



Annual Report

19 March 2013

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A message from Duan Stokes, Chairman, Magazines Ireland

Magazines Ireland was very active in 2012/13 in promoting and protecting the interests of members across a whole range of issues. Keeping up with the changes in the world of publishing and staying ahead of the competition is essential to anyone involved in the industry. The world of publishing continues to evolve with new and traditional forms combining to create multi-channel content. We have been actively engaging with politicians at this time to ensure our needs are understood; our industry is recognised as an important contributor to our economic and cultural health and that any programme for government takes account of these factors. The prevailing economic climate is challenging enough for all of us but we have had to invest major time and resources fending off further threats to our industry. As well as rising costs in paper, print and distribution we have had to deal with increases in postal rates and further possible advertising and sponsorship restrictions on alcohol products in our magazines.

We represent members' interests on a range of industry bodies such as ABC Irish Council; the Press Council of Ireland; the Advertising Standards Authority for Ireland and the Green Press Partnership. By defending the legal, regulatory and commercial environment in which our members operate, we aim to secure the industry's position as part of the Irish creative economy.

Magazines Ireland also provides members with the opportunity to network and exchange ideas at a variety of events, ranging from small, topical seminars to the annual conference Publishing 360, the industry's main event for publishing professionals in consumer and business media; and through our annual Irish Magazine Awards we provide a platform to celebrate the specialist skills within our industry.

It is testament to our industry and the ability and creativity of our staff that so many of us have weathered the economic storm and are still in business. Publishers recognise the need to provide a multi-channel offering to remain successful in meeting ever-changing consumer demands. Irish magazines have survived, diversified and adapted to the new economic and technological landscape. So a big thanks to all our members for their support during the year.

We are also grateful to our industry partners and our sponsors who deserve a special mention for stepping up to the mark and supporting us in what has been another difficult trading year.

You will find in our report a summary of our activities during the year so be assured the executive committee have been working tirelessly on your behalf. Each member worked on at least one agenda item and I thank them all for their commitment to the association and its members.

Duan Stokes

Chairman, Magazines Ireland

Board of Directors

The board members of the Periodical Publishers' Association of Ireland, trading as Magazines Ireland, are Duan Stokes, Gerard Daly, Grace Aungier, John Mullins, Norah Casey, Philip McGaley, Richard Power and Barry McIlheney. Muirne Laffan and Rosemary Delaney retired in April 2012.

Executive Committee

The executive committee was elected at the annual general meeting on April 19, 2012 and the honorary officers were appointed at the first meeting of the new executive committee.

- Duan Stokes – Hot Press (Chairman)
- John Whelan – Danstone (Deputy Chairman)
- John Mullins – Zahra Publishing (Outgoing Deputy Chairman)
- Philip McGaley – Dyflin Publications (Honorary Treasurer)
- Richard Power – Image
- Philippa Gee – RTE Publishing
- Frank Quinn - Mediateam
- Rebecca Markey – IFP Media
- Michael Diviney – Chartered Accountants Ireland
- Colin Kerr – ESCRS
- Victoria Bradshaw – Harmonia
- Diarmaid Lennon – Ashville Media Group

Financial Statements to 31 December 2012

The annual report from auditors Sheehan Quinn is circulated to members in advance of the annual general meeting (AGM) of the association.

Membership

Magazines Ireland has thirty publisher members and ten associate members.

The fee structure is based on turnover:

<u>Turnover</u>	<u>Fee</u>
Up to €1.3 million	€1,150
Between €1.3 and €2.5 million	€1,700
Between €2.5 and €4 million	€2,550
€4 million plus	€2,850

The fee for associate membership is €2,500.

There was no increase in membership fees again this year. Members are updated on all agenda items through a series of Newsletters.

Publishing 360 - The Future for Magazines

Magazines Ireland held its first major conference Publishing 360 - The Future for Magazines at Chartered Accountants House, 47-49 Pearse Street, Dublin 2 on Thursday 19 April 2012 from 8am - 1pm.

This event was organised for publishers, editors, designers, advertising staff and all those trying to navigate the perfect storm created by the downturn, the credit squeeze and the

evolution of digital platforms. The discussion included a combination of expert insight, best practice analysis and Q&A sessions with a view to helping delegates get their bearings. The speakers were the publisher of WIRED, Rupert Turnbull; Colin Crawford, digital media expert and former publisher of MacWorld US and Ross Burrige, Director at Boto Media and formerly Head of Emerging Platforms at Dennis Publishing which included nearly three years as Editor in Chief of iGIZMO.

There was a great attendance from both members and industry suppliers and feedback was very positive with commendation given to the three speakers. The rates were €99 for members and €149 for non-members. A small profit was recorded for the event.

Lifetime Achievement Award 2012

Magazines Ireland awarded the Lifetime Achievement Award 2012 to publisher Kevin Kelly in April 2012. Mr Kelly's career has spanned over 40 years and in addition to his Irish publications, Image Magazine and Checkout Magazine, he is well-respected on the international publishing stage with several award-winning titles including World of Interiors and Departures. In 1987 he created BUSINESS in collaboration with the Financial Times and Conde Nast, and in the late '90s, he broke into the US market with The World of Hibernia, a quarterly publication which went on to receive the coveted National Gold Ink Gold Award for Best Consumer Magazine in the US. The award was presented by Duan Stokes, Chairman of Magazines Ireland at the annual general meeting of the association on April 19, 2012.

ABC Irish Council

Magazines Ireland members are represented on the ABC Irish Council and are notified of developments and any rule changes to the rulebooks. As per our agreement with ABC, the Irish Council has a four week consultation period to decide whether to reject or accept the rule changes. Some of the approved rule changes in the year were as follows:

1. Business Magazines – Identifying the Audit Issue

The development of ABC's new database ARC2 has identified issues with the complexity of the business rules required for the identification and validation of the audit issue as currently defined in the Reporting Standards.

It was agreed to simplify the determination of the audit issue in order to save a great deal of effort and expense. The recommended new wording was as follows:

The Audit Issue is the issue distributed nearest to the first day of the last month in the Reporting Period, which also falls within the Reporting Period.

2. Business Magazines – Controlled Circulation – Sources

This is only relevant to any company currently auditing or planning to audit their exhibition attendance lists. Currently the rule only allows exhibition attendance lists for events run by the same media owner (or typically an arm of theirs) to be used as a source if ABC has already conducted the audit.

A proposal was agreed which will allow flexibility in the auditing of these sources by allowing the list to be used, but with ABC carrying out the same audit work to verify an individual, but in advance of the full exhibition audit.

3. Republic of Ireland Paid Newspapers – 12 monthly reporting for non-daily publications

This change relates Irish Regional Newspapers who wish to have the same option as the magazine sector, to report 12 monthly. The objective is to allow non-daily publications,

excluding Sunday publications, the option to report on a 12-month basis (January to December each year). To be effective from the January to December 2012 reporting period.

4. ABC Republic of Ireland Consumer Magazine Reporting Standards

The objective of this rule change is to allow titles newly registered with ABC to report on a monthly basis until the start of the next mandatory reporting period.

Towards the end of 2012 there were important developments on the situation regarding the aggregation of print and digital edition figures which were welcomed by Magazines Ireland. ABC launched a new Data Tool along with Publicity Byelaw Changes for Digital Editions/Publications. The data tool is a database containing all ABC products, to enable easy access, slice and dice data and produce customized reports that update with latest data. The reports and data can be saved, exported and shared with colleagues within ABC member organisations. The data tool would allow data to be combined subject to the new publicity rules and allow this presentation to be shown, albeit not combined on ABC certificates. The publicity byelaw changes allow more flexibility while retaining robustness by removing prescription. Members will be able to combine certified figures as long as it is made clear what it is and that it does not mislead.

This was an important development from Magazines Ireland's perspective as the association had been campaigning for the aggregation of print and digital edition figures for some time and had proposed that they be combined in the top line figure on the certificates. So whilst this new development is not the entirety of what the association had campaigned for, it is broadly in line with the objectives outlined to ABC in January 2011. Magazines Ireland was pleased to have reached the point where members will be able to combine certified figures as long as it is made clear what is being represented.

However the current situation meant that Irish publications were not able to report non-replica Digital Editions on their print certificates. If an Irish publication had a Digital Edition which was not a replica, as defined by the rules, then its only option was to report it as a Digital Publication on a separate certificate. Alternatively, the Irish Council could choose to adopt the more flexible rules for Digital Editions, putting them on a par with other ABC members. The executive committee of Magazines Ireland asked ABC to confirm that there would be no extra workload and no extra costs involved for members and following this, they recommended the adoption by members of the more flexible rule B for digital editions.

Magazines Ireland notified the ABC Irish Council at the February 2013 meeting that its members were in agreement to adopt the rules for digital editions. Although the other publisher groups (NNI and RNPAI) were not adopting these changes for their own rule sets, they agreed to allow magazines to do so.

The data for Irish magazines will be included in the Data Tool from the end of March 2013.

Postal Issues

An Post increased the Publication Service rates with effect from March 5, 2012. This increase, along with a note about the composite rate only applying if the volumes posted with An Post were geographically representative of the publication's mail profile caused great concern to the association which mounted a pro-active campaign.

Magazines Ireland had met with Andrew Doyle, TD, Chairman, Dail Select Sub-committee on Communications to outline the association's concerns regarding the cost increases and sent in questions for inclusion in the Joint Oireachtas Committee Review on the Post Office Network. The association asked for details of the economic analysis undertaken by An Post;

the estimated increase in revenue generated by the increases and how this would impact on magazines; details of their consultation process with Magazines Ireland and the abuse of their dominant position in relation to zonal pricing. The debate primarily focussed on the issue of rural closures during which Donal Connell, CEO, An Post received some intense scrutiny from members on the lack of consultation and ambiguity of the decision making process. Deputy Andrew Doyle asked a question on rate increases which Mr Connell answered as follows "In regard to Magazines Ireland, I do not have the precise information requested by the Deputy on the change in rate categories. I will get back to the committee with the numbers".

Magazines Ireland also spoke to The Competition Authority regarding the abuse by An Post of their dominant position in relation to zonal pricing and requesting their urgent intervention. The case officer Anne Ribault confirmed she was "working on it as part of a sectoral approach" and whilst she was positive about the case she didn't have any specific incidents of companies with issues and asked us to supply some evidence if available. A letter to the Competition Authority providing them with some concrete examples of incidents which have arisen since the postal increase was sent to TCA. Some members had reported that they were telephoned directly by their account managers, effectively warning them in advance that they would be penalised should they decide to avail of An Post's competitors for some elements of their postage. Publishers felt unable to move to alternative suppliers due to fears that rates would be increased even further if the database they supplied to An Post was not representative of the geographical spread of their subscribers. Some other companies reported that they have significantly reduced the print runs of various titles due to the increase in rates.

Discussions took place with Shanahan DM; Sooner than Later; LetterShop and others to ascertain the drop in postal volumes with An Post since the increase came into effect. The association wrote to The Competition Authority; An Post; Andrew Doyle, Joint Oireachtas Committee; Simon Nugent and Eamonn Molloy at the Department of Communications outlining the negative impacts that have resulted since the implementation of the postal rate increases on the magazine sector since March 2012.

A delegation from Magazines Ireland subsequently met with Eamonn Molloy and Mary Farrell at the Department of Communications to set out the association's position and outline developments since the increases came into effect. The Department representatives were sympathetic to the views expressed and asked for some further information on postal costs in Ireland in comparison with other European countries. They also requested further information on specific titles that had ceased publication since the increase and the names of others that had reduced their print runs. Magazines Ireland compiled this information for them and the Department agreed to set up a meeting with An Post to review the current pricing structure.

On December 21, 2012 a letter from An Post was sent to the association and to some members. The letter outlined a new requirement for all Publication Services customers to produce a "manifest" that reflects the schedule of their publication distribution. Ken Barron had assured the association in December that the "manifest" was not an increase in postal rates. However when some members were preparing their manifests in Jan/Feb 2013, there were concerns that there were price increases concealed in the new rate/zone categories.

The association was in contact with Shanahan Direct Marketing; Sooner than Later and Turner's Print who all confirmed that the new manifest was adding significantly to their workloads and costs.

A delegation from Magazines Ireland had an urgent meeting with Ken Barron at which they raised their concerns and reiterated them in a letter as follows:

The executive committee of Magazines Ireland had a meeting yesterday to discuss a letter from An Post which had been sent to some members on December 21, 2012. The letter outlined a new requirement for all Publication Services customers to produce a "manifest" that reflects the schedule of their publication distribution, which must be presented with your mailing at time of posting. The letter went on to say that, "in order to facilitate this requirement we have now developed a form that must be completed and accompany all mailings as your manifest. The form will calculate the rate/s that will be applicable to your mailing. It will be mandatory for all Publication Services mailings to follow this process from 1st February 2013".

As we mentioned at the meeting, Magazines Ireland is of the understanding that it has an agreement in place with you whereby a price freeze is in operation until December 2013. Furthermore you had assured me on the phone in December, and at our meeting last Friday, that there was no increase in rates. With this new "manifest" there are fears amongst our members that there are significant price increases concealed in the new rate/zone categories being foisted on Irish publishers by An Post. This has just come to light in the last few days when some publishers started to prepare their "manifest".

There is further concern that An Post has now introduced a new layer of administration whereby a further breakdown of the database, in addition to Precision Sort, is required. For one member's title alone, this will mean an increase in administration costs of €2,500 per annum (for ten issues) simply because of this new layer of administration.

Furthermore the introduction of the 'Pre-Sort Manifest' looks like it is creating significant cost differences for the distribution of post to urban; town and rural areas (the new zones A, B and C). The introduction of different rates for urban and rural zones, making it more expensive for those living in rural areas to subscribe to magazines, penalises the rural-based magazine reader. This is grossly unfair to magazine subscribers in rural areas who make up a large part of our members' subscription bases. Readers in rural areas don't necessarily have a newsagency close by and for that reason tend to subscribe to have the magazine delivered to their door. As an all-island body we are also concerned with the definitions used for urban/rural for Zones A, B and C which for example, now classifies Northern Ireland (including Belfast & Derry) as rural!

As we outlined to you previously Magazines Ireland was outraged at the level of the rate increase of the bandwidths primarily used by our members, which increased by 12% and 16% in March 2012. This further introduction of zonal pricing from Feb 2013 is a further attack on our members' businesses. We believe that Irish magazine publishers should be free to use alternative postal service providers for their mailings without being subjected to a penal pricing structure. Magazines Ireland regards this as an abuse of An Post's dominant position in the market and anti-competitive.

Additionally, these arbitrary rate increases are contrary to Government policy with VAT rate reductions for publications and recently transcribed EU directives calling for increased competition in the sector.

To definitively outline our position:

1. The "Manifest" is in effect another price increase. To suggest otherwise is disingenuous. It may not be a price increase for all members, but it will be for a significant number.

2. You are now introducing the need for expensive additional administration, which is unsustainable, especially for smaller titles. The fact that this administration is totally lacking in transparency, means that the impact of it can be dictated by An Post. This administration is itself a price increase, it may not be in monetary terms, but all magazine publishers will have to pay more in terms of time, or to a fulfilment house.

3. You have now introduced the need for magazine publishers to charge different prices for "Rural" and "Urban" subscriptions. We are not sure if this is possible under the advertising regulations, as we are unsure how we will be able to inform a purchaser of the status of their address.

4. "Northern Ireland" being "Rural". There are about 750,000 households in Northern Ireland. There are about 1.6 million households in the Republic of Ireland. This means that even if no household in the Republic of Ireland is considered "Rural" you have about 30% of the households on the island of Ireland classified as "Rural". This is a clear example of the lack of transparency and flawed thinking with regard to your unilateral actions. We are extremely disappointed with the lack of engagement by An Post with our association and its members on this issue. For many years our organisations enjoyed a strong, positive and mutual beneficial working relationship. We would have thought that it is in all of interests to ensure that we continue in that tradition given the increasing challenges and uncertainty in our sectors.

I would urge you to immediately suspend the introduction of this manifest, pending further dialogue and consideration of the impact. If you require to develop specific models, that are not in breach of competition laws, but that give you comfort with regard your universal obligations, it would behove you to do this in a transparent way where you constructively engage with the industry and understand that we are both trying to get people to use the postal service rather than continue with your current approach, which seeks to continually hinder publishers attempts to sell An Post's services to their own readers.

It is worth pointing out, that we asked you to do the same, 12 months ago and you ignored our request.

A copy of this letter was sent to the Department of Communications; the Competition Authority; members of the Select Committee on Communications; the new Chairman of the Select Committee on Communications, Energy and Natural Resource, Tom Hayes TD and to Magazines Ireland members.

The Department of Communications confirmed that they had sought an update from An Post but were still waiting on news from them.

The Competition Authority confirmed that they were devoting "significant resources" to the case. They had received several complaints about An Post on a range of issues and were concentrating now on the Publication Services' ones. They had sent out Requests for Information to publishers and had received some information. However as the burden of proof on them is high, they need to document everything very carefully and asked again for any evidence to be sent to them.

Alcohol Advertising Restrictions

Magazines Ireland is continuing to monitor developments at the Department of Health which is still working on an action plan following the publication of the report of the National Substance Misuse Strategy Steering Group in February 2012. The recommendations specifically relating to magazines are:

- a) All alcohol advertising in the print media to be subject to stringent codes, enshrined in legislation and independently monitored and
 - b) Drinks industry sponsorship of sport and other large public events in Ireland should be phased out through legislation by 2016. In the intervening time, it should not be increased.
- Minister Roisin Shortall was expected to bring the Department of Health's action plan to Cabinet before the summer break but this did not happen and it was understood that departments such as Agriculture, Tourism and Sport and Culture were showing some resistance to the report. Following the resignation of Minister Roisin Shortall, Alex White, Minister of State took over in the role at the Department of Health. At the level of officials in the Department, the understanding is that nothing has changed regarding the Department's views and they are still seeking support for the measures proposed. Opposition to some aspects of the working group's recommendations from a number of departments is still strong and negotiations are still on-going. Minister White has stated his general intentions to bring in new regulations along the lines outlined by his former colleague but he has not specified any details. The issue was discussed recently at the Cabinet Social Policy Committee.

Magazines Ireland is continuing to liaise with the Industry Media Forum and to share intelligence how thinking is progressing within various government departments.

Press Council of Ireland (PCI)

Magazines Ireland continued to raise concerns about membership fees for the Press Council of Ireland and wrote to Seamus Boland, Chairman, Finance and Administrative Committee requesting that the PCI look at an alternative system of collecting fees from magazine publishers. A reply from Seamus Boland, in response to our concerns, stated that whilst there was understanding of the plight of the association, the committee felt strongly that the agreements made at the inception of the PCI must be honoured. They agreed to hold a review and envisaged that any agreed recommendations would take effect from 2013. They also agreed that the situation in terms of VAT costs should be examined and a resolution to the problem should be found. At a further meeting, they outlined concerns that the model used by Magazines Ireland which is based on turnover is not transparent enough. They would prefer magazines to have a similar fee structure to the newspapers based on a flat fee and circulation figures.

In November 2012, the executive committee of Magazines Ireland undertook a review of its membership of the Press Council of Ireland and the fee structure currently in place for members of Magazines Ireland.

Magazines Ireland members had agreed to pay 3% of the running costs of the PCI with other industry bodies primarily the NNI and RNPAI paying the remainder. The Magazines Ireland fee is divided up between members with a sliding scale of fees based on company turnover. Up to now the association has been subventing the fee out of central funds. As it is no longer in a position to sustain this level of subvention, a new fee structure is required for 2013.

Whilst Magazines Ireland managed to secure some reduction in the running costs of the Council in the last year, the budget for 2012 was still €522,180. Magazines Ireland's

contribution was €19,269. Furthermore as Magazines Ireland does not trade for profit, it cannot register for VAT and it therefore has the added disadvantage of not being able to reclaim the 23% VAT which we have paid hitherto.

The Press Council of Ireland was established in 2007 to provide independent regulation of the print media, and it oversees the Principles embodied in the Code of Practice for Newspapers and Magazines. Currently over 200 titles subscribe to the Code through their membership of the Council. In April 2010 the Oireachtas approved the order recognising the Press Council of Ireland under the 2009 Defamation Act. This greatly benefits the operations of the Council, the Office of the Press Ombudsman, and the press generally. The recognition means that qualified privilege will attach to the Council's reports and decisions, as well as to those of the Press Ombudsman. Newspapers and Magazines subscribing to the Press Council's Code of Practice will also be able to provide evidence of their membership of the Council, and of their adherence to its Code of Practice, as part of their defence in any proceedings for defamation. Publications that are not members of the Press Council will be not able to avail of the same defence unless they can satisfy a court that they have in place an equivalent fairness regime or operate an equivalent and publicised code of standards.

Magazines Ireland is represented on the Council itself; on the Code Committee and on the Administrative and Finance Committee. In order to meet commitments to the PCI, Magazines Ireland would need to implement the following fee structure for 2013:

<u>Turnover</u>	<u>Annual PCI Fee</u>
Up to €1.3 million	€600
Between €1.3 and €2.5 million	€1,080
Between €2.5 and €4 million	€1,560
€4 million plus	€2,040

Members were asked for feedback on this issue as the executive committee needed to examine all its options with regard to the association's membership of the PCI. They were asked to consider the following: the benefits of being a member of the PCI in defence in any proceedings for defamation should a case be taken against your company; the possibility of the government establishing a statutory body funded by the industry should a self-regulatory body fail; the possibility of losing our representation on the Council should Magazines Ireland withdraw as a group.

Following this review, the PCI was subsequently informed that Magazines Ireland would honour its financial commitment for 2012 on the basis of an agreement for 2013 whereby magazine publishers will be invoiced directly by the PCI for membership. Magazines Ireland has supplied a list of members and the relevant fee, to the PCI for them to invoice directly. This will mean that the association will no longer be responsible for the VAT element which it cannot reclaim.

Other developments at the PCI included devising a formula for membership fees for web-based publications (news sites such as The Journal.ie and RTE.ie) to include a flat fee plus an amount for circulation/unique users. The NNI and the RNPAI had expressed concerns about thejournal.ie, specifically in relation to plagiarism and respect for copyright. Magazines Ireland expressed concern about blogs competing with some members' printed titles and where to draw the line between a magazine and a blog. Concerns were expressed that blogs were driving advertising prices down and yet these bloggers did not have the same costs as the mainstream publishing companies. The criteria for digital membership of the PCI Membership Criteria and Procedures were rewritten by the Ombudsman and whilst

there was broad agreement by the Finance and Administrative Committee, questions remain to be addressed on the fee structure.

The annual general meeting of the Press Council took place on May 28, 2012 at the Morgan Hotel where the Annual Report was launched by Minister Pat Rabbitte. The report is available at <http://www.magazinesireland.ie/news-current.html>

Green Press

Magazines Ireland is represented on the Green Press Partnership (GPP); the Joint Industry Committee and the Review Body.

In July the Environment Minister Phil Hogan launched a review and public consultation of the country's Producer Responsibility Initiative (PRI) model in a bid to meet future domestic and EU recycling targets. Under the review, the Irish Government was to consider whether additional waste streams should fall under PRI schemes. Currently PRIs apply to WEEE, batteries, packaging, end-of-life vehicles, tyres and some farm-based plastics. The consultation document asked "are newspapers, magazines and farm plastic chemical containers suitable from an environmental and economic viewpoint for the development of a possible PRI?". It also suggested that voluntary agreements might be another option if legislation is deemed not to be suitable. The paper also revealed that some existing compliance schemes wish to branch out and cover additional waste streams to provide a one-stop-shop for their members and meet their recycling through a total waste management solution. Following discussions with the Principal Officer with responsibility for Waste Policy, Ronan Mulhall, the GPP made a submission as part of the public consultation process. It showed how all the publisher associations involved in GPP have striven to work together in partnership to address the issues surrounding waste management and provide solutions. As far as the press industry is concerned the Environment Programme 'Green Press' document contains all the required ingredients of a voluntary PRI and firmly believes it is working very well as all the environment indicators would suggest. RPS Consultants conducted the review of all PRIs and potential PRIs in Ireland and reported in March 2013 that the Department of the Environment, Heritage and Local Government recognises that the press industry's PRI is working well and they are happy that through Green Press, the industry is allowed to continue with its own voluntary PRI. It would therefore appear that the imposition of an environment tax /levy has gone from a high alert scale to a continuous monitoring level.

The latest annual newsprint recycling survey, commissioned by the Green Press Partnership (GPP) shows that Ireland now has one of the highest levels of newsprint recycling anywhere in the world, with more than 89% of newspapers and magazines recovered and recycled in 2011. The 2011 survey results, which were validated by international consultants RPS, show that Ireland's rate of newsprint recycling has risen from 28% in 2002 to its current level of 89% in just 10 years. The GPP survey also showed that the amount of newsprint going to landfill reduced by more than 50% in the past 12 months. Magazines Ireland discussed the cost and frequency of the survey and suggested that the high recycling figure of 89% was probably at saturation point. It was felt a survey every two years would be adequate and would save on costs. Magazines Ireland produced two Recycle Magazines adverts based on the survey results and members were invited to run these advertisements in their magazines if they have spare capacity. The ads were made available at <http://www.magazinesireland.ie/environment.html>

Magazines Ireland attended the launch of the Keep Ireland Clean advertising campaign by Minister Phil Hogan on in July 2012 at the Custom House. The anti-litter campaign appeared in Irish magazine titles over a 10 week period covering July, August and September 2012 and was part of the association's contribution to a voluntary Producer Responsibility Initiative (PRI) for the industry. Members were circulated with details and

artwork. A press release on the campaign was sent out on behalf of the association to relevant media.

A task force within JIC was established to look at the possibility of setting up a joint industry initiative to address this issue of decreasing newsstand sales for magazines and newspapers. A presentation from several organisations regarding promotions and loyalty programmes took place. The initial idea was disbanded due to the prohibitive costs and the disparate number of titles involved but discussions regarding a smaller promotion are underway.

The Review Body is responsible for monitoring each performance area within the supply chain so that accountability and enhanced performance management can be achieved by the Code of Practice for the Press Industry (COPPI). COPPI outlines the level of service that publishers and suppliers will provide to individual retailers. This in turn, will enable them to provide their customers with optimum access to all newspapers and magazines. JIC reported satisfaction with how COPPI is working and are happy that greater efficiencies have been achieved in the supply chain. The number of complaints in 2012 was deemed to be low given the huge number of transactions taking place.

Concerns over the GPP budget were raised by Magazines Ireland and a request was made for a more detailed breakdown of both the costs and the objectives for 2013. A review of the budget was conducted and a significant reduction in members' contributions was made. The overall budget was reduced to €92,500 with Magazines Ireland's contribution reduced from €4,820 in 2012, to €3,000 for 2013.

The "Recycle Magazines" logo is available in the "environment" section of the Magazines Ireland website at http://www.ppa.ie/member/downloads/Recycle_Magazines_Logo.pdf

Data Protection

Magazines Ireland circulated information to members on new legislation extending the requirement for privacy covered by the Data Protection Act to websites using cookies to gather information. From 26th May 2012, the new law required websites to obtain consent from users in order to use cookies on their site. The letter from the Data Protection Commissioner outlined the regulations as follows:

I can advise that, further to the provisions of S.I. 336 of 2011 which implements the ePrivacy Directive in Ireland, we would expect there to be information available on an organisation's homepage in relation to cookie usage generally. The Regulations do not prescribe how consent is to be obtained, other than that this should be as user friendly as possible. They envisage that, where it is technically possible and effective, such consent could be given by the use of appropriate browser settings, as long as reliance is not placed on the default settings. In order to meet the legal requirements, such settings would require, as a minimum, clear communication to the user as to what he/she is being asked to consent to and a means of giving or refusing consent to any information being stored or retrieved. It is particularly important that the requirements are met where so called "third party" or "tracking" cookies are involved – such as when advertising networks collect information about websites visited by users in order to better target advertising. For the Irish market we would be satisfied with a prominent notice on the homepage with an ability to click through to make informed choices. If a website is localised to other markets in the EU, a 'pop-up screen' asking the user to provide consent can be used to ensure compliance. However, there are other ways to obtain consent, such as the following:

A static information banner on top of a website requesting the user's consent to set some cookies, with a hyperlink to a privacy statement with a more detailed explanation about the different controllers and the purposes of the processing (e.g. www.ico.gov.uk). A splash screen on entering the website explaining what cookies will be set by what parties if the user consents.

A default setting prohibiting the transfer of data to external parties, requiring a user to click to indicate consent for tracking purposes.

A default setting in browsers that would prevent the collection of behavioural data. Information that is necessary to facilitate the transmission of a communication, or information that is strictly necessary to provide an information society service explicitly requested by the user, is not subject to this requirement. If a cookie is strictly necessary to facilitate a transaction requested by the user - for example, storage of items in a shopping cart on an online website - advance consent will not be required. This will be the case where the cookie is stored only for as long as the "session" is live and will be deleted at the end of the session. Information on such use should be readily available to the user of a website. As indicated above, we would consider the consent obligations in relation to behavioural advertising cookies to fall into a higher category and we are awaiting the outcome of discussions at European level as to how consent is obtained in these circumstances.

Magazines Ireland also circulated some information from ABC who have been working with Cookie Reports to help members to better understand compliance with the new EU online privacy law, the so-called "cookie directive". ABC negotiated significant discounts with Cookie Reports – along with free summary reports for members of their sites. For more information see here: <http://www.abc.org.uk/Products-Services/Cookie-Report/>.

Irish Magazine Awards 2012

The 12th annual Irish Magazine Awards took place on December 6, 2012 at Clyde Court Hotel, Lansdowne Road, Ballsbridge, Dublin 4.

The judges were - Samantha Holman, Executive Director, Irish Copyright Licensing Agency (ICLA); Marie O'Riordan, Editor-in-Chief, John Brown; Barry McIlheney, CEO, PPA; Fiona Curtin, President, Association of Advertisers in Ireland/Pernod Ricard; Tania Banotti, CEO, Institute of Advertising Practitioners (IAPI); Colm Grealy, CEO, Digital Reach Group; Ian Keogh, MD, Newsread; Niall Lanigan, Category Manager: Newsagency, Eason&Son; Barry Kenny, President, Public Relations Institute of Ireland (PRII) and Brenda Power, Columnist, Irish Daily Mail and Sunday Times.

The sponsors were Eason Retail, Newsread, Boylan Print, Sooner than Later, Origin, EM News and BG Print.

Marie O'Riordan was the guest speaker. Damian O'Reilly, RTE, was the MC.

Ticket prices for members remained at €175 and €250 for non-members; there was no fee to enter the award categories.

Table bookings were via Eventbrite and included a 10% discount on places until 6 November. The total income for the event was €56,917; costs were €17,802 and the profit was €39,115. The committee suggested that as part of our 2013 Awards, the association should invite other magazine associations to the event as part of The Gathering.

Advertising Standards Authority for Ireland

Magazines Ireland circulated a letter and consultation document from the Advertising Standards Authority for Ireland (ASAI) to members in June regarding the consultation they were undertaking on a proposed extension of the remit of the advertising self-regulatory Code in relation to digital media. In 2009, the ASAI's remit was extended to advertisers' own websites and the current proposal builds on that change. Increasingly, advertisers are engaging with consumers on social media platforms in non-paid for space, which is traditionally outside the remit of the Code. The ASAI is of the view however that where marketing claims are made, these should be within remit of the Code. The ASAI asked for any advice or guidance that members might choose to provide. The growth and diversity associated with digital media meant that in order for the exercise to be real and meaningful they needed to hear from a varied sample of those who interact with the media in all areas of marketing communications. This included advertisers, agencies, media companies, commentators, public bodies and the end consumers. A letter was sent from the association to ASAI encouraging them to address the social media issue whereby marketing communications on Facebook for example would be included in their remit.

Magazines Ireland attended the official announcement of the extension of its digital remit to include marketing communications on advertisers' profile pages and other non-paid-for space online, under advertisers' control, which is currently outside of remit.

Magazines Ireland members were invited to attend a Responsibility in Marketing Communications seminar in January. The full presentation outlined the changes to the Code and the areas that will be impacted by the extension of the ASAI's digital remit. A key area that will be covered will be user generated content and in what circumstances it might be considered to be a marketing communication. The full report is at www.magazinesireland.ie/news

Magazines Ireland attended the AGM of the ASAI in May 2012.

Research - Nielsen

In October 2012, Magazines Ireland concluded a deal with Nielsen Market Research to include members' magazines in their All Ireland Media Spend Report from January 2013. Members' titles, both consumer and b2b will now be included in the Nielsen survey bringing the total to 83 titles, up from the current list of just 34. To date the report has shown total media spend for all media categories except magazines where only a small sample of magazines is used. Nielsen has agreed to absorb the extra internal costs in terms of adding extra scanning and coding to their resource.

Members were asked to:

- a) send one physical copy ASAP of each magazine to the coding team so they can set the title up on their system, code the dimensions etc. correctly. Once the title has been coded, there is no need to send any further hard copies. Please send to Karen Mooney, Nielsen Media, 14 River Walk, City West Business Campus, National Business Park, Dublin 24.
- b) send a pdf of every issue of each magazine to the following ftp site

User Account Name : MAGAZINES IRELAND
FTP Name: ftp://www.ftp1.nielsenmedia.co.uk/
Password: @*7x7Jnz

Inserts, supplements, samples or other material not included on the pdfs of any issue, were to be sent in hard copy to Nielsen for inclusion in the Media Spend Report. The first report including all magazines should be available at the end of March 2013.

Nielsen provided a Trust in Advertising report which is now available on the Magazines Ireland site under Market Research.

Copyright

In February 2013 members were informed that the Irish Copyright Licensing Agency had agreed a new licence offering along with Newspaper Licensing Ireland (NLI) which would regularise the current situation with Media Monitoring Companies. Currently MMOs offer a press clippings service to their clients which involves identifying relevant material from newspapers and magazines and providing either scanned copies or web links to them. They have been paying a licence fee to newspapers in return for these uses and have been using magazine material without remunerating the publishers. The ICLA is agreeing a joint licence with NLI which would mean that the MMOs would pay 9c per page that they provide to their clients from magazines. This money would then go back through ICLA to the relevant magazine publisher. The ICLA was proposing to write to the publishers of magazines which they know are being used by the MMOs to let them know about this new licence offering and giving them the opportunity to opt their content out of the licence. This won't mean it won't be used by the MMOs, just that it won't be licenced and paid for.

The key points to note are:

- NLI's proposed scheme and prices are drawn on their experience with newspaper licensing.
- The scheme involves payments per cutting plus blanket licence fees that will be divided between publishers on the basis of usage data.
- NLI's licences will allow print and digital copying of print publications, according to strict rules. (Digital publications may be considered at a later stage when the success of the print licences can be reviewed and we will contact all relevant publishers for their views on this as and when the issue arises.)
- NLI's licensing will be done under ICLA mandates and ICLA's publishers will be able to opt out of this aspect of ICLA's licensing at any time – and to opt back in again - should that fit with their business strategy.
- ICLA has evidence that media monitoring organisations are already making press cuttings from magazines without a licence; in working with the NLI there will be the opportunity to control this practice and receive fair remuneration for it.
- All monies from this new licensing scheme will be paid to publishers by ICLA in the usual way, ensuring there will be no additional administrative burden.
- Individual titles, or whole lists, can be opted out of the scheme.

Magazines Ireland circulated to members, a document outlining the NLI scheme, the different types of licences – Media Monitoring; PR Companies and Commercial Licences; the current prices and details about opting in/out. It is available at www.magazinesireland.ie/member/index.cfm. The contact details are: Samantha Holman, Executive Director, Irish Copyright Licensing Agency, Tel: 01 6624211

Retail/Wholesale

Magazines Ireland wrote to Barry Harvey at *EM News* to outline publishers' concerns and asked him to clarify the changes regarding a move to a purchase based order system which had been sent to all suppliers. A clarification was received and circulated as well as a customer training pack *Working with SAP*.

Newsread launched an Irish Magazines promotion in association with Topaz in December 2012. The offer, which gave Topaz customers the opportunity to buy any one of the participating magazines and get a second one for half price, was sponsored by Newsread and ran in all Topaz stores nationwide for the month of December. Eligible titles were those which are exclusively distributed by Newsread. There were 450 purchases made under the offer - a total of 900 magazines. Newsread felt this was a great result and has confirmed for them that it is worth doing again. Newsread is currently talking to other retail groups about doing a similar promotion and hopes to have something ready in the next few weeks. The point of sale material for the promotion is at <http://www.magazinesireland.ie/news-current.html>

A brochure from Newsread, Delivering all your Christmas Needs was circulated to members. Newsread has extended its service to include deliveries of business to business titles. For further information members should contact Ian Keogh, MD, Newsread at i.keogh@newsread.ie

Discussions took place with Vincent Jennings, Convenience Store and Newsagents' Association (CSNA) regarding a retail marketing campaign. This follows on from discussions with the Joint Industry Group (wholesalers, retailers, publishers) about a major campaign which never got off the ground. It was felt that a smaller campaign would be better between the magazines and one or two national newspapers. Magazines Ireland is currently progressing a Link Save promotional idea with the Irish Daily Mail and the Irish Times for spring/summer 2013.

Magazines Ireland representatives attended the annual dinner of CSNA in May where Norah Casey was the guest speaker.

Media Charge

Magazines Ireland sent a letter to Bob Collins, Chairperson, Broadcasting Authority of Ireland (BAI), regarding an announcement made by Minister Rabbitte about his intentions to introduce a replacement of the television licence with a new universal broadcast charge. While we noted that the proposed broadcasting charge is a work in progress, we pointed out that it is important for the department to note, that while magazines do not use the broadcast frequency spectrum, they are often engaged in broadcasting. Broadcast technology is increasingly being supplemented or entirely replaced by the distribution of digital content over the internet. Magazine publishers are engaged in an extremely costly exercise in generating what is often public service content, this content is now used on multiple platforms - much the same way that broadcast content is used across multiple platforms. We suggested that it is important, as the media landscape evolves that magazine publishers' content is recognised for its important role within the public service landscape. We suggested that reconsideration of the licence-fee structure should take account of changes in the broader media landscape, and in particular of the new competitive environment in which magazines, newspapers, broadcasters and websites now find themselves competing against each other. Whilst we understand that the new charge may not be implemented until 2014, we asked to be involved in any consultation process that will take place.

Events

- Lucid Direct's Richard Lamb met with consumer publishers who made individual presentations on their titles at a meeting in March. A range review undertaken at Tesco was launched in June and a joint press release announcing the new Irish range was sent out by Magazines Ireland.
- A training course for advertising sales executives, Winning through Influence and Negotiation took place in May.
- Niall Lanigan of Eason & Son hosted a Lunch & Learn for members in April where he presented plans for their flagship stores and promotional opportunities for publishers.
- IAB presented a paper entitled Media Consumption Trends in Ireland in September at the Clyde Court Hotel.
- Media 360, a one day conference organised by IMJ and Business Plus exploring Ireland's media landscape took place in November in the Ballsbridge Hotel. A panel of leading experts from the media, advertising and market research industry guided delegates through the rapidly changing media and marketing maze and provide them with the tools, the knowledge and the insights into developing and managing effective advertising and marketing strategies for their business and brands. Duan Stokes was invited to speak on behalf of the magazine industry.
- A training course for commissioning editors Negotiating Rates on Pictures and Words was organised for September 18.
- A presentation by Brian Turbitt of Expense Reduction Analysts Ireland – Managing Your Costs to fund Future Success took place in August
- A presentation from Dylan Regan, MD, Media For Buyers took place in November.
- Proof of Performance: Making the case for magazine media - two separate workshops, the first for advertising sales staff working on B2B magazines and the second for those selling on consumer magazines took place in January 2013.
- Advertisers' Association of Ireland (AAI) launched a report The Economic Impact of Advertising in Ireland on June 28 to Minister Pat Rabbitte at the National Gallery. The report outlines advertising spending; structure, output and employment; the economic impact of advertising and the dynamic impact of advertising. It is available at <http://www.magazinesireland.ie/news-current.html>
- Cleraun Media Conference -Conflict Resolution Journalism & Professional Integrity and Ethics took place in October 2012. Details are at <http://www.cleraunmedia.com/>

Membership and Associations

Magazines Ireland continues to work closely with its industry partners Professional Publishers' Association (PPA); European Magazine Media Association (EMMA), International Federation of Periodical Publishers (FIPP) and the Advertising Standards Authority of Ireland (ASAI).

Magazines Ireland contributes a chapter on Ireland for the FIPP annual publication World Magazine Trends.

Magazines Ireland.ie

The website is updated regularly and all information on the association's activities are published on it. Each member has a username and password and is responsible for updating their own information. The list of members compliant with the Code of Verification of Circulation is published on March 31 every year.

Miscellaneous

Deloitte State of the Media Report

the pdf version of this report is available at <http://www.magazinesireland.ie/news/downloads/Deloittes-State-of-the-Media-UK-Apr12.pdf> A YouTube version is available at <http://www.youtube.com/watch?v=Gpm4L8I572s>

TGI

Members were notified with details regarding the deadline for confirming mastheads for the next TGI survey. The contact is Eimear Faughnan at Kantar Media.

Digital Survey 2012

Members were circulated with a survey which followed on from the Publishing 360 Conference, on changes affecting the industry and how Irish magazine publishers are addressing the challenges of digital media. The findings were available to all those who participated.

HLB Sheehan Quinn

Magazines Ireland's auditors have changed the company name to HLB Sheehan Quinn. Members were invited to sign up for their Newsletter by contacting Mark Butler mbutler@hlbsheehanquinn.com

Magazines Ireland
19 March 2012