

J Mulholland

2nd

10 July 2012

**LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS OF
THE PRESS**

2nd WITNESS STATEMENT OF JOHN MULHOLLAND

I, John Mulholland, of Guardian News and Media Limited, Kings Place, 90 York Way London, N1 9GU, SAY as follows:

1. I make this statement in response to a Notice dated 29 June 2012 served on me under section 21(2) of the Inquiries Act 2005 and the Inquiry Rules 2006, by Lord Justice Leveson, as Chairman of the Inquiry. These require me to provide evidence to the Inquiry Panel in the form of a written statement as requested in the Notice.
2. As stated in my first witness statement, I am the editor of The Observer and have been in that role since 2008. Unless stated otherwise, the facts stated in this witness statement are within my own knowledge and belief.
3. I do not waive privilege. Accordingly anything I say in this witness statement is not intended to waive privilege and should not be read as doing so.

The Questions in the section 21 Notice were posed against this background:

Lord Black has submitted to the Inquiry a proposal for "a New and Effective System of Self-Regulation"³. In his submission Lord Black states:

Responses to the industry consultation from within an extremely diverse set of businesses have inevitably been varied. Parts of the industry – particularly the regional and periodical press – have been understandably anxious about such substantial change, especially when the current system works well for them (as the Inquiry has heard) and above all for their readers. They have rightly been worried about the potential increase in costs and bureaucracy of a new system. But

at the other end of the spectrum, some national publishers have argued for even tougher controls. At the end of the day, therefore, this proposal seeks so far as is possible to balance these views. But there is no doubt to me that the vast majority of the industry sees them as credible, likely to prove effective and that they will take part. Northern and Shell has indicated that it is willing to participate, subject to detailed contract terms."

(2) To what extent were you personally involved in drawing up this proposal for a new system of self-regulation based on contractual obligations, as now set out by Lord Black?

I have not been personally involved in drawing up this proposal nor have I been directly consulted by Lord Black. However, I have discussed the evolution of the proposal at key stages with Alan Rusbridger who, as Editor in Chief at GNM, leads on questions of regulation for GNM. I am also aware there has been further engagement with others in our organisation as set out in Alan Rusbridger's submission to you.

(3) How far would you personally, in your capacity as editor, expect to be involved in the final decision as to whether your publication signed up to the contractual obligations envisaged by this system? Please explain in full how that decision would be taken.

I would expect that Guardian News and Media Limited, as the publisher of the Guardian, Observer and guardian.co.uk, would be the signatory body in this system and as such, the final decision to participate would be taken jointly by Andrew Miller the Chief Executive of Guardian Media Group and Alan Rusbridger as Editor-in-Chief of GNM. I would discuss with Alan the position of the Observer in general and any specific details that might be additional to or distinct from the Guardian which he would then take account of.

(4) In so far as you are able to do so, please indicate whether your publication is at present fully ready and committed to enter into these contractual obligations. If it is not at present fully ready and committed, please explain why, and detail any changes that would need to be made to the proposal, any further development to proposal required, or any preparatory steps that would need to be taken at your publication, in order to put it in the position of being fully ready and committed to enter into these obligations. If there are no circumstances in which it would be prepared to enter into obligations of this nature, please explain why not.

Like Alan Rusbridger, I believe Lord Black and Lord Hunt have done excellent work to develop a new regime of regulation including the use of contract and meaningful sanctions. I am aware of and supportive of the proposed amendments GMG have made to the Pressbof proposals including ending the role of an industry funding body, achieving a greater degree of independence, strengthening the suite of carrots and sticks to ensure full participation and

adopting the polluter pays principle so that for example, regional newspapers do not have to subsidise investigations into national papers that breach the Code. Many of these proposals have been incorporated but several have not. Nonetheless, should this system be the one adopted after the Inquiry the Observer as part of GNM would participate and sign a contract of this type, subject to negotiations once a finalised and detailed version is provided. We are committed to industry-wide participation and given the considerable improvement in the new proposal, would participate once more.

(5) What specific differences would membership of a system of the kind set out by Lord Black, underpinned by contractual obligations, make to the culture, practices and ethics of your publication?

As a GNM title and as part of our own strong set of values, the Observer seeks to self-regulate to ensure that our culture, practices and ethics meet the highest standards. We have our own code (shared with the Guardian). Additionally we have a Readers Editor who is recognised as an independent figure on the newspaper. As such we do not foresee membership of this system altering our approach to any great extent. That said, we would work with the new regulator to ensure that our approach is entirely aligned with their standards and processes.

(6) Is there any other comment you wish to make on the proposal put forward by Lord Black, or on the proposals put forward by others, that are now published on the Inquiry website at <http://www.levesoninquiry.org.uk/about/module-4-submissions-on-the-future-regime-for-the-press/>

I concur with the submission made by Alan Rusbridger on behalf of GNM in relation to how the proposals put forward by Lord Black could be improved on.

I believe that the contents of this witness statement are true.



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