



Select Committee on Communications and Digital

Corrected oral evidence: The future of journalism

Tuesday 23 June 2020

3 pm

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Members present: Lord Gilbert of Panteg (The Chair); Baroness Bull; Baroness Buscombe; Viscount Colville of Culross; Baroness Grender; Lord McInnes of Kilwinning; Baroness McIntosh of Hudnall; Baroness Meyer; Baroness Quin; Lord Storey; The Lord Bishop of Worcester.

Evidence Session No. 16

Virtual Proceeding

Questions 135 - 141

Witnesses

I: David Dinsmore, Chief Operating Officer, News UK; Peter Wright, Editor Emeritus, DMG Media.

USE OF THE TRANSCRIPT

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

Examination of witnesses

David Dinsmore and Peter Wright.

Q135 **The Chair:** Welcome to our ongoing inquiry into the future of journalism. I am very pleased that we have with us today David Dinsmore and Peter Wright. In a moment I will invite them to introduce themselves and tell us about their respective organisations and initial reflections on our inquiry. We will then take questions from Members of the Committee. Thank you for coming to give evidence.

Today's session will be broadcast online and a transcript will be produced.

David Dinsmore is chief operating officer of News UK, and Peter Wright is from the Mail Group.

Would you start by briefly introducing yourselves and saying a little about your respective organisations? As we are looking at how journalism is adapting to the incredibly rapid change in the market, will you give us a brief overview of how your organisations have adapted to the long-term changes, including a little about how you have diversified your own products?

David Dinsmore: Thank you for this opportunity to give evidence to the Committee today.

I have been in this industry for 33 years. I started in local newspapers. I have been a journalist in trade; I edited the *Sun* at one point; and I also looked after a print plant. As the Americans say, I think I have a soup-to-nuts experience of what goes on.

Our business has changed massively over that period and has changed even more quickly over the past few years as the digital tsunami engulfs us all. We are print, digital and video, and four years ago we purchased Wireless Group, which made us audio as well. That is talkSPORT and Virgin Radio. As from Monday, I can commend to you Times Radio, which is a good example of the diversification you are talking about.

Our traditional newspaper products have become hugely more digital as the years have gone by, and we ride two different business models. On the *Times* we have a paid-for subscription. That is the main source of digital revenue, with a much smaller advertising revenue. For the *Sun*, it is a free-to-air advertising model with very little of what we would call consumer revenue or, in old money, cover price revenue.

That is the world in which we find ourselves. Digital is a less lucrative business for us currently, and the bulk of our revenues still come from print.

The Chair: We welcome Peter Wright, editor emeritus at DMG Media.

Peter Wright: Chair, thank you very much for inviting us to speak today.

Like David, I am a journalist. I have worked my whole life as a journalist in one form or another. My last job in active journalism was editor of the

Mail on Sunday, which I did for 14 years. I now represent the company on occasions such as this and in dealing with regulatory and legislative matters.

Like News UK, we have had to make enormous changes to adapt to the digital world. We have always been a mass market consumer newspaper company, but, as we have seen, the digital revolution first hit classified advertising. We divested ourselves of the *Evening Standard* and Northcliffe Newspapers, which was our regional newspaper division. We have continued to invest in and promote our newspaper titles: the *Daily Mail*, *Mail on Sunday* and *Metro*, which has both a different editorial approach and a different business model from the *Mail* titles.

We have also invested very heavily in digital products. By many measurements, MailOnline, next to the BBC, is the biggest website in the UK, but it is also one of the biggest in the US. As of the past couple of months, it has been the biggest, apart from the Australian Broadcasting Corporation, in Australia. It now makes more money out of advertising than our newspapers do, but we do not have any subscription revenue to speak of. The next struggle is to replace the newspaper cover price revenue, which now forms about 80% of the newspaper revenue.

The Chair: That is very interesting. We will unpick some of those issues.

Q136 **Baroness Quinn:** Good afternoon from sunny Northumberland. The question is quite straightforward. Is the relationship between platforms and publishers fair? If not, how should public policy, which is what the Committee is obviously interested in, intervene and deal with any unfairness? I would like both of you to answer the question as you see appropriate, but perhaps it is particularly for Mr Wright given the evidence from DMG Media about a code of conduct and a regulator to improve fairness and transparency in relation to digital advertising, and online harms regulation with an exemption for news publishers.

The question I am trying to tease out is: if there is unfairness at the moment, might we be in danger of replacing it with new unfairness if, say, social media companies faced state-backed regulation while newspapers very much favoured self-regulation? Those are the issues I would like you to address.

Peter Wright: That is a fairly broad-ranging question, if I may say so. The commercial relationship between news publishers and the platforms is a business relationship between two partners in which one of them has all the power. Google is completely dominant in search, which is one of the main means of distribution of news. It has about a 90% share of search. It is also completely dominant in the digital advertising market. It provides all the intermediary services through which we sell advertising.

Facebook is also dominant in social media. With Instagram, which it owns, it holds about 62%. Within Facebook, to a large extent you have to use Facebook advertising services. This means that advertising markets are opaque. I think Google has six different vertically integrated

advertising services, all of which charge commissions or fees, or take revenue shares, many of which are opaque.

We have to accept what terms they impose. Even the contracts that we sign to use their services are often presented to us on a take-it-or-leave-it basis. What we are asking for is regulation. The CMA is about to report on a massive piece of work it has been doing to address a complete imbalance in a business relationship.

As for online harms, our concern is that this is regulation aimed potentially at addressing certain harms on the internet, some of which are criminal matters anyway. We do not believe we are responsible for those harms because we are already regulated. We are members of a self-regulator, IPSO, with which I am sure you will be familiar.

The danger we face is that the White Paper proposed arm's-length regulation of online harms whereby Google and Facebook, under threat of penal sanctions, would have to regulate on behalf of a regulator. I do not believe that as responsible news publishers we are the target of that regulation, but they would be obliged to do it by algorithm. Algorithms are incredibly imprecise and blunt instruments. There are many examples of this. To give one from last week, a lot of *Guardian* readers were banned from Facebook because they had shared a picture from the 19th century that had been published online in the *Guardian* showing a group of Aboriginal men who were effectively naked—they were wearing loin cloths. This was spotted by Google's algorithm. It was to illustrate a point about an argument about slavery in Australia. The picture was banned and users were banned because an algorithm had perceived it as being in breach of Facebook's nudity rules.

Therefore, our argument on online harms is that you do not need to regulate news twice, possibly in different ways, and it would be wrong to try to regulate it by algorithm.

David Dinsmore: We do not have a popularity issue. Our content has never been more popular than it is now. Peter's company, like mine, spends hundreds of millions of pounds every year creating original journalism and content that probably reaches every household in the UK in some shape or form.

This has become a bit of a publisher's paradox, because the bigger our audiences grow the lower our revenues become, for all the reasons Peter laid out. Globally, the digital advertising market is \$330 billion. Google and Facebook have cornered about 70% of that market: an extraordinary amount of money and power comes with that.

The flip-side is that we are responsible for every word we publish, whether it is editorial, advertising or whatever it may be. That will be either through our own regulator or the legal process. By contrast, for the platforms very little remedy is available. Under safe harbor in the US, they can be prosecuted—poor things—but they make a big play of, "We are just a platform. We are not responsible for what is published". I think that is the paradox in which we are currently working.

In addition, I tend to liken us to diamond miners. We spend a lot of time going underground and digging up diamonds, checking the quality, making sure we cut them well, and we edit and curate them for our audiences. If they turn out to be cubic zirconia, we pay a penalty for that. We go into that with our eyes wide open. The problem is that, when we bring them to the surface, they are taken from us, other people will copy them, and they will be distributed far and wide.

That is the frenzy that fuels the digital platforms. The more content they get, the more hits they get and the more data they drive, ultimately, the more the revenue that comes out of that. In a nutshell, that is the problem we are facing, and that is what we have to address.

To your point about regulation, at the moment we as publishers have a lot of controls and restraints, rightly, placed on us. Most of it comes through the law, but there is very little on the other side of the equation.

Baroness Quin: Listening to the replies, at one point I wondered whether the problem is more a monopoly issue rather than a digital versus non-digital issue. What do you feel about that?

Peter Wright: I completely agree. That is precisely what the CMA is looking into. Google and Facebook are market-dominant companies and they behave in the way such companies do.

It also has an effect on our journalism. Google and Facebook both distribute our content via algorithms—known in the digital world as a black box. They are secret; we have no idea how they work, but we can see and measure the results.

Over recent years, on a number of occasions, Google and Facebook have changed their algorithms overnight without any warning. Not only does it have a dramatic effect on our businesses but it means that people searching for news suddenly are not finding our news. This happened to us with MailOnline in June of last year. Over the space of three days our search visibility, which is the measure of how often our content is appearing against a basket of search terms, dropped by 50%. It was particularly marked against some particular search terms, one being “Brexit”.

Why they do this we do not know. We protested and got an explanation that made no sense at all. Three months later, equally without warning, it was restored, but this is monopoly behaviour. You cannot do that if you are in a business relationship with someone where there is any semblance of equality of power.

David Dinsmore: I completely agree with that. It is the opacity that is a challenge. A recent report by PwC said it could not see where 15% of the money that went in from advertisers came out the other end. Not only does it not get to us, the publishers; it just vanishes in the system and cannot be accounted for.

There are real issues. As Peter said, it comes down to the algorithm and how our content is presented. You get a “flattening” of brands, as they describe it; everything ends up looking the same, with the customer

saying, "I saw it on Facebook", or, "I saw it on Google", when it is the publisher coming out with it in the first place.

The Chair: That makes sense.

Q137 **Viscount Colville of Culross:** I would like to continue with the issue of advertising domination that you have talked about. We have had submissions from Google and Facebook. Google has said it is developing advertising technology to allow publishers to continue to drive digital advertising revenue, and Facebook has said that publishers can serve all their own advertising in instant articles.

Are their claims a solution to the problems media organisations such as yours are having in trying to draw money from advertising revenues? If not, is the breaking of the monopoly of the digital platforms going to be enough to give you long-term financial stability? Does public policy need to do other things to be able to support you?

Peter Wright: The CMA's interim report on the digital advertising industry runs to 800 pages and lists many ways in which Google and Facebook do not help us. For instance, for Facebook Instant Articles we can sell ads either through our direct-selling operation, which is the equivalent of newspaper ad sales where you deal directly with the client, or digitally via Facebook. What we cannot do is sell them through real-time bidding in the open market, commonly known as programmatic advertising, from which we currently derive about 60% of our revenue. We can sell a limited amount of our own advertising through Facebook Instant Articles, but we are not free to do it in the way we would like.

Google has many black-box operations. The chief one at the moment is the introduction of a new thing called unified pricing. It is supposed to eliminate a previous injustice. Google runs the auctions; it is both a bidder and seller in the auctions. Google allowed itself the privilege of what was called the last look, under which it could buy any ad impression for a penny more than the highest bidder, so it was always able to outbid at an absolute minimum price.

In common with other publishers, we developed ways of setting price floors that enabled us to sell more of our content via rival ad exchanges at better prices. In our case, by June of last year we were selling 70% of our advertising that way.

Google has now introduced unified pricing. It says it no longer has the last-look advantage, but miraculously it is now achieving in the auctions it runs a 50% share of our inventory at more modest prices. However it is doing it, when you look at the outcome, a so-called reform benefits Google.

David Dinsmore: In my experience of dealing with the platforms, you quickly discover that publishers are from Mars and platforms are from Venus.

I completely agree with everything Peter says. The other thing to think of is how we contribute to the product as a whole. They are not just monetising the story we publish; they are monetising everything else

around that. If you look at a Google search page, there will be promoted stories or bits of content there for which it is taking advertising revenue. Facebook is monetising the entire feed, whereas the only revenue we get is when somebody clicks into our story, and then we get only a share of that.

We are getting a tiny part of a tiny part of the whole thing. Our content is helping to drive the hugely valuable data which they are using to inform the ad sales to their clients. Do not think of it as just “What is the deal on that particular story?”; you have to look at the whole thing.

Viscount Colville of Culross: If it comes out in the CMA report that we can break this dominance of digital advertising and access to your content, is that going to sort out the problem, or are there other things that public policy should do to support the media long term?

Peter Wright: I would like to mention some very interesting developments in Australia. I do not know whether the Committee is familiar with this. The Australian Competition and Consumer Commission is moving rapidly to address another problem, which is that Google and Facebook use our content but do not pay for it. Europe introduced the copyright directive. It has never worked because it is based on copyright and Google has told any publisher who tries to charge for copyright that it will simply de-list them.

The Australians are taking a completely different route. They are doing it via a regulatory mechanism. They are proposing that publishers and platforms will have to enter into mandatory negotiations over payment for copyright. Negotiations will probably have to be conducted within a time limit, and an arbitrator will have the power to impose solutions.

I think this is a much more promising approach. David’s company has a bigger presence in Australia than we do, but we think that the ACCC has the backing of the Australian Government and that this will be made to work. Even if the eventual agreements were modest, it would be transformational. It would be particularly transformational for the regional and local press, which will probably always have difficulty selling a lot of advertising online. That is because of the nature of their product, which is effectively a range of products. However, they have developed very big reach. The coronavirus has caused an enormous boost to their number of page views. It would give them revenue to replace cover price revenue, which, sadly, is massively diminished.

David Dinsmore: The ACCC developments are exciting. As Peter said, our sister company in Australia has been doing a lot of that. Final-offer arbitration—where each side basically gives a number and the arbitrator chooses the one it prefers for a 12-month period—will very quickly get us to the market value of the content.

To summarise what we are trying to achieve as an industry, it is to level the playing field of that regulatory piece and get fair value for our content out the other end of it.

At the same time, there is big news in America. Fifty state attorneys-general have got together to look at the anti-trust positions of the

platforms. There are reports today that the Attorney-General himself will launch an anti-trust inquiry into Google.

I think there is great movement here. The CMA report will be really helpful, but we cannot afford for the UK to be left behind.

To go back to the issue of the local press, it is now so financially constrained there is a danger it just takes any offer put in front of it, which ultimately challenges what we are all here for—the journalism.

Q138 Lord McInnes of Kilwinning: My question carries on from David's point on support for local newspapers, especially their inability to compete. I think both News UK and the Mail Group supported more collaboration between larger and smaller news organisations. I want to hear what both of you think that collaboration could involve. As two large news organisations, what do you think you could offer in support, because we have had evidence on the limit to scaling up that is available to local and regional journalists?

The second point is on how public policy could facilitate that collaboration and ensure it happens, or whether there is a need for public policy involvement. Should it be left to the market and the newspaper groups to be dealt with voluntarily? Perhaps David could continue his earlier point.

David Dinsmore: For a couple of years I chaired the NMA, which is our industry body. I think that is a good example of the whole industry coming together, because it is the big national groups together with the smallest independent publishers. Although the numbers are different, the challenges are very similar. We see what has happened to the local press as the canary in the coal mine for the rest of us.

Through the recent coronavirus problems, we did a deal with the Government for advertising—a great example of the entire industry coming together. We wrapped every single newspaper in an ad; we took over digital websites. That showed the capability that we have. As a result, the Government have seen that we are better at getting their messages across than they are. That may not come as a surprise, but it is flattering none the less. I think the role is really important and it is there for all to see.

I get slightly worried when we talk about content because I think that is the individual role of the publisher. We can shore up supply chains in the print world and public policy can help us to work together on that, beyond competition concerns, to make sure the supply chains are there so that the still very strong newspaper readership can continue to be supplied, because there is a danger that we run out of supply before we run out of demand. I would willingly give the Committee a paper on this rather than go into it in depth now.

The Chair: That would be helpful.

Peter Wright: I do not have a great deal to add to that. There is a long history of larger and smaller publishers working together. At the height of the newspaper boom at the end of the 1990s we were printing copies

of the *Daily Mail* in about seven or eight different local print locations around the country. We still do it in Portsmouth and Sheffield, and that is very valuable income for the Johnston Press, which owns those sites.

We also supply back-office facilities to the *Standard*, *Independent* and, until recently, the *i*—Johnston Press then sold it to us. We are always more than happy to work together on anything that is mutually beneficial.

In the digital world, I do not think we have yet identified similar ways in which we can synergise, but if one could be found we would be more than happy to do it. It is very important for us editorially that there is a thriving local and regional newspaper industry because that is where a lot of our news originates from, and it is incredibly important that courts, local authorities and so on are covered.

Q139 Baroness Grender: I would like to pick up the issue of local papers and subsidies, in particular the “All in, all together” campaign, and whether you feel it truly subsidised the small, local independent papers. My understanding is that at least three-quarters of the newspapers that benefited from that were owned by companies with a turnover of more than £20 million, and 90% of them had to be members of the NMA.

David referred to rough diamonds. If they were in this conversation, is it possible they would argue that there is a market dominance—but it is you rather than the social media platforms?

Is there any potential for public service broadcasters to support some of this work to grow local papers and make sure we have absolute diversity of independent local reporting—for instance, the BBC’s local democracy reporter scheme and that sort of thing?

David Dinsmore: On your first point about the “All in, all together” campaign, to be clear this has gone through government procurement, and it was the Government’s advertising agency that decided where the money was spent. There were members of the NMA who did not receive anything because they did not match up to the requirements of the campaign. I cannot speak for what the Government are now thinking.

We committed to the majority of the money going to local publishers. We were very clear that that was an important part of this. The reality is that the national daily papers have the greatest reach and number of impressions, as it were, when it comes to advertising.

The government agency has to get bang for buck. That was how it did it. I am sure that it will fill you in on how it did that.

The second half of the question was about how public service broadcasters could help. With the BBC we started off with a public service broadcaster funded by the state, public subsidy or whatever, and through the 1990s, almost by stealth, it became a public service publisher. We had never come across anything like that. It is unencumbered by nasty commercial things. It does not have to serve any ads, which might slow down its website and so on, and it is a very

good service. It adds another layer of complexity for publishers such as us who are trying to compete in that world.

Having said all that, it could be a phenomenal marketing portal where, instead of copying the local paper story, it just published the headline and linked to the local paper story. I think that would have a huge impact on what happens to local publishing in particular, but it would also benefit newspapers as a whole throughout the country.

Peter Wright: Through the NMA, we supported the local democracy scheme. I have always had a reservation about it, which is that because the BBC is licence fee-funded it will always be free to the user. You cannot take the licence fee and demand that users pay for your content, so it will always be a free service.

The local democracy scheme is essentially a business arrangement whereby the BBC pays for reporters, but in return it has access to the reporter's content. That means the BBC, which until 20 years ago was only a broadcaster and did not publish news in written word format, now does that, although there is no deficiency of other sources of news of all kinds in the written word. To begin with, it did it only at national level. It then began to do it at regional level, and now it is doing it at local level.

What would worry me slightly about this scheme is that it means the BBC is now competing with local newspapers' websites using the same content but it will never charge for it, which will make it very difficult for local newspapers ever to introduce a successful paywall.

Baroness Grender: And other PSBs? ITV has the advertising issue. Do you see the possibility of any kind of cross-subsidy?

David Dinsmore: ITV also has huge challenges of its own going forward. Commercial TV broadcasters probably find themselves in the position we were in 10 years ago. They will be able to give you a clearer picture of that, but, if you are ad-funded, in the new world with all the money going to Google and Facebook it becomes increasingly challenging.

Peter Wright: The BBC faces terrible digital disruption problems as well. We have had the experience of being hit by this first, but all broadcasters are going through it and it will probably get worse. I am afraid it all comes back to the digital advertising market.

The Chair: I think we have got that.

Peter, in your written evidence about public body interventions, you were pretty sceptical about Nesta's future news pilot fund, which has distributed about £2 million. Do you oppose it in principle or on the basis it has just not been very effective?

Peter Wright: As a matter of principle, I would much rather operate without subsidy. I think that inevitably it compromises your journalism, however hard you try.

A lot of hard-pressed local newspaper publishers applied to the Nesta project for funds but not one of them got a grant. They all went to start-

up businesses and people outside the range of what I call the *Barnsley Chronicles* of this world.

The money was distributed in small amounts of £50,000 or £60,000 rather than one or two large, bold initiatives which would have lifted the boat for everybody. I fear that you cannot transform an operation with £60,000. You can pay the wages and rent for a few more months and this time next year you will be facing the same problems. Maybe that is hard; I do not know, but I am afraid I cannot see that as a transformational move.

The Chair: Do you have anything to add, David?

David Dinsmore: We have skirted round it in a way, but the research and development aspect should not go unrecognised. We have come from a very stable business model in print to something incredibly disruptive in digital. As people are making that transition, it becomes increasingly hard to do so. Budgets get squeezed tighter and tighter, and digital development, particularly for local groups, becomes the last thing on the agenda; it just becomes a battle for survival. If there were ways to do scale digital transformation across the industry that would be of assistance, because, again, you are up against Google and Facebook with \$330 billion of advertising revenue to reinvest in the platforms.

Peter Wright: I know some of the small regional publishers quite well. They cannot even get Google to answer the phone to them. It is not that easy for us, but they do not get an answer at all. I think that if a Nesta-style project really wanted to do some good, it would be in helping the smaller publishers find ways of developing their websites, content management systems and search engine optimisation and getting more equal access to the platforms. It would have been much better if it had been focused in that way.

The Chair: Does that make sense, David?

David Dinsmore: Yes, absolutely.

Q140 **The Lord Bishop of Worcester:** I thank both of you very much indeed for what you have said so far. I want to talk a little bit about the recruitment and retention of people from underrepresented backgrounds. You said a bit about that in your written evidence, for which we thank you. Clearly, this is a really topical and important area at the moment. I wonder what the industry can do to remove systemic barriers.

What more can be done? Maybe more radical things need to be done, recognising how difficult it is. Last week we heard from the editors of the *Spectator* and *New Statesman*. I was fascinated to hear about the *Spectator's* CV and name-blind internship scheme. That has managed to recruit people who, had it been CV-based, would not have been recruited. What might be done in addition to what is already being done, and how could public policy help that?

David Dinsmore: It is a subject close to our heart. I think Peter alluded to this earlier when we talked about local papers. The general route in the old days was that you would start off life on a local paper and work

your way up to the nationals. As things have got tougher, certainly News UK has had to start its own recruitment schemes. We have an apprentice scheme that runs on the *Sun*. Interestingly, we cannot use the apprenticeship levy; it is more worth our while to pay it and run the apprenticeship scheme on top, so it is not really fit for purpose for us. I would be surprised if it was fit for purpose for anyone in the industry.

We are very much about getting as inclusive a staff as possible. That is as much about bringing in people from all socioeconomic backgrounds as any particular block we would go after. We also started a news academy in 2013, which is about getting schoolchildren and tertiary education groups to understand what journalism is about.

The diversity in those groups is excellent. We now have to try to find a way of speeding this up so that we can get it into the senior echelons of our company. We are doing much better on gender equality. My boss is female; two out of four of our editors are female. That is working, but I agree there is more work to do; but as a company we are completely committed to breaking down any social or economic barrier.

Peter Wright: Perhaps I may add to that with a bit of rather encouraging news. I completely agree with David. I began on local papers, and what a fantastic experience that was and what a lot I learned. We discovered about 20 years ago that local papers were all shutting down their training schemes and we were no longer getting young journalists coming through that route. Young journalists, particularly those who went on to apprentice schemes straight out of school, were by definition generally from poorer backgrounds; they were not metropolitan, sophisticated people.

Universities then began to open journalism departments. In order to go through university journalism training and get experience to be in a position where you can apply for a job at a national newspaper, you must have quite a lot of funding behind you. Ideally, you need to have well-to-do, middle-class parents who live in London so you can do work experience and so on. We were getting the wrong mix of people, so we set up our own training scheme. We also set up the Stephen Lawrence scholarship scheme, which is aimed particularly at people from BAME backgrounds and at those who have no university education and may come from homes with all sorts of other disadvantages.

For the past decade or so we have been operating a degree of positive discrimination to ensure we have a better balance of recruits. A bit like the experience of the *Spectator*, when we went through the first sift of applicants for our training scheme last year—it is done without photographs and you do not really know who the applicants might be—the selectors discovered that the people they had picked as the most likely candidates were a very strong representative sample of those with BAME backgrounds. We did not have to do any sort of positive selection at all. People from BAME and disadvantaged backgrounds wanted to be journalists; they wanted to come and work for us, and we were able to offer them jobs.

That is the way it should happen, frankly. It is a sea change, because 10 years ago we just were not seeing those applicants and we virtually had to go out and look for them. I find that very encouraging. I agree with David that it is absolutely vital to have a newsroom that represents the population at large, and you should have people from all sorts of backgrounds. Frankly, the more varied the better.

Q141 Baroness Meyer: Thank you very much for all your interesting comments. I would like to follow up on the previous question. One of the things we have been hearing from the people we have been interviewing is exactly that: it is very difficult for young people who do not have the means to get into a school of journalism or a training programme. That is particularly the case now there are no training programmes in local newspapers, or at least not as many as you had in your time.

How important is a degree in journalism? If you think it is not important, what are the particular skills you are looking for when you interview people or are looking to hire people, especially now that it is all changing so much?

David Dinsmore: At the risk of disparaging all the people who have spent lots of money doing journalism degrees, it is one of those jobs that you learn on the job. I did one of the first two-year courses in journalism, at Napier in Edinburgh, except that I did only a year because I failed my shorthand repeatedly.

My point is that you do not need a piece of paper to be a successful journalist. I would encourage people to try to get in by direct entry. The skills you need are people skills; inquisitiveness; enthusiasm; passion; a desire to go and find a story at one o'clock in the morning; never giving up; diligence; and probably another one is not wanting to be rich. We are so lucky in this country that we have a plural, passionate, boisterous and excited media, and we are looking for candidates to fill those shoes.

Peter Wright: I could not agree more. Journalism is not a profession; it is a trade. Personal skills, drive and ambition matter more than anything you can learn at university, although a university degree is still a good training for the mind.

To give you an example, one young aspiring journalist I know and have tried to give a little bit of help to put himself through a three-year university degree. At the end of it, he had written a 10,000-word thesis on the press and politics in Palestine, but the university had not taught him shorthand. Life at the bottom of the heap in any news organisation is going to need shorthand; it will not need detailed knowledge of the politics of Palestine or anywhere else, frankly.

Baroness Meyer: On diversity, is positive discrimination something one should go for, or is what the *Spectator* does a better way? In getting a wide range of people, is not knowing their names or having their CVs not a better way? Otherwise, you might be discriminating against good candidates as well.

David Dinsmore: To Peter's point, we want newsrooms that reflect the country, so that is driving you towards a more open—not that it was ever very closed—recruitment policy. Peter's point about sea change is very important. It is about making it look like an attractive career so that we get the applicants. At the end of the day, any editor or publisher wants good content and good stories, so they want good journalists, and they will come from all over the country.

Peter Wright: We would not operate quotas and we do not do ethnic monitoring of our staff. We do not think that is a fair thing to do, but you have to recognise, particularly when recruiting trainees, that someone who has been to Oxbridge and whose parents are corporate lawyers is automatically going to be able to present themselves better on paper and probably verbally in an interview.

We had three Stephen Lawrence scholarship students on our scheme this year. They are all first-generation immigrants who have not been to university. You have to see beyond the presentation to the inner qualities. We would not want to employ anybody we did not think would make a great journalist, but sometimes you will have to take a bit of a hunch. I have certainly done that over the years as an editor. I have taken on people who may not be entirely the finished product, but they have such a degree of ambition and so much charm and self-confidence that, despite the many things they have not yet learned, you give them the job. That is what we try to do.

The Chair: Thank you, both, very much indeed for giving evidence, and for the very detailed and invaluable written evidence you sent to us. We may want to pick up one or two things you mentioned and explore them a little more. Perhaps you can give further background on a couple of the issues you raised.

I thank both of you very much indeed for taking the time to be with us today. We very much look forward to discussing our report with you when we publish it in the autumn.