In module 4 the Inquiry will hear proposals for potential press regulatory solutions. There are three aspects to the question of what regulatory regime should apply to the press in the future: firstly what a regulatory regime should do; secondly how it should be structured to achieve that; and thirdly the detailed rules that are put in place to achieve the objectives. The 'what' is about outcomes and the 'how' is about processes, structures and accountabilities. The detailed rules would be dealt with in the substance of any code or regulations. These three aspects of a regulatory regime need to be considered separately as they are not necessarily dependent on each other and it may be possible to achieve the desired objectives by different combinations of solutions.

The Inquiry has already heard a number of suggestions in relation to the 'how' and the purpose of module 4 is to look at those suggestions in more detail. In order to facilitate the scrutiny of the 'how' proposals it is necessary to understand 'what' any regulatory solution is seeking to achieve. The draft criteria for a regulatory solution below set out the criteria against which the Inquiry proposes to measure potential regulatory solutions. The Inquiry would welcome comments on these criteria.

Draft Criteria for a Regulatory Solution

1. Effectiveness

1.1 Any solution must be perceived as effective and credible both by the press as an industry and by the public:

a) It must strike a balance, capable of being accepted as reasonable, legitimate and in the public interest by all.

b) It must recognise the importance for the public interest of a free press in a democracy, freedom of expression and investigative journalism, the rule of law, personal privacy and other private rights, and a press which acts responsibly and in the public interest.

c) It must promote a clear understanding of 'the public interest' which would be accepted as reasonable by press, industry and public alike.
d) It must be durable and sufficiently flexible to work for future markets and technology, and be capable of universal application.

2. Fairness and objectivity of Standards

2.1 There must be a statement of ethical standards which is recognised as reasonable by the industry and credible by the public. This statement must identify enforceable minimum standards as well as articulating good practice that should be aimed for.

2.2 All standards for good practice in journalism should be driven by the public interest and must be benchmarked in a clear objective way to the public interest.

2.3 The setting of standards must be independent of government and parliament, and sufficiently independent of media interests, in order to command public respect.

3. Independence and transparency of enforcement and compliance

3.1 Enforcement of ethical standards, by whatever mechanism, must be operationally independent of government and parliament, and sufficiently independent of media interests, in order to command public respect.

3.2 In particular all relevant appointments processes must be sufficiently independent of government, Parliament and media interests to command public support.

3.3 Compliance must be the responsibility of editors and transparent and demonstrable to the public.

4. Powers and remedies

4.1 The system must provide credible remedies, both in respect of aggrieved individuals and in respect of issues affecting wider groups in society.

4.2 The regulatory regime must have effective investigatory and advisory powers.

4.3 The system should also actively support and promote compliance by the industry, both directly (for example by providing confidential pre-publication advice) and indirectly (for example by kitemarking titles' own internal systems).

4.4 The system should be a good fit with other relevant regulatory and law enforcement functions.

5. **Cost**

5.1 The solution must be sufficiently reliably financed to allow for reasonable operational independence and appropriate scope, but without placing a disproportionate burden on either the industry, complainants or the taxpayer.