

## Commerce Commission

### NZME Limited and Fairfax New Zealand Limited: proposed merger

#### Submission of E'tu on the Draft Determination of the Commission

##### *This submission*

This is the submission of E'tu in response to the invitation by the Commerce Commission to comment on its 8 November 2016 draft determination on the above proposal.

E'tu is the trade union representing the employees of the companies seeking clearance for the merger.

The substance of the submission is to confirm the thrust of our earlier submission which argued that the merger should not be permitted unless certain undertakings and mechanisms designed to protect the capacity, integrity and independence of journalism in New Zealand formed part of the proposal.

##### *Specific content of protections*

E'tu accepts that the Commission does not have the legal authority to impose conditions on a merger, but notes that the parties are able to reframe their proposal to contain protections that would address the negative impacts itemised in para 1019 of the draft determination.

The specific concerns of the union are those described in para 1019.2, viz. "the provision of national online news and information services, through the Applicants' stuff.co.nz and nzherald.co.nz websites".

It is important to recognise that the quality and effectiveness of newsgathering for online services depend utterly on sufficient editorial staffing. It follows that the provision of such services is inseparable from national journalistic capacity.

In addition, the union would frame the negative impacts of a merger more widely than online news and information services, to incorporate the full range of journalistic activities that contribute to a healthy public information service and discourse, and a robust democracy and society.

In our view, a protection of the wider public interest would in some way be facilitated if the proposal contained the following measures.

- A charter of editorial independence that guarantees a clear separation between the commercial and editorial sections of the merged companies. In particular, there must be a formal identification of all paid or sponsored content.
- An independent body to adjudicate in cases of alleged breaches of the charter of editorial independence. Journalists themselves would have the right to take a case directly to this body. We believe that the New Zealand Press Council would be the right body for this job.

- The maintenance of journalistic capacity throughout New Zealand including existing editorial staff, two competing website operations, and separate Parliamentary Press Gallery teams.
- Protection of the present diversity of editorial voices, reflecting a broad range of viewpoint. In particular, there must be a commitment to in-depth editorial commentary and analysis by staff journalists.
- A merged company should continue to fund the New Zealand Press Council at adequate levels to allow it to carry out its existing function and any additional ones created by the procedures associated with the charter of editorial independence.

Good journalism cannot be done without an adequate number of journalists.

### *Conference*

The union would like to attend the proposed conference on 6 – 8 December.

### *Contact*

Paul Tolich.

E-tu National Media Organiser

[Paul.tolich@etu.nz](mailto:Paul.tolich@etu.nz)

Phone 0275 935 595