

Date: November 24, 2016

To: The Commerce Commission NZ

From: Nicola Coburn
Marlborough regional editor, Fairfax Media NZ

Re: Draft determination on the proposed Fairfax Media/NZME merger

As journalists, we work in a world where facts matter, they always come first and foremost. We do not deal in rumour and speculation, we deal in facts. Which is why is it surprising that the Commerce Commission has chosen to ignore the facts and reality on the ground in local newsrooms in its draft determination on the proposed Fairfax NZ/NZME merger, issued on November 8.

While the issue of plurality raised in the draft determination is a matter of deep concern to me as a regional editor, not to mention insulting, so too is the claim that global giants Facebook and Google do not pose a threat to our work. How was that conclusion reached? I'll give you an example of just how far off the mark it is.

In mid-October, the *Marlborough Express* launched a project called Express of the Future to reshape our print model so that we may remain a viable and sustainable source of local journalism into the future. We want to stay in Marlborough, we want to continue to serve our community (which we currently do via *the Marlborough Express*, *Marlborough Midweek*, *Kaikoura Star*, *Saturday Express* and also via our online platforms mex.co.nz and stuff.co.nz and social channels).

We have consulted with our staff, our readers, our clients, and our community about our position, signaling that a daily newspaper is likely no longer viable (which, as an aside, makes your position on the status quo remaining without a merger again questionable).

In the course of consultation, we held talks with the Marlborough District Council to keep them abreast of our situation. It was interesting to hear as part of those talks that the council was in fact looking to decrease its spend with the *Express* and redirect part of their advertising budget to Facebook. Yet here you are claiming Facebook is not a competitor. And how much do they contribute to New Zealand journalism? How many people do they have on the ground in Marlborough?

This is one localised and easy example, but there are thousands more, and therefore I am asking that you reconsider your position on this matter, and seek to ascertain the real situation before making a decision which, like it or not, will heavily influence the way regional newsrooms are resourced in the near future. Your decision will influence our communities more than perhaps you realise, and therefore I hope you are ready, should you go through with your initial determination, to then

convincingly explain your reasoning to the Marlborough community, as it is our readers who will be among the first victims of your decision.

As part of our consultation we have asked readers what they want. We have conducted in-depth reader research to find out exactly what kind of content they want to see in their papers and online via our newsroom. The answer is clear, time and time again – they want local, local, local. So how do we reconcile that with decreasing revenue in the face of competition from global heavyweights, which you fail to acknowledge pose a problem. This proposed merger is a way in which we can help keep journalists on the ground, at the heart of their communities.

Since joining the industry in 1999, I have witnessed continued and regular cutbacks to resources both across editorial and other departments. These cuts are not unique to Fairfax NZ. And they are not unique to New Zealand. Indeed, a well-respected newspaper I worked for in Japan in the early 2000s was forced to stop printing back in 2008. Former colleagues now working for some big mastheads overseas are also feeling the chilling effects of reduced headcounts in newsrooms.

In the midst of all this, New Zealand newspapers have actually done very well to keep hanging on and survive until now. However, I believe we are at a stage where further cuts cannot occur without seriously impacting the delivery of local journalism. We already run a tight ship and are extremely proud of our work. Every day we have to make careful decisions about what and what not to cover due to resourcing. (And by the way, the decisions I make in the course of the day are not influenced by other editors or by commercial partners - again, where is your proof of this loss of plurality?).

You would think editors would be universally opposed to this merger, but we're not. Have you bothered to look at why? We are living the reality, yet has the Commerce Commission attempted to get in touch with any of us to understand the full picture? I'd like to invite you to spend a day with me in Marlborough to understand the vital role we play in our community and the challenges we face. I'd like you to understand exactly why we need this merger, and the impact of not approving it.

The 7.8-magnitude earthquake on November 14 serves as an example of just how important our role is within our community.

We began coverage within 30 minutes of the earthquake occurring – at 12.34am to be precise (the earthquake hit at 12.02am). Despite the violence of the quake and the fear we all felt, every single member of my editorial team here in Marlborough turned up at the office, unsummoned, within minutes of the quake, ready to work, ready to get all information available out to our community, many of whom were confused and unsure of what to do. Had we not been there, to whom would those people have turned. To TVNZ? They could have, but they had no Marlborough specific information. To RNZ, another publicly funded outfit? Again, they did not have the level of detail we could provide to our people here in Marlborough.

We have worked ourselves to the bone in the two weeks since, publishing hundreds of stories on the ground here in Marlborough. We have also worked with our colleagues in the bigger centres to keep the rest of New Zealand, and indeed people throughout the world, informed. The *Kaikoura Star*, meanwhile, was published and chopped into Kaikoura the day after the quake, providing a vital link and information for local people. The *Marlborough Express* carried the news on the front page the day of the quake, after staff worked through the night.

Fast-forward six months, and should this merger be rejected, there is no way we will be able to offer this level of coverage to our readers and our community. So what happens when the next disaster strikes? Will Facebook, awash with 'fake news', be able to do the job we currently do? Will they be able to provide answers to our community like we do?

Even on the hyper local issues, will Facebook chase up the reason for hundreds of dead eels in our waterways? Will Facebook attend council meetings? Will Facebook celebrate local businesses? Will they be at local court hearings? Will they be at the church fair or at the sidelines of the sports field? So why would organisations like district councils prefer to spend their money on Facebook?

If you want to see communities well served and local journalism survive, then you will reconsider your draft ruling. I implore you stick to the nuts and bolts business side of the matter, and leave your thoughts on local journalism out of the equation – is this idea of plurality even within your scope?

If you do feel so inclined to rule on matters on which you do not fully grasp, then please acknowledge this in your decision. Please also acknowledge that your decision will have a profound effect on local journalism, from the Far North down to Bluff.

But most of all, please endeavour to get the facts that guide your decision straight.

Thank you.