

Submission to Commerce Commission on proposed Fairfax/NZME merger

EDITORS SPEAK OUT AGAINST MEDIA MERGER

We the underlisted former newspaper editors fully support the Commerce Commission preliminary decision to block the proposed merger of New Zealand's two major media groups.

Content is king has been the mantra of both Fairfax Media - previously Independent Newspapers Ltd - and New Zealand Media and Entertainment - previously Australian Provincial Newspapers and Wilson & Horton centred on The New Zealand Herald - as they have sought to build their editorial credentials.

If that is the case, and we accept that premise, then the proposed merger would undermine it.

Though we acknowledge that such a merger is seen by some of us as a pragmatic response to the singular challenges that newspapers face, we all accept that the destruction of great mastheads and all that they have stood for at the heart of our communities since New Zealand settlement cannot possibly enhance content – it can only diminish it.

Both groups depend on strong regional, local and community markets for their survival, where their newspapers that provide most of their revenue dominate. Those markets depend on strong local and community coverage. National and international coverage is secondary, except in times of exceptional news, e.g. earthquakes and other disasters.

Certainly, some newspapers are in a stronger position than others but that has been the case since the first printing press arrived in New Zealand. Throughout the country coverage and financial performance are improved by the knowledge that competitors will take advantage if positions are not guarded. The proposed merger will substantially weaken regional and community competition throughout the country, as the commission has recognised.

That, in turn, will weaken the extent of coverage the companies' websites can provide.

New Zealand already suffers from a dearth of serious content and analysis.

Newspapers – across their print and digital sites – have been subject to waves of redundancies that have seen experienced staff culled, a severe loss of institutional knowledge and a pandering to the lowest common denominator; that is click bait stories that draw the widest audience.

At the same time television has all but abandoned current affairs and our public discourse is increasingly glib.

The merger would see one organisation controlling nearly 90 percent of the country's print media market (and associated websites), the greatest level of concentration in the OECD and one that is exceeded only by China.

That cannot be healthy, particularly in a society like New Zealand's that has so few checks and balances in its constitutional arrangements.

We understand the two major media groups are undergoing profound change in the face of the digital revolution and that the old business model is broken.

That does require a realignment of current business models but decline is not inevitable.

The Australian and The Weekend Australian newspapers have recorded record audits across print and digital in the quarter to end September, according to the Australian Audit Bureau of Circulations.

Predictions of doom for newspapers have been overstated, The Australian editor-in-chief Paul Whittaker said in response to the circulation figures. That was “provided publishers continued to invest in quality journalism”.

Mr Whittaker added “the quality of our journalism will make or break our industry, not structural shifts. Print and digital form a powerful opportunity for us and an effective means for advertisers to reach target audiences.”

That is in marked contrast to Sydney-based Fairfax Media which has closed print sites and driven down newspaper sales.

Its chief executive Greg Hywood has warned New Zealand newspapers may be under threat if the merger is blocked.

It is our contention the greater threat comes from offshore publishers who have no feel for New Zealand’s social fabric.

And it is not credible for those publishers to claim the merger will not result in further widescale redundancies and reduced content.

The commission has made a powerful statement about the importance of the media in a free society.

Any diminution of an already shallow media pool should be of concern to all New Zealanders. The commission is to be applauded for its stance and we urge it to confirm its draft ruling.

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