

PROCEEDINGS OF THE SELECT COMMITTEE OF TYNWALD ON TELEVISION LICENCE FEES

EPTTVLF280311

Douglas, Monday, 28th March 2011

Morning Session: 10.30 a.m. – 11.47 a.m.

*The Committee sat in public at 10.30 a.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas*

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[MR CREGEEN *in the Chair*]

Procedural

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The Chairman (Mr G Cregeen): Good morning, and may I welcome you to this Select Committee of Tynwald on the Television Licence Fee.

The Committee was established by Tynwald on 18th November 2009. The motion establishing the Committee was:

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‘That Tynwald appoints a Committee of three Members with the powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, to investigate the feasibility and impact of withdrawal from, or amendment of, the agreement under which residents of the Isle of Man pay a television licence fee; and to report.’

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I am Graham Cregeen MHK and I chair this Committee. The other members of the Committee are the Hon. Phil Gawne MHK and David Callister MLC. Our Clerk is Marie Lambden and our *Hansard* reporter is Catherine Groom.

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I would ask you to please switch off your mobile phones rather than just put them on silent, as it will interfere with the recording. On the subject of recording, we always ask our witnesses to state for the record who they are and in what capacity they are speaking. Also, it is important, for the purposes of *Hansard*, not to have two people speaking at once.

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This is the fifth oral evidence session in this investigation. In March 2010, we heard from the BBC, Manx Radio and the Communications Commission. In July 2010, we heard from the BBC, the Audience Council and representatives of other broadcast and internet media services in the Isle of Man. In December 2010, we heard a third time from the BBC. In February 2011, we heard from Mr Paul Moulton, a television journalist.

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EVIDENCE OF HON. A EARNSHAW, MHK AND DR C MCLAUGHLIN

Q397. The Chairman: Today, we are pleased to welcome back two representatives from the Communications Commission. Firstly, would you please state, for the record, your names and the

40 capacity in which you are speaking.

Dr McLaughlin: Good morning. I am Carmel McLaughlin, Director of the Communications Commission.

45 *Mr Earnshaw:* And I am Adrian Earnshaw, Chairman of the Communications Commission.

Q398. The Chairman: Before we start, would you like to make any statement?

50 *Mr Earnshaw:* Just to say that we have been following the work you have been doing with interest. It seems to be taking a long time, because it is a year since we last sat before... I had not realised it was so long, Chairman, until you just said it was March 2010. We trust that you are making good progress with this. We remain willing and wanting to be helpful as far as your investigation is concerned.

I do not think I have got a great deal else that I can contribute at this stage that would be useful, other than to say we are very happy to answer your questions.

55 **Q399. The Chairman:** Can I, first of all, start by asking, Mr Earnshaw, how long have you been Chairman of the Communications Commission?

60 *Mr Earnshaw:* Since I was appointed Minister for Home Affairs, which was, I think, from memory, August 2008 or September 2008. I cannot just remember the precise date. I think it was August 2008.

Q400. The Chairman: Have you studied the Broadcasting Act 1993?

65 *Mr Earnshaw:* To say I have studied it would be an overstatement. I am aware of it, I have used it from time to time when needs be, and I have a Director who keeps me fully informed, as required, regarding the contents of the Act.

70 **Q401. Mr Callister:** One of the functions, and the main function, I suppose, of the Communications Commission, is to further the interests of the Island in the whole field of programme services. Do you think this is being done well by the Commission, and have you personally had any input in furthering the services?

Mr Earnshaw: I am not sure that I agree with you that that is the main function of the Commission.

75 **Mr Callister:** Well, shall we say *one* function?

80 *Mr Earnshaw:* It is *a* function, but I think it is something of a sideline because I think the main functions are licensing and regulation of people involved with telecommunications and broadcasting in the Isle of Man. That is the main function. I think to some extent that has been a little bit of an aside. It is *a* function that is in the Act – you are quite correct in what you say there – and I think we have done some work in promoting and furthering what takes place regarding communications in the Isle of Man. It is a question of resources that we have available – I am talking mainly about time resources here and staff resources – to pursue that objective, but certainly some work has been done.

85 **Q402. Mr Callister:** Could I ask, Mrs McLaughlin, what the resources are that you have, in fact, in addition to yourself in the Commission?

Dr McLaughlin: At the moment, our staffing is 2.7, which includes myself.

90 **Mr Callister:** Two point seven?

Dr McLaughlin: Yes.

Q403. Mr Callister: The .7 being a part week, part time?

95 *Dr McLaughlin:* Part time.

Q404. Mr Callister: Do you find that sufficient to carry out the functions?

Dr McLaughlin: I think, no matter what one does, one can always think with extra resources you

100 could do more. I think that is a fact of life. I think the majority of our time is spent mainly on
telecommunications issues by the nature of the problems that we have in the structure. We have, at the
moment, three broadcasting licensees. The total revenue that they generate to the Commission is £750 per
annum, so we also have to be proportionate with our resources and how we use them. As I said, basically
one can always do more, or would want to do more, if we could.

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Q405. Mr Callister: Where do you think you would be weakest, where you are falling down in this
matter of the television licence and the BBC and the BBC services?

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Dr McLaughlin: I do not know if I understand your assumption, if you are saying that we are falling
down. I think the Commission –

Q406. Mr Callister: Perhaps those areas that you think could be improved that have not been
improved yet.

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Dr McLaughlin: I think, looking at the submissions that you have had to the Select Committee, there
has been a comparison, obviously, with the Isle of Man and the services that are given to the Channel
Islands. I think it is unfortunate perhaps that the Select Committee was not established 10 or 20 years ago
when times were better, when cash was a little bit more prevalent if one did want to get more services
from the BBC.

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I think we as a Committee and ourselves as the Commission have got quite a challenging time. We are
constantly requesting better services from the BBC, but this has got to be looked at in the context where
they are actually seeing no increase in the licence fee and they are under pressure to look for cuts. For
example, I saw that the Director General of the BBC has been having a brainstorm with staff, in terms of
what areas can they cut. One area that has potentially been highlighted is local radio, an area where
obviously we do not get a service from the BBC on the Isle of Man.

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Q407. The Chairman: The Communications Commission has a statutory function to further the
interests of the Island in the programming. Can you explain what you have actually done in that area?

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Dr McLaughlin: Yes. I think we have done a number of things. Most recently, there is an
organisation called the Celtic Media Festival, which promotes all things Celtic and Gaelic, but also media
works in English as well as the indigenous languages. Through our encouragement, Manx Radio was
shortlisted for a prize last year and again has been shortlisted for a prize this year. The Celtic Media
Festival has revamped its website so it now acknowledges the Isle of Man as being one of these Celtic
nations, and the Celtic Media Festival has also asked if I would be willing to come on their board to help
promote, again, the Island and our links with the other Celtic nations.

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When the Chairman and myself first joined the Commission in 2008, one of the big projects and
consultations we undertook was on which ITV service we should get. Tynwald had debated, prior to both
of us joining the Commission, plans that ITV had to merge their Border and Tyne Tees service. The
Commission conducted a consultation asking the viewers on the Isle of Man what did people want. We
got 77% saying people wanted Granada. We engaged with Ofcom and Ofcom was agreeable to go with
the wishes of the Island, as opposed to retaining us with Border and Tyne Tees, which was an initial
desire by ITV at the time.

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We furthered the interests of the Island in terms of digital switchover, making sure that budgets from
the BBC were amply spent on Island in getting the message across that switchover was happening and
also in trying to make people benefit from the help scheme that was available to the over-75s.

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We have been fairly active with the BBC in terms of trying to get them to improve their website. I
think it has improved and I think that is thanks to the discussions with the Commission as well as the
work of the Select Committee. I think there is much more video now and the Manx language is more
prevalent than the website, and I think that is positive encouragement.

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We have also been actively involved with them trying to get coverage for key events – for example
the junior Commonwealth Games – and talking about various things like coverage of Tynwald.

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I think one of the things that we have been actively involved in in the last year is making sure that we
get our share of the surplus from digital switchover. This was a project which I led, supported by the
Chief Secretary's Office, and we have now got commitment from the UK government that we will get
our share of surplus returned to the Isle of Man.

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Q408. The Chairman: When you were saying there were 77% of people saying that they wanted to
go to Granada, how did you get those figures?

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Dr McLaughlin: We did a public constitution. We had 120 responses, and of those, 77% were supportive of Granada.

165 **Q409. The Chairman:** Did you take that regionally across the Isle of Man, or whether it was long-term Isle of Man residents, or...?

170 *Dr McLaughlin:* We asked very simple questions. It was not a market research study where we were looking at demographics, but we got some submissions from commissioners across the Island, from Members of Tynwald, from... Basically, every part of the Island was represented in some way.

Q410. The Chairman: When you say that you were in dialogue with the BBC regarding their website and... do you have any concerns regarding editorial control being in the UK?

175 *Dr McLaughlin:* Speaking as a regulator, I think the concern of the regulator, in terms of editorial, is looking at balance, due impartiality. In terms of regulators making editorial judgements, that is generally left to the broadcasters, as opposed to us. I think, looking at the submissions from the previous hearings, it looks as though the BBC is working towards putting more editorial control back on the Island, which I think is a good thing.

180 **Q411. The Chairman:** Could I ask the same to Mr Earnshaw: have you expressed a concern about the editorial control?

Mr Earnshaw: No.

185 **The Chairman:** You are not concerned about it, or no, you have not expressed that view?

Mr Earnshaw: I am answering your question: I have not expressed a concern about it.

190 **Q412. The Chairman:** Are you concerned?

Mr Earnshaw: We are guided by the Director. We have got professionals to look after our interests in this respect, and I am comfortable with that.

195 **Q413. Mr Callister:** Mr Earnshaw, can I just take you back, first of all, to the debate that set this Committee up. I think at that time, which was November 2009, you said the Commission had not, at that time, any opportunity to discuss the motion that we were debating. Did the Commission discuss that motion following the debate?

200 *Dr McLaughlin:* Do you want me to answer?

Mr Earnshaw: Yes, actually.

205 *Dr McLaughlin:* Certainly, it has been on the agenda from time to time at the Commission and there have been discussions. Obviously, the Commission also commented on our submissions to the Select Committee as well.

Q414. Mr Callister: Yes, of course, but it is not a thing you consistently discuss as and when you get *Hansard* reports from our meetings, or anything like that, is it?

210 *Dr McLaughlin:* If we have a submission, that could be a separate agenda item; otherwise it generally comes up with the Director's report. I report what has gone on in the last two months and there will be questions from our members.

215 **Q415. Mr Callister:** Back to you, Mr Earnshaw: I think we have it that when you gave evidence on 24th March last year you said:

'... we are fairly comfortable with the status quo at the moment...'

220 Was that your own view, or was that the Commission's view? Is it still your view? Is it still the Commission's view?

Mr Earnshaw: I think it is still my view. I read the report from the last meeting. Mr Moulton made a

225 comment: he referred to the fact I had said the BBC provide a good service to the Isle of Man, and he seemed surprised about that. I have got to speak from the position that I occupy in Government. You could say 'he would say that, wouldn't he', but I still say that, and I would challenge anybody to say that we have a poor service from the BBC in the Isle of Man. I think we have a good service from the BBC in the Isle of Man. I think we have got to be very careful we do not end up throwing the baby out with the bathwater regarding this issue.

230 **Mr Callister:** I think, clearly, you and I were in agreement about that service at that –

Mr Earnshaw: Yes, very much so. I would say much in tune with the comments. I can remember the Tynwald debate –

235 **Q416. Mr Callister:** Nevertheless, we find ourselves now in a position where other local radio are getting far better services than the Isle of Man, so is it not something we should now rigorously pursue to get some further and better services from the BBC?

240 **Mr Earnshaw:** I think the Isle of Man enjoys a very good service from Manx Radio in particular. I do not listen to the other channels I must admit, but I think Manx Radio, who are seen as the national broadcaster, provide a very good news service for the Isle of Man and very good coverage for the Isle of Man, and I am sure that can be improved.

245 I think what we have got in the Isle of Man is a high degree of independence and I think we are very protective about that. I think we have got to look carefully about how we defend that. I cannot speak for the Channel Islands. I am not an expert on that but I know a bit about Manx life and I think a lot of people in the Isle of Man, politically and publicly, like what we have got and would strongly defend what we have got at the moment. It works well for us.

250 **Q417. Mr Callister:** So, are you saying then that you do not think we should be pressing for better, improved and different services from the BBC?

255 **Mr Earnshaw:** What I think we should be pressing for with the BBC and with the ITV channels is a more outwardly looking aspect of coverage for the Isle of Man, something that people in the UK... It is publicising ourselves, really. I think that is the important line to go down, as far as I am concerned, and I would think that is shared by my colleagues on the Communications Commission. I think if we take an introspective view of things, it is a wasted opportunity. I think we have got good local coverage already via radio, which covers Isle of Man national issues very well and also gives us a good news service of what happens outside the Isle of Man in the UK and beyond.

260 **Q418. Mr Callister:** What about coverage of Tynwald then, for instance, which we do not get very much on from the BBC now? Is that something you would welcome going to the outside world in?

265 **Mr Earnshaw:** Not really. I do not think there is an awful lot of interest. There might be interest locally within that. I do not know what sort of figures for listenership Manx Radio estimate that they get for Tynwald sittings. I would not think it is a large number. I do not think we are talking about hundreds. It might be one or two thousand people that listen to that, but it is a bit difficult to take a stab. I do not know.

270 **Dr McLaughlin:** Could I maybe add, we did raise this with the BBC, that we thought there should be more coverage of Tynwald, and as I understand it, the BBC then were in discussions with the Clerk of Tynwald. It was decided not to put cameras in Tynwald, but they are still going to be working to promote –

275 **Q419. Mr Callister:** Yes, it came up for discussion, but then the Chairman of the Commission would maybe need to spread this message further worldwide? Is there a general Commission view from your point of view on that?

280 **Dr McLaughlin:** My view has been, with the BBC... Maybe to comment further on what my Chairman said, I think it is often very easy to criticise and I think certain things that the BBC does are world class. For me, actually watching the recent Six Nations Ireland v England justified me paying the licence fee, personally. I think, given that, everyone can always do better and I think it is useful for us to congratulate the BBC when they are doing something well, but also highlight what exactly we would like them to do more. I think, in general, it would be better if there was more coverage of Tynwald and I think

285 the BBC is proposing to look at that via its website as well.

Q420. Mr Callister: Can I just then bring up one other issue that I find somewhat irritating and I wonder what your views are on that Chairman, and yourself, and that is that the BBC really regards the Isle of Man as just part of a region, part of the north region or northwest or whatever, and there is no recognition that this is an Island in its own right, that it is the kingdom of the Isle of Man? It has its own Government. It has its own parliament and we are not recognised for what we are as a nation. Is that something that concerns... can I ask both of you? I do not –

Mr Earnshaw: Well, I will answer that first, if I may.
I think the BBC, especially when I went to the Celtic Media Festival last year, received a lot of criticism for being London-centric and I think the further that you get away from London, there is a dilution of that. That dilution increases as you have to cross water, because there was a lot of criticism from the representatives for Northern Ireland at a time. So it is really trying to encourage the BBC to pull out into the other parts of the UK to give... so we are not alone in this I do not think. I think it does dilute the further distance that you get. The Isle of Man is a small population and I think we have got to recognise that, but I think we have got a very good story to tell in the Isle of Man. I think we are a newsworthy place. So I would like to see more concentration and I would like to work and I have been working in the past to try and encourage the BBC and ITV to take that into account. I think it is really publicising the Isle of Man beyond our shores that I am looking for – that is the line of approach that I have got – rather than trying to just have internal digestion for the Isle of Man.

Dr McLaughlin: Yes, could I maybe echo that. I think Scotland used to get very upset as well by being referred to as a region, and not only by the BBC, but, indeed, ITV, and I think it is something that we constantly have to reinforce. We have raised it with the BBC Trust, in terms of official consultations that they have done. We raise it with the BBC when we see them and I think it is something that one has to just continually have to hammer home, that we are a nation.

Q421. Mr Gawne: I would just like to ask the Chairman, the Minister, what statutory functions, policy development roles and expertise does the Department of Home Affairs have in media broadcasting, cultural developments, social integration, community support and those sorts of areas?

Mr Earnshaw: I do not know that I can answer that off the top of my head.

Q422. Mr Gawne: I could answer it.

Mr Earnshaw: Well, you have perhaps done your homework on that.

Q423. Mr Gawne: The point I am really getting to, I suppose, is that there is a certain amount of that expertise in the Communications Commission. There is no doubt about that. We have already heard that the primary focus of the Communications Commission is about regulation and that side of things. There is a little bit of the other bits that I have mentioned and we have heard from Carmel the work that the Communications Commission is doing in that area, but I suppose the point I am trying to get to here is we do not seem to have a Department of Government that is working on policy development for the way in which media is presented in the Isle of Man. Is that a fair charge?

Mr Earnshaw: I think that is probably a fair charge, yes.

Dr McLaughlin: Could I maybe add... We do not have any responsibility, obviously, over all the media. We do not have any say over the printed press. I think how things have happened since I have joined the Commission is basically to try and work with colleagues across Government. So, for example, we work closely with the Chief Secretary's Office and the department of External Affairs because lots of things we have to do go through the Ministry of Justice. I have direct links with the UK government departments, but I think we do operate as a team where we can. But I think you are right, Mr Gawne, that there is not a specific person in the Civil Service who has got, under their portfolio, broadcasting.

Q424. Mr Gawne: It was fairly easy for us to reach this conclusion, I think – well, the *potential* conclusion – as a Committee, inasmuch as we have been asked to investigate the feasibility and impact of withdrawal from or amendment of the agreement under which the residents of the Isle of Man pay a TV licence fee, and to report. So the first thing we would do, as a Select Committee, would be, 'Right, we will have the policy man who does media and broadcasting in and we will find out what the policy

345 objectives of Government are,' and of course –

Mr Earnshaw: You could not find one.

350 **Q425. Mr Gawne:** We have got the Communications Commission, which is doing its regulation and licensing and a little bit of media policy, but we do not really seem to have a clear policy team. So I suppose, on that basis, would you accept or acknowledge that we actually need to have a level of policy development on the Island?

355 *Mr Earnshaw:* I hope the Director will have the same view as me. That is something... It is a recommendation in your report, if you choose to put in, that I would welcome, but I think there would have to be an acknowledgement that there is a resource needed to cope with that. We have not sufficient resource at the moment to do it in the way that perhaps you envisage. We are doing what we can, when we can, where we can, but it is a little bit limited at the moment. But I think the Director has already demonstrated to you that we have done quite a bit.

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Q426. Mr Gawne: Is it ideal that... I am sort of answering my own question here, because I suspect it is – in terms of the Communications Commission, regulation and licensing, clearly there is a link in there with Home Affairs – we can see that – but were we to try and develop a broader policy remit for the Communications Commission, would Home Affairs be the ideal and appropriate home for the Communications Commission, or is there another Department of Government that might take on that role?

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Mr Earnshaw: I think it does widen the role. You could perhaps look at Economic Development or Community, Culture and Leisure as Departments with regard to that. They have got a different role to Home Affairs. Home Affairs – I think probably the licensing and the regulation fit in with the mindset that people have with Home Affairs, but a marketing aspect... and I would be interested to hear the comments from the Director about this if they are different to mine, but I would think that the marketing aspect perhaps might be better positioned somewhere else.

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375 *Dr McLaughlin:* If one looks at the Channel Islands, broadcasting issues tend to be covered by their Home Affairs and I think probably that came about because the BBC service was called the Home Service and there was that link between Home Affairs in the UK as well, and the broadcasters. I think there is an important thing about regulators, they have got to be seen to be independent, and that is key for broadcasting regulation in particular, that that there has got to be this view that they are not, obviously, owned by government or not going to a *Pravda*-type situation. I think it has been useful working with the Department of Home Affairs because they do acknowledge and respect our independence.

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In terms of other countries where they have policy people working on broadcasting issues – and that is not true in the Channel Islands... they do not have dedicated people working on broadcasting policy – there are two sorts of models. For example, in Ireland, they have got a Department of Communications, which includes broadcasting, so there is one government department but two regulators.

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In the UK things are changing. It used to be the Department of Culture, Media and Sport and Department of Business, because traditionally telecommunications has been more affiliated with the Department of Trade and Industry and the Department of Economic Development type issues. So whether you going to have one person in Government working on policy and where should that sit, I think it is debateable where would be the correct place.

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I think it is also, given resources as well... would it be a full-time role for that individual to work on policy? The Commission has been consulting and we will be publishing further documents where we think there are opportunities for the Island as a whole, which will include aspects, for example, can we attract or license more TV-type services on the Island for reception off Island as well as on Island?

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Q427. Mr Gawne: I supposed the like of the Celtic Media... was it Celtic Media? (*Dr McLaughlin:* Yes.) Would promotion of that or involvement in that probably more neatly sit with the policy development officer in whichever Department than with the Communication Commission?

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Dr McLaughlin: I do not know if that is true, with respect. The actual directors of the board of the Celtic Media Festival are broadcasters and regulators. Government tends to be hands-off on these sorts of things, as I have said, because of going back to the Second World War and the split between government and broadcasters.

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410 **Q428. The Chairman:** If I can just go back a bit, the Chairman said earlier on that he did not want to rock the boat and he thought that the BBC were giving a very good service. Is that the view of the Commission, because if you are negotiating with the BBC, do you not think that is a weakened position, to go to them to negotiate better services when you are saying that you do not want to rock the boat?

415 **Dr McLaughlin:** If one considers that in terms of what the original motion was, which was to withdraw from the BBC licence fee, I think in that context what the Commission was saying is maybe it is mindful to consider what one could be losing if we stopped paying the licence fee, i.e. transmission perhaps on Island could stop for BBC services. Tomorrow we could be prevented from accessing iPlayer, because it is postcode enabled. While it is difficult to block unencrypted signals via satellite at the moment, tomorrow or in the next few years it may be possible, so I think it is within that context that the Chairman first said, and I think the Commission said as well, that we have to look at the whole of what we would be losing, and we do get a lot of good services from the BBC. However, as I said earlier, that is not to say that one cannot and should not try and get improvement.

420 **Q429. The Chairman:** It is not just a case of programming because, as the Chairman said, we would like to see us broadcast further, and then that is interfering with the broadcast policy of the BBC, but surely part of it should be... If we take the S4C example, the UK government has just put its hand in the pot and told the UK to fund directly S4C. That could be said exactly the same for Manx Radio, that that is value for money for the Isle of Man TV licence-payer, isn't it?

425 **Dr McLaughlin:** Yes, and I think there are certain issues with the BBC settlement that, again... we have been working with colleagues in the Chief Secretary's Office and have written to the UK government about it.

430 **Q430. The Chairman:** When did you write to them?

435 **Dr McLaughlin:** I raised the issue with the Department of Culture, Media and Sport after the licence fee settlement was announced, so I think it... Was it October? I think it was October 2010.

Q431. The Chairman: So, 2010.

Dr McLaughlin: I can confirm later.

440 **Q432. Mr Callister:** Just to take Mr Earnshaw back again to being comfortable with what we have got now, when we spoke to Wilf White of the BBC on 10th December last year, he said:

445 '... I think that the position of the Committee, that the BBC should do more to improve its services on the Isle of Man, is one that we entirely share.'

450 So there is a senior man in the BBC saying, 'Yes, we should be doing more,' perhaps because we have managed to discover the huge difference between what is paid for the Channel Islands and the Isle of Man, but does that not make you now want to rethink what you said about comfortable with what we have got?

455 **Mr Earnshaw:** I do not think I used the word 'comfortable' – I said I think they provide a good service – so I would not like you to... I am sure you would not want to put words in my mouth. I did not say the word 'comfortable' (*Interjection*); I said they offer a good service and I would challenge anybody else to say they offer a poor service. I think that was what I said. They can certainly do better, and I would like to encourage them to do better and do more for us, and that is what I spoke about as well, that my mindset is to encourage them to do more programming about the Isle of Man for national TV in the UK. That is what I want to see. That would be progress and that would be good value for money for the Isle of Man.

460 **Q433. Mr Callister:** If it is the right kind of publicity, of course.

Mr Earnshaw: Well, they say there is no such thing as bad publicity, don't they?

465 **Q434. Mr Callister:** The other thing is then, in view of that BBC view, if we come forward with a number of recommendations, presumably you would welcome some which are practical to pursue?

Mr Earnshaw: Yes.

470 **Q435. Mr Gawne:** Just moving on from some of the points that I think Carmel made earlier about the
Communications Commission and how it is felt that regulators should be independent from Government,
obviously you are not, inasmuch as your Chairman is also the Minister for Home Affairs. Is it then
common across communications regulators across the British Isles to have politicians in that sort of role?

475 **Dr McLaughlin:** Ofcom, who I used to work for in London, their first Chairman was Lord Currie. He,
I think, was ennobled by the Labour government, but during his tenure at Ofcom he sat on the cross
benches. I have worked for regulators both in the UK and Ireland, and in Ireland the commission on the
telecommunications side were appointed by a civil service commission and there was then a political
480 ratification. Similarly in the UK, the Secretary of State is consulted on head appointments. They are not
necessarily... The chief executive, for example, of Ofcom is not a politician and the present chair is not a
politician, but they... I do not know how to put this candidly. While we have a Chairman who is a
Government Minister, he is one person on the Commission.

485 **Q436. Mr Gawne:** So I think what you are saying is that we are unique in having politicians chair our
regulator.

Dr McLaughlin: I think it is relatively rare. In Serbia, they have a bishop, so there are different
models.

490 **Q437. Mr Gawne:** Just another point that you were raising in terms of the Communications
Commission... You have given us a clear indication as to what should and should not be done. Were we
to recommend that there were a Department of Government responsible for media development and
promotion – well, even if we were not – would it be appropriate for the Communications Commission to
be involved in trying to get media that exists...? We have heard a lot of evidence at the moment from
495 various parts of the media on the Island suggesting that we know that where we are is not where we are
going to be in five or 10 years' time, and I think we have also heard evidence that suggests that something
needs to act as a catalyst and possibly some sort of Government involvement needs to be there to bring
together the various media groups on the Island and actually help them develop into what they need to be
in the future – for example, TV internet broadcasting, that sort of issue.

500 It is a very rambling question – apologies for that – but is it the role of the Communications
Commission to do that sort of thing? If you had more resource, would you be more actively involved in
that, or is that something that should be done by a Government Department responsible for media
development?

505 *[At 11.11 a.m. the Clerk, Mr J King, joined the Committee.]*

510 **Mr Earnshaw:** I think, to use a well hackneyed phrase of mine, you have got to consider what is
proportionate and appropriate to the Isle of Man. We are a small nation. We have got the
Communications Commission. We are familiar and we have got a working arrangement, a partnering
arrangement with other people who have got similar interests. So I think from the regulatory and
licensing aspects it sits very comfortably in the way that we do within the Department of Home Affairs. I
think, to stray outside that, if you have got somebody linked into media promotion and they sat outside
the Communications Commission, when we have only got 2.7 people in the Communications
Commission, employed in that at the moment, I think it would be a bit of a nonsense really for the size of
515 the Island to do that. The place for that to be positioned, in my view, would be within the
Communications Commission and I think unless there was good reason to do otherwise it would be to
continue under the umbrella – if that is the best way to describe it – of the Department of Home Affairs.

520 **Q438. Mr Gawne:** So what you are saying – and I am not trying to put words in your mouth, just to
clarify – is that the Communications Commission would be the appropriate body to do that work.

525 **Mr Earnshaw:** I think so. You can put words in my mouth on that one, as I agree with you. I think
that is the route to go for the size of the problem that we have got and what we are trying to achieve. I
think that if it is somewhere else and we have two different Departments of Government trying to work
together, when there is no real need to have them separated, it would be counterproductive.

Q439. Mr Gawne: Then going on to the uniqueness or otherwise of our particular set-up: are we
unique in not having a Department of Government responsible for the development of media policy?

530 **Dr McLaughlin:** I think it goes back to something I said earlier. In the Channel Islands, neither Jersey or Guernsey have got people working on broadcasting policy as a full-time role. In Guernsey, it comes under the Department of Home Affairs and in Jersey, it comes under Economic Development. Within Ireland, the UK and the bigger member states in Europe, then there will be generally a department that will also have the same broadcasting policy. So there are both.

535 **Q440. Mr Gawne:** So for example, if we were concerned – I am sure we have got lots of representatives of the media here today – if somebody in Government was concerned that clearly we see a significant reduction in advertising revenues available to the media, added to which Government has less money and is publishing fewer public notices and putting fewer adverts out – clearly financially difficult times – is it the role of the Communications Commission to develop a policy or to work with the various
540 media representatives to try and find solutions?

Dr McLaughlin: I think in the past – for example, particularly with Manx Radio – the link has been very much with Treasury on the financial side. I know, in the past, Treasury has set up working groups to look at particular issues, and then taking in feed –
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Q441. Mr Gawne: Only because Treasury own Manx Radio.

Dr McLaughlin: Yes, but there could be something to be said about looking at one's policy going forward, but it is so... For example, you mentioned earlier TV and there has been quite a lot of work done in the UK, over the years and more recently, on local TV. I know the UK government is hoping to see it happen, but all the analysts are saying that the real way to enable local TV is over broadband. Obviously, putting things like TV over broadband has implications for the telecommunications network as well. So there is certain sense that the Commission deals with both telecommunications and broadcasting and can help advise on policy options, But whether there could be a full-time role to promote broadcasting and whether that would be best sitting outside the Commission or with the Commission, I think there are pros and cons of both.
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Q442. Mr Gawne: I will ask both of you, is TV broadcasting through the internet going to happen if Government does not get involved, would you say?
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Dr McLaughlin: I think that would be an interesting question to ask the telecommunications operators, as well as the broadcasters, because for example Cable & Wireless has been looking at IPTV and they were considering could that be an avenue for a more localised service. I think basically we will see different relationships. I think if the broadcasters want to get much more into IPTV, then there may be some merit in them doing it in partnership with telecommunications operators. Once one thinks about IPTV, the costs are very much less than traditional terrestrial television, for example.
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I think it is probably a policy issue for Government, where one puts one's money, whether it is, for example, to promote access to broadband versus whether to see more localised TV.

570 **Q443. Mr Gawne:** And on that basis, is the matter before us who is going to lead those?

Dr McLaughlin: For example, the Council of Ministers can ask the Commission to lead on it. (Interjection by Mr Gawne) It could be.

575 **Q444. Mr Gawne:** Is it not something that you are actively involved with at the moment?

Dr McLaughlin: It is something that we have been working on thinking through, in terms of opportunities, but I think in terms of economic opportunities, it is maybe looking at also encouraging other businesses to come on Island to provide services via the internet.
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Q445. Mr Gawne: If I were a young, thrusting, eager media type, who was keen to develop greater internet broadcasting, who would I go and speak to?

Dr McLaughlin: At the moment, it is not licensable. We have not been licensing and regulating, so there is not necessarily a Commission role for them at the moment. If they are looking for funding, then they may go along to the Department of Economic Development, as this is a new enterprise, a new venture. They may well come to the Commission asking for general advice.
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Q446. Mr Gawne: Maybe it is just me not being particularly clear this morning – a hard weekend

590 planting spuds and my head is maybe not in the right frame of mind – but I am getting quite confused here. We are sort of saying that the Communications Commission sort of might be interested in doing this sort of work, but is not at the moment; it might be if the Council of Ministers possibly suggests it to them; but who would suggest it to the Council of Ministers in the first place?

595 If I were said young thrusting media type, I would probably give up, based on what I am hearing, without wishing to be too harsh.

Mr Earnshaw: I think we are talking about hypothetical situations. We do not know at the moment. It is all based on ‘What if?’

600 **Q447. Mr Gawne:** So we have not got any policy lead in Government, and the Communications Commission possibly could fulfil that role.

605 *Mr Earnshaw:* I think the Communications Commission could fulfil that role, but they need to be resourced to do it.

Dr McLaughlin: I think, just to add, we have been doing consultations and we will be producing another report looking at various options for the Island, including in broadcasting media. I think it is then for us to put the proposals and then Government to decide what their policy is. Obviously, then we will do what is required of us. At the moment, as we have said, our resources are fairly limited and we have to be proportionate.

610 **Q448. Mr Gawne:** I suppose Adrian and myself both know all too well, and I am sure the other politicians here, policy does not get developed if there is no policy development lead somewhere in Government. We can bang on about our favourite pet projects, but if there is no officer responsible for that particular area, it is highly unlikely that you are going to get any progress. So what you are saying is the Council of Ministers have to develop policy, and then –

620 *Mr Earnshaw:* Can I just take you back to an answer that I gave a little while ago, that you were talking about... what were the words that I used? It was about a recommendation that you could possibly make. If you made the recommendation, that would be the catalyst to developing up that particular role. We have not got a person who is identifiable as doing that particular role. It is done within what we have got at the moment, which is a very small team and there are a lot of other responsibilities that have to be handled at the moment. So we are not dodging anything; we can only do what we can do.

625 **Q449. Mr Gawne:** I can easily understand –

Mr Earnshaw: That would be the catalyst to start developing up a process like this, if we want to have a more robust approach to marketing the Isle of Man in that respect.

630 **Q450. Mr Gawne:** I suppose it is hard to criticise an organisation that has not been asked to do something for not doing it. I do understand that. My concern, though, is that as a member of the Select Committee charged with looking to see what we could do if we removed... walked away tomorrow from the BBC licence fee and the whole implications of that, we do not have, at the moment, any sort of agency of Government that is responsible for media development. Were we to move away from the BBC, it would probably take us four or five years to establish a policy development unit, to actually get the talks going on with local media to potentially replace what the BBC provides.

640 *Dr McLaughlin:* I think to go back to what I said earlier, we can and will be identifying various options on policy issues. Then it is a matter of Government deciding, as opposed to developing.

645 I think there are a number of issues that if we were, tomorrow, to say, ‘We do not want to pay the licence fee: what would be involved?’, if the issue is ‘are we going to try and replace BBC-type services; are we going to have our own transmission company or go into contract with Arqiva, the existing transmission company, and then discuss purchasing material from the BBC, potentially like BBC world, or go to other potential suppliers?’, I think that is more than policy development. Basically, it is actually setting up a mini-contractor for the Island, to purchase media.

650 I think the second... to touch on what you were saying earlier about things like IPTV, and where we should go, going forward, and we did talk about Treasury, but I think it is important that new forums... the advertising cake on the Island is finite and authorising, sponsoring or supporting more outlets or other outlets is going to have an impact on existing licensed services and that is something that the Broadcasting (Amendment) Act 2007 made clear that the Commission should take into account the

impact of new services on the existing services.

So I think there could always be a role for more policy people, and they could sit in a Government Department or they could sit with the Commission, but wherever they sit, they would have to work carefully with the Commission, because there are things that we understand, and have contacts and influence in, that a policy person in Government would not necessarily have.

Q451. Mr Gawne: But it is reasonably clear, though, other Departments of Government are responsible for the sorts of things that the media do – Community, Culture and Leisure and Economic Development, I think, have both been mentioned – so were we to recommend something by way of... and then ask those of the Communications Commission, presumably it would be essential to have direct links with the other two Departments as well.

Dr McLaughlin: Yes, there have been... Economic Development did have the group called the e-Business Group, for example, and I think part of the model there was if your entrepreneur was looking for funding, then it could be something that can go to the e-Business Group, if they think there is a venture that there potentially could be some funding or support from them.

Mr Gawne: Thanks, that is probably enough from me.

Q452. The Chairman: When it comes to the Communications Commission and the BBC, you will be aware that the TV licence fee is over £4 million a year to the BBC: do you not consider that, over the years, the Isle of Man has fallen behind on value for money out of the TV licence fee compared with other places, and that maybe the Communications Commission and its previous people could have done more for the Isle of Man?

Dr McLaughlin: I think, again, to go back to something the Chairman said, if you go to something like the Celtic Media Festival, there is a strong... Everybody there has the united feeling that they do not get as good coverage as people who live within the M25 or who broadcast –

Q453. The Chairman: Outside of that...?

Dr McLaughlin: Yes, I think with the Isle of Man, we do not compare well with the Channel Islands, but that does not mean to say that we do not compare better with other parts of the UK.

Q454. The Chairman: Would you like to say where you think that we are actually doing better?

Dr McLaughlin: Salford – when was that mentioned last on the news, on BBC North West?

Mr Earnshaw: Salford?

Dr McLaughlin: Yes. That is in the northwest, isn't it? There are large chunks and conurbations that would say they actually never get any representation on the news, unless it is bad representation. For example, maybe health issues in the west of Scotland, it generally only appears in the BBC in a negative story and that is how they would argue.

Q455. The Chairman: ... *[Inaudible]* and coverage like that compared with the Isle of Man?

Dr McLaughlin: Sorry, I am not trying to dodge the issue and I think we do not get as good coverage or as much money spent on us as the Channel Islands, but I am just saying that there are other places that also feel that they do not get as good coverage as other people do in the UK.

Q456. The Chairman: Do you find that you are under resourced to represent the Isle of Man properly?

Dr McLaughlin: With regard to...?

The Chairman: The BBC.

Dr McLaughlin: With the BBC? It is...

Mr Earnshaw: I would say the answer to that is that if you have got more resources, you can always

do more.

715 **Q457. The Chairman:** Is it value for money though? Not just throwing bodies at it to try and... but to actually get to achieve something.

720 *Dr McLaughlin:* I think, as I said earlier, 10 or 20 years ago, it would have been a lot easier to try and get more value from the BBC because times were different. I think, now with the freeze on licence fees and the BBC, as you have said, taking on more responsibilities, it is harder to get extra value, but we are trying as hard as we can.

Q458. The Chairman: Do you not consider, when the UK government has just taken £1 billion out of the BBC on these hard times, that they seem to be okay? Could you not follow their lead?

725 *Mr Earnshaw:* Sorry, who has done okay?

Dr McLaughlin: The UK government.

730 **Q459. The Chairman:** Are you not aware (*Mr Earnshaw:* Yes.) that they have taken £1 billion out of the BBC to fund other services? These are hardened times for the BBC and the UK government, so if they can do it in these times, surely we can.

735 *Dr McLaughlin:* We are pushing for the UK to get a better deal of the new settlement. However, the UK government, as you know, can be quite a difficult beast to take on.

Q460. The Chairman: It is not the government that you are dealing with; it is the BBC, as Mr White said to us. This is a BBC issue; not a UK government.

740 *Dr McLaughlin:* No, the UK government will have to an agreement and has come to an agreement with the BBC over the level of the licence fee and what is spent.

745 **Q461. The Chairman:** But the UK government negotiated with the BBC and got £1 billion out of that. So you should be negotiating with the BBC – not the UK government – to get extra revenue for the Isle of Man.

Dr McLaughlin: To get extra money spent on the Isle of Man?

The Chairman: Exactly what they have done.

750 *Dr McLaughlin:* I think the BBC has said – and Wilf White said to the Select Committee – ‘tell us what more you want’. I think it is for the Select Committee and ourselves to push the BBC to then deliver on it. But I am not clear what it is exactly that we want them to do more – i.e. what the Select Committee wants. Is it more localised news? Is it an opt-out service? Is it that we attempt to have a quota of minutage of news coverage?

755 I think that is where we will look with interest at your recommendations.

760 **Q462. The Chairman:** But as a Commission, you must have been looking at these areas, before the Committee was set up, as the representative on licence fees. So you must have been looking at areas. Did you have a list, before the Committee was set up, of where you would like to get better benefits?

Dr McLaughlin: I think we, in our original submission to you, back in January 2010, we included the list that we were working on at that time. We have fairly regular conversations and meetings with the BBC about what is going well and what is going not so well, and where improvements could be made.

765 **Q463. Mr Callister:** I come to probably an area that you might regard as more trivial in a way, about whether the Commission has any role in where the Isle of Man is inaccurately or badly represented by the media, by radio, by television and so on. I will give you an example, because when Paul Moulton gave us evidence in February, he said that a spokesman for the Jersey Tourist Board said to him, ‘We are always left off the BBC map, we never get mentioned.’ As a result of that, over the next three days, the BBC could not go past Jersey enough times without showing their maps with Jersey on.

770 We are frequently left off maps, with the Isle of Man, by the BBC, by other broadcasters as well. There are areas, of course, where we are totally misrepresented in news stories and because things are

taken out of context. Do you have any role in trying to correct that sort of thing or not; and if not, who would have?

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Dr McLaughlin: If people come to us, we take it up directly with the BBC and also I would take it up at executive level, to Laura and/or Wilf. It would also be raised with Helen Corlett, as something that she could feed into the Trust's advisory panel.

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Q464. Mr Callister: So you do have a role, in fact, but it is dependent on a complaint from a – ?

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Dr McLaughlin: If we are aware of it. For example, there was a story that they ran about an increase in popularity of indigenous languages, and they referred to a school in Northern Ireland and a school, I think, in Scotland that was teaching Gàidhlig and Gaelic. So we contacted them straight away and said, 'You haven't mentioned Manx: we've got a school here.' So things will either be at our own initiative or if it is brought to our attention.

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Mr Earnshaw: I also think you said that, from Mr Moulton's comments, in Jersey, the complaint came from the Department of Tourism (**Mr Callister:** Yes.) – not from their Communications Commission. (**Mr Callister:** No.) So has our Department of Tourism got a role to play in these sorts of complaints?

Mr Callister: Well, as a former Tourism Minister, you might be able to answer!

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Q465. The Chairman: The gap that we have got between the Isle of Man and Jersey and Guernsey... Another one that Mr Moulton floated past us was about piggy-backing the services. Do you think that would be an idea for the Isle of Man on the TV?

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Dr McLaughlin: To join in with BBC South West or...?

The Chairman: ... [*Inaudible*] so that we have actually got a TV opt-out, that we could actually link it in.

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Dr McLaughlin: To Portsmouth? Sorry, that's –

The Chairman: Well, any other opt-out of that type. Do you think we could actually have that opt-out as well?

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Dr McLaughlin: I read Mr Moulton's submissions to the Committee and also know at the time there was a debate over whether we would go with ITV Border versus Granada. There was some suggestion that maybe we could have an islands TV and link in with the Channel Islands. I think if we did that as part of the BBC coverage for the Channel Islands – so basically, how it works is their early evening news programme comes from Portsmouth, and then at quarter to or ten past, it switches then to the Channel Islands. I think, from our research and understanding, the Isle of Man is interested in the northwest. We would have, I think, limited interest in Portsmouth or, indeed, the Channel Islands, if that is the proposal.

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Q466. The Chairman: As in that you get that opt-out, so that you could actually go for an Isle of Man opt-out as well.

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Dr McLaughlin: I think there are two ways of doing it. I think one suggestion would be that we are part of the Channel Islands group. I think from what I read from Mr Moulton's testimony, I think that would be problematic. I think if we asked BBC North West to have a 15-minute opt-out, there are pros and cons of that, like most things. It would probably result in more coverage of local news for viewers on the Isle of Man, but it would also probably result in less exposure of the Isle of Man to people in the northwest, since they would not necessarily watch news about the Isle of Man, because we would be opted out.

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Q467. The Clerk (Mr King): Thanks, Mr Cregeen. I am sorry I was late. I have had another Committee until about half an hour ago.

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Could I just pick up on a follow-up question on this 'piggy-backing' thing? I have a television in my house in the Isle of Man which has Sky. It has channel 987 which is called 'BBC Channel Islands'. It is only different from BBC North West, as we have said, for about 10 minutes in every 24 hours. The point that I understood was really a technical point: how difficult would it be to use that same bit of

835 infrastructure to show something about the Isle of Man for a different 10 minutes in the 24 hours?
Leave aside for the moment who produces it, who edits it, because that is another matter which may be dealt with; but is the existence of that bit of infrastructure not some kind of opportunity which could be deployed for other purposes?

840 **Dr McLaughlin:** Generally how opt-outs work on terrestrial television as opposed to Sky is that the main transmitter – for example, Winter Hill – will broadcast and then for 10 minutes, the relay will take a different signal, its own signal. Now, there are transmission costs involved because we do not have an opt-out system, so there would have to be some structural re-engineering and there would be costs. That is really something I think for the BBC – to ask the BBC – would they consider, if that is what we want...?

845 But the point that I was trying to make as well is that there are costs involved, if we become... If we are an opt-out, it does mean that we will be less likely to be seen or covered in the main bulk of the news that goes out to the northwest.

850 **Q468. The Chairman:** But that is only one part... If the opt-out was at 6.15, you could possibly make the seven o'clock news or the 10 o'clock news. It is only that one section that you would have the opt-out. So if it was a newsworthy story, it would still get broadcast because it would be of a bigger issue.

Also, when you are saying about the costs, could this not be part of any additional service that they could be supplying to us? That is what we are looking into: whether it is value for money.

855 **Dr McLaughlin:** Yes, I do not disagree with that. I suppose I have not done research, and we have not done research, to know what the Isle of Man as a whole... whether that is a service that they would find attractive; but I think there is no harm in putting that proposition to the BBC and asking for their comments or, indeed, looking at having it for a trial period, to see if it works.

860 **Q469. The Chairman:** BBC and Manx Radio have been talking about BBC televised news on a Manx website. Would you be supportive of that?

865 **Dr McLaughlin:** Yes, I have been in discussions with the BBC as well about how they are progressing providing more of their news, to offering it not only to Manx Radio, but to the other broadcasters on Island.

870 **Q470. The Chairman:** We mentioned earlier regarding the website content. We have also got a concern that any newsworthy stories for the BBC local crew are picked from the UK, whether it is going to be worth covering or not. Do you have a concern along with us on that?

Dr McLaughlin: I think, as I said earlier, I would welcome more editorial involvement from the Island.

875 **Q471. The Chairman:** Have you stressed that to the BBC?

Dr McLaughlin: We have discussed the role of news operation and the coverage, but I would have to... Whether I have used those precise words, I cannot confirm that.

880 **Q472. The Chairman:** When I mentioned earlier S4C and the money that used to be funded by the UK government and is now funded out of the BBC, and it is just a direct payment to them, so they do not have any editorial control, would you think that would be a possible good recommendation that we should have for Manx Radio?

885 **Dr McLaughlin:** The S4C, I am not 100% completely *au fait* with what the set-up is going to be with the BBC and S4C, because I think the BBC already does supply programming as well for S4C. I think if we were to get more support for Manx Radio, that would be excellent, and yes, I would not like to see that being combined with editorial involvement from the BBC. I think it is important that Manx Radio keeps its own editorial...

890 **Q473. The Chairman:** I think S4C are saying that they are going to keep themselves totally independent of the BBC; it is going to be a funding matter. Also Manx Radio do have access to the BBC news, so international news could just be produced through the BBC, anyway. So that would be of benefit.

895 **Dr McLaughlin:** Yes, I think traditionally there has been... The BBC, because of its funding structure and being part of the European Union, has got to be careful what arrangements it gets involved with, with commercial broadcasters for example, in the UK, because issues such as state aid can be mentioned. I think that was initially one of the BBC's concerns with Manx Radio: how more they could be involved in supplying material. However, I think they have now satisfied ourselves and there have been discussions
900 with us that there would not be a competition issue *per se* on the Island over such an arrangement, but I think that is a potential issue in the UK, where people... some of the commercial broadcasters and newspapers get concerned, if the BBC is too involved in areas where they think the market could provide.

905 **Q474. The Chairman:** Could it not be just a case that Manx Radio dropped out of commercial and the subvention was replaced by the BBC? That would actually put out possible advertising to the other people, so there would not be a conflict, and they would have editorial control similar to S4C.

Dr McLaughlin: I think it could be a model. How feasible a model it is is another issue.

910 **Q475. The Chairman:** Well, thank you very much. Are there any other comments you would like to make?

Mr Earnshaw: When are you likely to report on this, Chairman?

915 **The Chairman:** We are hoping to be able to report before July.

Mr Earnshaw: What if you do not report before July?

920 **Mr Callister:** We will.

The Chairman: Yes. Thank you very much for your attendance.

Mr Earnshaw: You're welcome.

925 **Dr McLaughlin:** Thank you.

The Chairman: This now ends the public session of this Committee.

The Committee sat in private at 11.47 a.m.