

LEGISLATIVE COUNCIL PROCEEDINGS

EPC291111A

MORNING SESSION: 10.00 a.m. – 10.53 a.m.

Douglas, Tuesday, 29th November 2011

Legislative Council

The House met at 10.30 a.m.

[MADAM PRESIDENT *in the Chair*]

The President: Moghrey mie, Hon. Members. The Lord Bishop will lead us in prayers.

5 **The Lord Bishop:** Well, there isn't a book, so we will rely on the Holy Spirit!

PRAYERS

The Lord Bishop

Question for Oral Answer

ECONOMIC DEVELOPMENT

Isle of Man Newspapers

Job losses; investment; Government advertising

1.1. The Hon. Member of the Council, Mr Lowey, to ask a member of the Department of Economic Development:

- 25 (a) *Whether Isle of Man Newspapers has been in correspondence with his Department about job losses or investment possibilities;*
 (b) *how much Government advertising has been placed with Isle of Man Newspapers in the past two years; and*
30 (c) *in the light of recent proposals, what steps will be taken to review the mandatory position of having to advertise planning applications, road closures, job vacancies etc in two Isle of Man papers?*

The President: Our Order Paper is short this morning, Hon. Members.

I call upon the Hon. Member of Council, Mr Lowey, to ask the Question standing in his name.

35 **Mr Lowey:** Thank you, Madam President.
I beg leave to ask the Question standing in my name.

The President: Mr Crowe, the Answer, please.

40 **Mr Crowe:** Thank you, Madam President.

In response to the first part of the Question, Isle of Man Newspapers advised the Minister of the Department of Economic Development at 9.00 a.m. on Monday, 21st November 2011 that they were to announce later that day their intention to print their titles in the UK, with the loss of seven full time and a number of part time jobs from their Peel Road operation. The Department was unaware of their plans prior to this.

45 In response to part (b) of the Question, Isle of Man Government advertising spend with Isle of Man Newspapers in the past two years has been: during the financial year 2010-11, approximately £236,679 exclusive of VAT; and during 2011-12 to date, approximately £144,120 exclusive of VAT.

50 In response to part (c), in view of the need for all Departments to examine all aspects of their budgets, the cost of advertising will certainly be under discussion. In addition, the matter will be considered by the Council of Ministers during the current Budget discussions.

Thank you, Madam President.

55 **The President:** Mr Lowey.

60 **Mr Lowey:** Could I ask the Hon. Member who is answering for the Department, he says the Minister was 'advised'... is that the right word, 'advised'? Was he informed the decisions had already been taken? The point being, was there any opportunity given to the Minister and the Department to get in touch with the company, to see if they could work together to come up with another solution or was it a *fait accompli*? In other words, this is a 'take it or leave it' situation – it was going to happen irrespective. Was this the result of the local management or was it because of the parent, Johnston Press?

The President: Mr Crowe.

65 **Mr Crowe:** Thank you, Madam President, and I thank Mr Lowey for his question.

The information I have been given by the Minister is that on Friday afternoon Mrs Trudi Williamson rang the Department and asked to speak to Mr Shimmin on Monday morning. She came along on Monday morning and gave the information that, at a board meeting held on Friday, the decision had been taken. So there was no opportunity, shall we say, to refer the decision back.

70 **The President:** Mr Lowey.

75 **Mr Lowey:** Could I ask again, the Member who is responding on behalf of the Minister, as one of the biggest customers for Johnston Press, with over £¼ million a year being spent with them, did he not think it was reasonable to ask – if you like, to flex their commercial muscle with the company – to see if there was a way forward, or has the Department just meekly accepted the inevitable?

The President: Mr Crowe.

80 **Mr Crowe:** I think what we have to remember is that the Department is here, its main purpose is obviously to help local businesses to succeed and prosper and to encourage new businesses to come into the Island. So there is a whole range of opportunities to help local businesses; but if a business does not seek to avail themselves of the Department's services, then that is a commercial decision. That is the responsibility of the company involved.

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The President: The Hon. Member, Mr Callister.

Mr Callister: Thank you, Madam President.

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In respect of section (c) of the Question, on the matter of having to advertise planning applications etc in two Isle of Man newspapers, the first question I have is are they currently and consistently always now in two newspapers; and, secondly, how far back this situation goes, because presumably it was at a time when we did not have all the media and internet opportunities that we have now, and we only had, really, the means of advertising through the newspapers, and is it not time, then, that this was really seriously looked at again?

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The President: The Hon. Member, Mr Crowe.

Mr Crowe: Thank you, Madam President.

I thank the Hon. Member, Mr Callister, for his question.

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As he rightly says, if we go back a number of years, when the local newspapers were the main way of obtaining information in the Isle of Man, people... it was before the internet age and legislation provided that by advertising in two local newspapers, it would give an opportunity for readers even of one local newspaper to get the opportunity to see a statutory notice which might affect them. So this legislation is historic.

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A couple of years ago, I did some research on this, on a subject totally different. At that time, there were 50 pieces of primary legislation which involved two adverts in newspapers, so to change the legislation would not be a simple task. Everything is possible in this world, as we know, but it would need amending legislation and then the secondary legislation which affects it as well.

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I think times have moved on, as we all know. The internet is a place where we get our local news, as well as local newspapers and even the radio stations: the Isle of Man Newspapers have their own websites, with news which we can get at the touch of a button and I think you can even get your newspapers on your mobile phone, if you wish to do that.

I think we are in a changing world and a changing situation – a technological revolution – so I think all of these opportunities to reduce costs and reduce the use of newspapers will be examined, as I say in my Answer, by the Council of Ministers and again by the Treasury.

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The President: The Hon. Member, Mr Braidwood.

Mr Braidwood: Thank you, Madam President.

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Following on from the Hon. Member of Council, Mr Callister's question, regarding do we need to advertise in the newspapers. The Member has already mentioned that it would be reviewed or looked at by the Council of Ministers, but there are a couple of pieces of legislation, particularly the Town and Country Planning Act 1999, which can be altered by regulations and in there, such as a notice of application, it says on part 4:

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'The Department shall not later than the publication date cause a notice to be published in at least one newspaper published and circulating in the Island.'

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So that could be quite easily changed, Madam President, by regulations. Would his Department consider changing it, so that, in actual fact, as the Hon. Member of Council, Mr Callister, said, it could be on the internet, the Government website, it could be published in a Government paper circulated through the Post Office, or put in town halls, local authorities... Also, my list of primary legislation requiring advertisement in one or more newspapers circulating in the Island was 33, going from the Companies Act, the Limited Liability Company Act, highways, harbours... So, in actual fact, the Statute Law Revision Bill could actually alter the primary legislation, particularly on the 33 titles I have and Mr Crowe might have more. The Statute

135 Law Revision Bill coming from his Department could quite easily change this primary legislation, Madam President.

The President: There was a question in there. Mr Crowe, would you care to answer, will your Department...

140 **Mr Crowe:** I thank Mr Braidwood for his question.

145 If he wants me to read out all these Companies Acts of 1992, 1996 and 1998, the Consumer Protection Act, the Fair Trading Act 1996... There is a whole list here which I am happy to let him have afterwards. Whether it is 33 or whether it is 50, the question is can it be changed and, of course a Statute Law Revision Act or Bill would be the necessary way of doing it. I think you have to consider who would take responsibility for that. I think, obviously, the legal drafting would have to be done by the Attorney General's office, and unfortunately the Attorney General is not with us today, but as I said in the Answer to part (c), the Council of Ministers are going to look at the whole review of this in the Budget round which is currently taking place.

150 **The President:** The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

155 Would the Hon. Member not agree that the company, Isle of Man Newspapers, is faced with considerable difficulties, in that newspaper sales have fallen over the years, and that what they are faced with is the renewal of the printing infrastructure? Although technology has moved on, would he not agree that, for the standards people require these days, this is still a very considerable outlay? Would he not agree that, as the parent company has substantial facilities elsewhere, that is the main reason why they are transferring their print operations off Island? Would he not agree, Madam President?

160 **The President:** Mr Crowe.

Mr Crowe: Thank you, Madam President.

Yes, I would agree with Mr Turner that in all businesses, times change, and I think, as you say, newspaper sales are falling.

165 It is historically... they look for other ways of delivering news. As for the printing, if the print machinery is reaching the end of its useful life and they want to upgrade to a better colour machine, which the Editor, Mr Butt, described in his recent press release last week, then it is a commercial decision. I think they must look for savings as to where they can do it.

I think Johnston Press is a huge business: on their website they are talking that they print:

170 '18 daily newspapers, 245 weekly newspapers and a huge range of related specialist, locally focused, print publications. We operate 273 local websites to extend the content and reach of our print products. Together these reach a combined audience of about 17.4 million readers each month...'

175 So, obviously, technology has changed. They want to provide the best service they can to the customer. They are restricted by declining revenues, and they see this – I do not have any inside information on this, only from the press release that was given by Mr Butt – as a way of unfortunately losing some jobs, but saving... I think the number of jobs they were saving was somewhere in the region of 53 people in the Isle of Man, who would be doing all the local reporting and editorial, and the print would actually be taking place in Sheffield.

180 It was interesting when I turned the calendar over this morning – I have a calendar which has a quip each day –

185 'On this date in history, November 28, 1814, London's *The Times* stops its hand presses and becomes the first newspaper printed by steam powered press with an output of 1100 sheets per hour. Although *The Times* say that the new steam press still prints this paper from a flatbed of type and separate sheets of paper...'

190 So it goes back that every generation sees a different change and I think we have to live with changing technology. I think, in any business which is trying to make a profit, they have to seek which is the best way to maximise the profit, reduce costs and employ as many people as possible going forward.

The President: The Hon. Member, Mr Callister.

Mr Callister: No, thank you.

195 **The President:** The Hon. Member, Mr Lowey.

Mr Lowey: Thank you.

200 Best service for their customers: where is the service to their customers if it has got to be printed off the Island and shipped in? If it is a day like today, they will hardly get their papers until Tuesday or Wednesday. The sports reporting that sells a lot of their newspapers, no doubt, will actually be there.

205 Can I just say history does repeat itself. I can remember being the Minister for Trade and Industry, the forerunner to DED, as it now is – Department of Economic Development – in the 1990s, when we built the hall and installed the presses. There were grants and loans, as there are grants and loans now, to encourage what I would call the local input, and part of that grants and loans scheme – would you not agree, Hon. Member – is to safeguard and augment local employment? It is cold comfort to be told because we now have printing presses that can do colour in Sheffield, seven or eight printers on the Isle of Man will be made redundant without any conversations – or I have not heard of any yet – with those individuals concerned. Is that the sort of relations we want to encourage in the Isle of Man in the year 2011?

210 **The President:** Hon. Member, Mr Crowe to reply please.

215 **Mr Crowe:** Yes, I think it is always difficult – thanking Mr Lowey for his question, supplementary – it is always difficult when technology means that there is going to be a loss of jobs and I have great sympathy for anybody who faces redundancy. I am sure the Department would use their best available resources to talk to the people involved, talk to the company to find out job opportunities that are available, or retraining, or redeployment. I think the Job Centre does have staff who are happy to go along and talk to people. I know that does not help the problem, but it eases the pain slightly.

220 I think, again on this best service for customers, everything is a balance. I am sure Mr Lowey remembers, I did many years ago when I used to play football for a local team, I would be waiting at seven o'clock in Kirk Michael at the local newagents for the *Green Final* to be delivered, so that I could read my name, having scored a goal or.... (*Laughter*)

Mr Lowey: Or being sent off in my case!

225 **Mr Crowe:** The *Green Final* was produced and printed at five o'clock on a Saturday and delivered round the villages by bus or van, or whatever it was – bus, yes. I think history does repeat itself.

230 I know you were a Minister at the time when the new presses were put in and the new building was put in and the grants that Economic Development provide are very generous. There is a financial assistance scheme that allows for up to 40% costs of new buildings, building improvements, new plant and machinery. Obviously a business case would have to be provided to do that, but I think Government, in its 'beneficial' role, tries to keep people in work and keep jobs and encourage jobs in the workplace.

Mr Lowey: Could I finally ask one question?

235 **The President:** A final supplementary.

240 **Mr Lowey:** Would the Member not agree that it has got a hollow ring to it when the two main themes of the Isle of Man Newspapers group are 'shop locally' and where they celebrated, three days earlier, the theme being 'community'? It has got a hollow ring that on the Thursday we were celebrating community and on Monday they then announced the closure of the printing at the local press here on the Isle of Man.

The President: Do you want to comment, Mr Crowe? I am not sure there was a question.

245 **Mr Lowey:** Does it not sound hollow to the Hon. Member?

Mr Crowe: I think it is always difficult... timing is always a difficult thing to do.

250 I think the Awards for Excellence evening highlighted all that was best in the Island and all the businesses that are the best, and I think, against that backdrop, Isle of Man Newspapers are facing a difficult choice, a very hard decision that they had to make, which may not be acceptable to some, but I think, for the longer term running of the business and the security of 50-odd people and the local content, that was the decision they had to make. They were facing the barrel of a rifle, shall we say.

Mr Lowey: Could I thank the Hon. Member for his replies.

255 **Mr Callister:** Madam President, could I –

The President: A final supplementary, Mr Callister.

260 **Mr Callister:** This is something that needs to be considered, Madam President, in that a number of newspapers round the world have now decided to end publication in print and simply change their system to an internet newspaper. Can we ensure that that does not happen in this case, because it is one of the moves that will certainly be made by British newspapers in the future and could very well be made by this group?

265 **Mr Crowe:** Again, I have no inside knowledge of how Isle of Man Newspapers works or the Isle of Man board works. I think, in any business, the board of directors manage the business to the best of their ability, for the long-term future of the business. Whether they go digital, totally, on the internet or paper driven is something that I cannot comment on, but it is something obviously they must think about, because in the Johnston news service press release, it does say they are continuing to enhance their digital internet news delivery. So I think all things are possible, but again, I have no inside knowledge, so I would rather not comment on what decisions they may or may not make.

270 **The President:** Thank you, Hon. Members. I think that concludes consideration of the Question.

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**Parliamentary duties
Statement by the President**

280 **The President:** There is just one point I would like to raise, before the sitting concludes, and that is the point about precedence of parliamentary duties.

285 As Members are aware, a large number of Committees were set up at the November sitting of Tynwald. The Clerks and the Parliamentary Administration Office are currently engaged in setting up the initial meetings for those Committees. As we are aware, it is not always easy to get people together to fulfil their responsibilities in relation to Committees, but I do want to remind Members that parliamentary duties take precedence over all other commitments, including any executive responsibilities that Members have in Government Departments. I am sure that the chairmen of those Committees will be seeking to emphasise this message when they actually meet.

290 Thank you very much, Hon. Members. The Council will now adjourn and our adjournment will be until... depending on business, possibly next week, possibly Tynwald in December.

The Council adjourned at 10.53 a.m.