places is this idea of “wherever you get your news”. We have had to adjust to different platforms—we were just speaking about TikTok—but when our reporters are out in the field—Stuart Ramsey in Haiti, Diana Magna in Moscow, Martha Kellner in Baltimore covering the bridge collapse—they are doing what they have always done to a great extent: going out, establishing the facts, speaking to people, collecting video.

When that then comes in to us here in the UK, we are putting that in a proliferation of places. Whereas 35 years ago it would have been simply on a linear TV channel, we are now putting it on our owned and operated

digital platforms; it might form a podcast, or go as a video on TikTok, all that. Yes, of course people are finding their news in different ways in different places; our objective is to meet them there and give them that trusted impartial eyewitness journalism, but in the different formats that they want to get it. So we have grown our audience in that respect.

The Chair: You do not have any concern within Sky that there is any particular demographic that is not feeling as well served by you these days and is moving away from you?

Jonathan Levy: There are younger audiences that do not look to linear TV to get their news. In terms of our audience research and anecdotally in our lives, we know that young people around us are not turning on the TV any more; they are turning on their phones and they maybe not even going to owned and operated platforms. That is where we have to find those audiences, and our research shows that we are having some success on TikTok. Are those the audiences you are talking about?

The Chair: Yes. In a previous session, one of our witnesses, James Frayne, who is a pollster, talked quite specifically about older provincial working-class Leave voters who, “are actively turning off the PSBs—and the BBC in particular”. I know you are not a PSB or the BBC, but, as I understand Sky—this is the way you were clearly talking earlier on—you see yourselves up there on a par with them in terms of the standards that you maintain. Do you recognise younger people as a group that you are losing from your audiences?

Jonathan Levy: We recognise that there are new entrants, particularly in the TV space, that have a very different news product from ours. We very much focus on eyewitness reporting, and the barriers to doing this are very high, as I said earlier. With modern technology, it is easier to establish news organisations that are discussion and talk-based. We have no issues with that at all, but that is not really what we are doing. Our audience exchange is not really with those new outlets, and we do not recognise a haemorrhaging of audience to them. They are doing what they do; there is a degree of competition, which we welcome because that is healthy, but our focus is on the kind of reporting that sees people in Haiti, Moscow and Baltimore and all over the world and the UK. That is our competitive space. We are doing different things from the type of news organisation you are referencing.

The Chair: So is there anything within the organisation that would suggest to you a concern in that area at all?

David Rhodes: I think I can provide a bit of business context there. Sky News is a mass brand, which is part of a larger mass brand within Sky and Comcast NBCU. Our goal is to have as many viewers in as many places in as many demographic categories as possible. That has been our goal since inception. That constant has not changed. Our goal is to have as many customers as we can find for our journalism and for other products. Can you be all things to all people? We do the best we can, but over time it is difficult. Jonathan’s north star is the basic journalistic values that underpin what we do, but we have never at any time chosen

to target any one constituency, potentially at the expense of others. The goal is to provide a mass proposition.

The Chair: I would not suggest that you were trying to do that at all. As a broadcaster, is your understanding, and that of the regulator, of what is meant by impartiality still in keeping with all audiences' expectation of impartiality?

Jonathan Levy: From a Sky News perspective, the values that we have as a news organisation, which are about impartial, accurate and trustworthy journalism, fit within the regulatory framework that oversees our reporting. If there are issues with the regulator and other parts of the market, it is a matter for them and other news outlets. We find that the kind of news that we want to do and are signed up to do fits perfectly within the existing regulatory framework. But independently of that, I see impartiality as a value in itself, as an approach to news and stories with open-mindedness and curiosity. It is not a regulatory cage, as far as we are concerned; it is an approach to journalism that exists for us regardless of whether or not it is part of the regulatory framework—which it is. That is the discussion we have around impartiality, rather than always with reference to the regulatory framework, to be honest.

The Chair: However permanent or temporary the political realignment we have seen over the last few years—I am not trying to get into a political argument here—do you feel that the dividing lines within audiences are not as clearly aligned with political parties as they may have been in the past? Has that presented new challenges for you in terms of the way you think about impartiality?

Jonathan Levy: No, I do not think so, because our thinking around impartiality is pretty much as I just described. We communicate very strongly to our journalists that, when they go out and cover any story, they should do so with open-mindedness, with curiosity and without any preconception. That is what we want them to do, whether it is on the ground in Israel, Westminster, America, Manchester or anywhere in the world. For us, that north star, as David said, is a constant. Of course, we are aware that is part of the regulatory framework, but it is a constant that has not needed adjustment. It is an approach to the news that we are steadfast about.

The Chair: A couple of colleagues want to ask some supplementaries on this: first Lord Knight and then Lord Kamall.

Q92 **Lord Knight of Weymouth:** Thanks very much. In his speech today, the director-general of the BBC said, "In markets like the US, the most polarising news networks have driven growth". When thinking about running order, are there temptations to give editorial prominence to more polarising content in order to drive growth, or are we always going to be very different from the US? Can you give us some comfort on that?

David Rhodes: There are a few questions there, and I will try to answer them all. We are very different from the US, and that is part of our value proposition. I do not think we should take always being different for granted, because in any media marketplace you have to look around at

how things could be and why things are the way they are. Much depends on the popular expectation of media brands, and we have invested where we understand what the expectation is of us and what the regulatory context for that work will be.

In the United States, things are very different due to the very different regulatory but also commercial context. In the United States, subscriber fees paid to cable television broadcasters like us—not Sky News but certainly others, including brands in our own parent company—have been so compelling that, over time, they have led to a scenario where channels tend to chase audience passion more than the kind of mass proposition that I have described. Basically, the US market, as it pertains to television-based news products, is divided into broadcasters that are similar to our PSBs but have much more of a local component. They are distributed via over-the-air stations by market area, with broadcasters to one side and legacy cable networks to the other—so you have an economic play on that subscriber fee.

Nothing like that cable subscriber fee has ever existed in the UK market, and it is very unlikely to because that ecosystem is declining even in the United States, and everybody is making investment decisions based on an assumption of its decline. The regulatory context is definitely different here, so it is hard to see how it would converge completely with the American model. In that context, we are more of a regulation taker than a regulation maker, so it just depends on the outcomes that you want.

Jonathan Levy: Can I answer that specifically from the editorial point of view?

The Chair: Yes, please, if you can be brief.

Jonathan Levy: The decisions that we make are based purely on editorial merit and not on trying to stir up an audience. If you take the example of Haiti, that is not something that you would necessarily think would be an audience winner. It is a story that has required a lot of investment. It is a dangerous story. We send Stuart Ramsey none the less. He has been doing his thing over the last few days, and it has turned out to be very popular online. It was the second most read story yesterday, as David said—but those stories are made on their editorial merit not on any other metric.

Q93 **Lord Kamall:** I am one of those sad people who has been following telecoms and communications for as long as I can remember. In the late 1980s, early 1990s, there was the whole incident with BSkyB, and Sky itself was seen very much as an exciting challenger, shaking up the broadcasting community but also the news when Sky News came to broadcast later. Clearly, you now seem to be more of an establishment broadcaster—you would probably reject that phrase—but how do you feel about new challengers, and should they try to be impartial or just add to the diversity of the broadcast environment?

David Rhodes: First, Lord Kamall, I am honoured that, as an American sitting here in the House of Lords, I am seen as part of the establishment.

Lord Kamall: So are we.

David Rhodes: As long as we have operated, we have needed to adapt our news reporting to changes in audience and context. Certainly, on some news platforms we are the incumbent; but on others, we feel we are very much the challenger. Leaving to one side the point about opinion-driven cable in the United States, our information shows us that English language audiences both in and outside the UK tend to trust television-based news content more than some other forms. That makes up an important part of our trust proposition. We put news on all the social media platforms that have been discussed. We are making a new and much more robust push into podcasting and we find that is a way to engage new audiences. We are experimenting with documentary storytelling, film, newsletter businesses, live events, et cetera. In many of these other areas, besides linear television, we think we really are the challenger brand.

Lord Kamall: Do you want to add anything to that?

Jonathan Levy: As David said, we welcome competition in all its forms on linear TV, digital and podcasts—competition in all those arenas is good for us. It is provocative and makes us think about what audiences want, what we are doing and whether we can do it better, but we always come back to the same values when calculating how we respond to competition. We are very open-minded and keen to see competition in all areas where we operate, but at the same time we steadfastly hold to those values that we have spelled out in terms of the kind of journalism that we want to do.

The Chair: We will move on. Baroness Healy.

Q94 **Baroness Healy of Primrose Hill:** Thank you. I want to start with Mr Levy and ask an editorial question. We have heard several suggestions to support the idea of reliable news and giving more prominence to trusted sources on tech platforms by using kitemark schemes or updating the distinction between online and offline regulation. You obviously value your professional editorial standards very highly, but, in this new world, where gatekeepers can dictate what people find on the news feeds, what should be done to tackle this? The PSBs are suggesting that Ofcom should extend its oversight to all online content; how do you feel about that for Sky?

Jonathan Levy: David has already said that, from a regulatory point of view, we see ourselves as the taker, not the maker, of regulation. The regulatory framework is a matter for government legislators and for the regulator; we are a licensed broadcaster that operates within that environment. The status quo—the current regulatory framework—works for us. Our editorial guidelines, which mirror many of the things within that regulatory framework, extend across all our platforms. We expect our journalists to operate online, an unregulated space, in the same way as they operate on TV, which is a regulated space.

We think the best kitemark is, frankly, the Sky News brand. The best way for news organisations that we are responsible for to maintain trust

is to get the journalism right, get on the ground, see things for ourselves and report that back. I do not think a kitemark that comes from the regulator or from government or elsewhere will improve on that. If we do our job properly and get our journalism right, we will maintain the trust of our audiences. If we do not, we will not. I do not see that it would be on anyone else to say, "This journalism is right; that journalism is wrong". It is on us, really.

Baroness Healy of Primrose Hill: But do you not think there is a problem in terms of the amount of misinformation that is coming out in some cases? How do you ensure that the audience recognises that it is Sky News as opposed to somebody else putting something up online?

Jonathan Levy: That comes back to our brand, to be honest, which has been established over 35 years. Surveys from Ofcom and elsewhere say the brand is highly trusted. It is accessed by millions of people every day, week, month and year. We need to keep that audience and their trust by holding to these values of impartial, objective and accurate eyewitness reporting, and by making sure those values proliferate throughout the organisation and are maintained on other platforms. The best kitemark for our journalism is the Sky News brand, and I do not think that one imposed or conferred by a regulator or by government would necessarily improve trust or make a difference. For us, it comes back to how we do our journalism, the values that inform it, and whether we are getting it right. If you look at stories where journalism as a whole has failed, the biggest loss of trust comes when journalists get it wrong. That is when the trust goes, and that is what we need to avoid.

Baroness Healy of Primrose Hill: So you do not see a role for the Government to do anything in particular to enhance trust?

Jonathan Levy: I do not think it is the Government's job to confer trust on journalism. We have made much of our independence here. We would rather earn trust through our own journalism than have it bequeathed by government. That is a long way away from how we see it. Do you agree, David?

David Rhodes: Once you decide to go down that road, there are so many things that can go wrong which we think we are protecting against by putting on a trusted product. Who confers the kitemark? Does the audience see it as having value? Will part of the audience see it as undermining value? Can you buy into the kitemark and make a commercial agreement so that your content comes under the kitemark? It feels to me like there are practicalities in terms of how that type of solution might be applied. Coming back to the point about our independence, of which we are very proud, we would have to continue in an independent way to platform content that validates our trust proposition with our audience, irrespective of any regulatory remedy.

Baroness Healy of Primrose Hill: That is very clear. Thank you both very much.

The Chair: Lord McNally, you had a supplementary question.

Lord McNally: Everything you have said about Sky News reflects my

own experience of it. It is an excellent service, but I wonder how long you can hold the line. There is a saying in politics, "Why look in the crystal ball when you can read the book?" Rupert Murdoch bought a failing newspaper, the *Sun*, from the British TUC, and turned it into a phenomenon. He did so by going downmarket—one could say down to the gutter—in his standards of journalism. How long can you hold that high-minded line if you find that, in fact, the viewers that you are searching for go elsewhere for a different, more sensationalised, more lurid kind of news?

David Rhodes: First, I want to thank you for finding at least that we have been truthful about our news report today. If that has been your experience, that is very encouraging, and we certainly would not want to lose you as a viewer, Lord McNally. In addition, we have a level of independence in terms of how we arrive at editorial decisions, and it is fair to say that our current corporate ownership has come up with an excellent model for this. It has been pointed out that, as part of the transaction, various protections were agreed at the inception of this relationship that we are in the middle of with Sky News. I would also submit that there is nothing in the company's history of managing operations like ours to suggest that it would take us down that road. Corporate circumstances and assets can always change hands, but I would ask the committee and the Government more broadly to look at our track record with assets of this kind and find that they have been operated in a responsible manner.

The Chair: I am going to draw to a close at that point so we can move on to our second panel. I am very grateful to both of you for being here this afternoon and for giving us your evidence as part of this inquiry. If there is anything you want to follow up with supplementary written evidence, I am very happy for you to do so, particularly in terms of the debate around serving all audiences, or any particular area that you feel we might benefit from more information on. I will pause the transmission in order for us to change over the witnesses—but for now, thank you very much.