Ivan Lewis – Oxford Media Convention speech – January 2011

Check against delivery

When Ed Miliband appointed me to this position three months ago I promised to listen, learn and lead.

While this remains my approach I have come to realise that the media world moves at such a pace that induction is a luxury if not an indulgence.

In that short period we have seen the BBC Licence Fee Settlement, News Corp’s bid to acquire Sky referred to Ofcom, the impact of the Daily Telegraph’s undercover investigation into the way senior Lib Dems view the Conservative led Government and the suspension of a senior News International journalist in connection with ongoing phone tapping allegations.

But more important than any one issue or moment in time we have a revolution taking place in our global media environment. Industry innovation, convergence and changing consumer demand are resulting in exciting new opportunities and ask new questions of industry and Government. BBC iPlayer, Facebook, Twitter, Skype, Mumsnet, YouTube; all platforms which are revolutionising the way people communicate with each other and access content.

Today - I want to touch on the importance and potential of our Creative Industries, News Corp’s bid for BSkyB and the future of the BBC.

Creative industries

As we reflect on the lessons of the global financial crisis it is clear that Britain’s economy was over-dependent on the financial services sector and in Government Labour should have pursued a more active industrial policy, not simply as a response to the crisis, but as an integral part of economic policy.

These lessons are particularly apposite as we consider the challenges and opportunities facing our creative industries – a great British success story but in serious peril of falling behind without Government leadership and industry cohesion.

The Conservative led Government has said repeatedly that it views the creative industries as a key driver of jobs and growth however every signal they are sending the industry is to the contrary. Not only has there been no growth strategy but there has also been a total lack of leadership. Instead on this Government’s watch we have seen:

- Delay on the roll out of broadband
- Confusion over IP with the announcement of a new review
- No to a video games tax break
- The abolition of the Film Council
- The BBC steamrolled through a licence fee settlement
- No progress on the Digital Economy Act
- And having stripped Vince Cable of his responsibilities for media policy there is still little clarity on how the transfer of Civil Servants and key areas of responsibility from BISS to DCMS will work in practice.

This is why I have called on the Government to set up a cross Government group chaired at Cabinet level working with industry representatives to produce an action plan during 2011.

The action plan should cover issues such as:

- Seeking a UK and EU regulatory framework which is fit for this new era of format convergence and content globalisation
- Seeking clear and robust intellectual property rights in the UK and EU
- Clarity about accountability and project management for broadband roll out
- The development of a demand led education and skills system
- Access to finance and business support for start-ups and innovation
- Tax policy in the context of global competition
- A strategy for accessing developing countries markets
- The interaction between public and private sector funding

In the period ahead I intend to be a champion for the Creative Industries – we “got it” in Government and we get it in opposition - that jobs and growth in our creative sector is integral to the future success of our economy.

**Newscorp’s bid for BSkyB**

I now want to touch on News Corp’s bid for total ownership of BSkyB and be clear about where Labour stands.

We believe that media pluralism is essential to the integrity of our democracy. No single voice should dominate and all significant changes of ownership should be subject to a robust public interest test.

I called on Vince Cable last month to refer News Corp’s proposed acquisition of BSkyB to Ofcom because there is a case to answer. His referral was right but subsequent judgement so flawed that the whole process has been brought into disrepute.

A process which is further undermined by a Secretary of State now charged with this decision who is on the record as having a prejudicial view.

Jeremy Hunt could rebuild some confidence by releasing Ofcom’s report with immediate effect. This would provide a basic level of transparency and clarify the legitimacy of any meetings he is having with interested parties.

The Secretary of State should act in the public interest, no more no less.

Unlike Vince Cable, I do not wish to declare war on Rupert Murdoch – in many ways Sky and News International have been pioneers in responding to the aspirations of consumers. For this they should be commended not condemned. They have a right to argue for a
deregulated media with a lesser role for the state and a right to compete vigorously in a rapidly changing market.

But let me be clear, in Britain no commercial interest however big or small has a right to make the law or break the law.

That must be the non negotiable principle of our democracy – any democracy worthy of the name.

On plurality that means applying the public interest test free of political prejudice.

On phone hacking it means proper investigation by the CPS and the police of very serious allegations and the full cooperation of News International until the truth is finally established and justice prevails.

**BBC**

Turning to the BBC let me be unequivocal; the BBC is a force for good in our country and on behalf of our country.

The integrity of its global news coverage, the quality of its original content and its parenting of much of our creative innovation are a source of national pride.

It is clear that the British people have a similar affinity to a licence fee funded BBC as to an NHS free at the point of use funded through direct taxation. That is why successive Conservative Governments, despite their ideological instincts, have been unable to unpick the fundamental principles of these two unique British institutions.

However, that doesn’t mean the BBC can count on unconditional public support without reform. The digital age has transformed the relationship between the media and citizens. People want more control and choice over their sources of information. Public service broadcasting should respond to this new dynamic. This is why I am keen to explore a radical change to governance which would lead to the BBC becoming a mutual organisation. Empowered licence fee payers could have an equal stake as members of the BBC. They could have the right to be consulted on BBC policy and strategy and elect some of the members of the BBC Trust. This would ensure a more accountable and responsive BBC. More representative of the citizens who pay the bills and use the service. 21st century public service broadcasting would benefit from more active citizens having a real stake in the future of the BBC.

I intend to explore this option as part of Labour’s policy review process.

In the short-term I have proposed that the two candidates who will soon be nominated as suitable to be Chairman of the BBC Trust should be subject to scrutiny by the Culture, Media and Sport Select Committee prior to a decision by the Secretary of State. I hope the Government will see the virtues of an approach which will reduce the risk of political bias and ensure a more transparent appointment process.
In the period ahead Labour will defend the BBC against political interference and ideologically motivated attacks. We expressed serious concerns about the heavy handed way the Government railroaded the licence fee settlement.

But we will be a critical friend.

- Demanding maximum value for money including transparency on remuneration.
- Scrutinising the corporation’s choices as it embarks on an unprecedented cuts exercise.
- Supporting the BBC’s right to be at the cutting edge of the digital revolution and engage in commercial activities but also to recognise the need for consolidation and focus.

Conclusion

I want to end by saying this. I passionately believe that a diverse, innovative media is an integral part of our democracy. It is important to the success of our economy but it is far more important than that. It defines the character of our country. That is why I fundamentally disagree with Mark Thompson’s view that a Fox News equivalent would be ok in the UK. We need to hold onto certain non-negotiable principles. But equally, we cannot afford to stand still as the digital revolution transforms the choices of consumers and the challenges faced by all media organisations. In the months and years ahead Labour will hold the Government to account but we will also work with you to develop a policy framework which strengthens our democracy and meets the economic challenges of the future. It will be an important part of how we make the transition from Opposition to being a credible alternative Government.

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