

From: Alan Aldridge,

, email:

I am submitting arguments against the proposed merger of Wilson and Horton and Fairfax based on the significant reduction in competition in the NZ media market that would be the result.

- The Commission should examine the merger from the perspective of the result to media and news coverage of New Zealand events.
- The newspaper and magazine media in NZ is dominated by two national organisations only, Fairfax and Wilson and Horton. The other major news providers, Radio NZ, TV1 and TV3, are primarily voice and video orientated. By its nature of voice and video news is limited in depth and scope compared to what is achieved by written news stories.
- It follows logically that a merger between the only two national sources for written news will significantly diminish the in-depth coverage of news in New Zealand. The proposed merger is for financial reasons due to the reduction in advertising revenue, so it must be assumed that the merger will result in only one website remaining with fewer journalists contributing.
- A comparison of the two websites, Stuff and NZH, shows that the two have different approaches and cover different stories. As part of its investigation the Commission will no doubt be making a comparison between the two sites to discover if they closely follow each other or not; but most casual observers will note the NZH site has more in-depth reporting with its 'Insights' investigations, while Stuff has a heavy emphasis on human interest stories.
- Arguments that consumers are served by competition from other small operators or can get their news from Facebook feeds and other social media do not stand up to scrutiny. Small operators like Scoop have neither the resources or market penetration to replace what will in effect be the end of competition in the written media market. Social media obtains its news from sources that are news media organisations. So the result of a merger will be a reduction in NZ news in social media.
- The financial difficulties of the two organisations are no doubt correct, but this does not presuppose that the only solution is a merger of the two, with cost savings made from reducing news coverage and competition being the only answer. Also it is not the Commission's role to consider this question, only the reduction in competition.

Conclusion

There are only two major providers of written news coverage in New Zealand of New Zealand events. A merger between them will result in a monopoly in this market and a significant reduction in the scope and depth of news reporting. If the country is served with just one news website then the likelihood is that this will follow the Stuff model, with the chance that strong in depth investigations, which are expensive, will reduce or be ended. A merger will eliminate real competition, reduce the ability of citizens to access news, reduce the accountability of politicians and reduce the scope of analysis of business and political events, both of which are very important in a democracy.