

November 25, 2016



registrar@comcom.govt.nz

Re: Fairfax/NZME Draft Determination

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To the Commerce Commission,

I have now read the Commerce Commission's Fairfax/NZME Draft Determination.

From my perspective, as someone who has been actively involved in the newspaper publishing business in New Zealand for 47 years, the Commission's Draft Determination does not reflect:

- The significant financial pressures on newspaper publishers in 2016 - both in New Zealand and globally.
- The source of those financial pressures - which is competition from online giants - including online giants that don't employ journalists in New Zealand or pay taxes in this country.
- The reality of newsrooms and the way journalists operate. I have been the managing director of Gisborne Herald Co Ltd since 1980. In that time there have been more than 100 journalists working for the Gisborne Herald - all passionate about serving the local Gisborne community, opinionated and competitive. A number have been honoured with awards for their dedication to their profession and their community. To suggest that, as managing director, I controlled their views or opinions is a discredit to the journalism profession, and denies the passion and opinion that goes into their work. It also denies the commercial realities of operating a publishing business - to prosper a newspaper needs to reach people with information they want and need. A newspaper that only pleased its writers, editors, managers, or shareholders would rapidly fail.
- The fact that New Zealand is a small country with a diverse media landscape. Competition in the overall news market would still be broad even if there was a merger. The comparison with China lacks credibility. On the world scene our total population compares with small cities.

As I said in my 5 August 2016 letter to the Commission:

- There have been more significant changes in the news publishing industry in the last three years than at any other time. Social media has had a huge impact. The world has changed. It is important that the Commission's decision making reflects (and doesn't deny) those changes.
- I continue to support the merger. NZME/Fairfax as a New Zealand-based company will still have a large investment in the printing sector. A major New Zealand-based media company will be good for the industry, good for the share market, and there will be opportunities for independent publishers to co-operate more and strengthen the industry.

The identity of shareholders/managers is not the threat to journalists advocating for their communities that the Commission should be worried about. Blocking the necessary evolution in the industry, and entrenching yesterday's business model, so that there is no longer a sustainable business model for those journalists to have jobs most certainly is.

Yours faithfully

Michael Muir OBE
Managing Director

*P.S. Banning the merger of two struggling media giants will inevitably lead to diminishing competition.
Bill Ralston - Listener - November 19, 2016.*