

Will communities suffer as media giants gobble up our local papers?

Rodney Times, a much-loved community paper, was recently acquired by Fairfax, following a trend towards concentrated media ownership. CRAIG BORLEY asks whether the paper will become a profit-driven rag, or will the spirit of the Times live on?

It's Monday, April 10, 2006, and Local Government Minister Sandra Lee issues the statement that Rodney's council has been effectively sacked.

The next day 54-year-old management consultant Grant Kirby is appointed to run the district, taking the place of 12 councillors and a mayor.

And through the reporting of a hard-working local paper, *Rodney Times*, the Rodney community follows the progress of its council's scandalous fall from grace. More than that, through this newspaper's role as a watchdog of local government, the council's performance was brought to the attention of its people.

The rest is history. *Rodney Times* began in 1901 as an independently owned and operated community newspaper. In late 2005, after years of award-winning production, the paper was sold by managing director Tony Cook to Fairfax, for more than \$10 million.

It's a community newspaper with a good reputation and a high price tag.

What does a community newspaper such as this aim to give to its readership? Perhaps more pertinently, what does its readership expect from the community newspaper?

Certainly a journalist working in any New Zealand paper should aim to uphold the code of ethics laid down by the Engineering Printing and Manufacturing Union. This dictates that, among other things, a "respect for truth and the public's right to information" are overriding principles for all journalists.

Further to this, most community reporters live, work and play in the neighbourhood they cover. They know the issues and the mood of their readership because they share the same services, the same parks and playgrounds, the same rates, the same council.

While community newspapers can occupy many roles, they are characterised by their local knowledge, focus and impact. Some, like the *Rodney Times*, have taken their role as "local voice" very seriously, using their investigative and editorial powers to take on targets identified by their readership as being a threat to that community.

Another prominent example of this is the role of Waiheke Island's *Gulf News*, which took on the might of John Banks' Auckland City Council over a proposed commercial development on the island.

Through the exposure *Gulf News* gave the issue, and the aspects of it that were less savoury to the development, the Waiheke community prevailed and the development was stopped.

This is the power and, some would argue, the responsibility of a community newspaper. Certainly, community newspapers have flexed their muscles like this in the past, but can this remain in the present environment? How does this ideology compare with that of Fairfax?

John Fairfax started his first paper, the Leamington Spa Courier, in 1828. After emigrating to Australia and buying the Sydney Morning Herald, the Fairfax empire began to form, burgeoning into a massive media multinational – with pockets deep enough to pay \$700 million for New Zealand online auction site Trade Me this year.

tralisation of Fairfax's New Zealand activities, most worryingly an "editorial sharing across papers". This would limit the "opportunities for differing views to be expressed in New Zealand's media", the article says, and perhaps even result in "whole pages being produced centrally, leaving little authority with local

"It's an economy of scale. It means we can get better deals on the price of paper, printing costs, and other expenses like accountants."

With ever-increasing competition coming from other forms of media, especially the internet, these cost savings are not just helpful, they're a necessity, she says.

"In an ideal world the smaller players would survive, the 'Trade Me' types that start small, but are great, would survive. Being independent is probably best, but it's just not an economic reality."

Tipa is also quick to point out that readership of local papers depends on satisfying demand – and that is best achieved by good, solid journalism.

"Cut the editorial budget at your peril," is the mantra stuck to her office wall, and it is a sentiment she identifies with.

There are varying theories on what will make people read the paper, she says, and her idea is that, most importantly, the local paper must be the glue of the community, delivering local news and feelings that would seldom get reported elsewhere.

Being a watchdog on local government and informing the community – getting them to interact – are other important factors, she says, things that matter to a reader, and therefore matter to an editor. And they are tasks best done by quality journalists.



Community newspapers like the *Rodney Times* are being bought by media giant Fairfax. Waiheke Island's *Gulf News* is still independently owned.

So what is this commercial behemoth doing buying a small-town community newspaper in New Zealand? As with any listed company, the priority for Fairfax is to provide a return to the investments of its shareholders. Making money, maximising profits.

It's an unromantic reality, but it is reality all the same. And with that as the driving force behind any major business decision, it is clear that Fairfax saw the *Rodney Times* as a good money maker.

That in itself poses no problem to community papers. They need to make a profit to survive anyway – the only difference is in where that profit ends up. Right?

Bill Rosenberg's article titled *News media ownership in New Zealand* examines the increasing domination of New Zealand's media by four overseas companies. In it, he argues there are worrying examples of moves in the New Zealand media to maximise profit – at the expense of the community newspapers.

He cites a swathe of editorial redundancies and an increase in advertising and purchase prices – both moves made by Fairfax after their 2003 purchase of the Independent Newspapers Ltd stable.

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tralisation of Fairfax's New Zealand activities, most worryingly an "editorial sharing across papers".

In Noam Chomsky and Edward Herman's theoretical look at ownership of mass media, *Manufacturing Consent*, they comment on the history of this issue. Ownership of media with any substantial outreach is limited by the necessarily large size of investment, they say.

It was applicable a century or more ago, and it has become increasingly so. It seems the outlook for community newspapers is one of sterility and accountants, rather than scandal and journalists.

But while Rosenberg highlights the potential for overseas ownership to have a negative impact on our community papers, it seems the reality is not so grim.

Pam Tipa, editor of *Rodney Times*, is far more optimistic.

Since the recent change of ownership in her paper she has heard nothing to suggest an ethical dilemma is approaching. In fact, she believes there are a number of benefits to the purchase.

While running a community paper is profitable, she says, the margins are usually small. But with the increased buying power that comes from being a part of the Fairfax stable, those margins are not so vulnerable.

Yet Tipa concedes there is a commercial reality community newspapers are constantly aware of – that cutting journalists is the easiest way to cut the budget.

It is always going to be possible to fill the pages of a paper with press releases, or articles written by people off the street, or even advertisements. But there's a balance between the advertising and editorial content, she says, and if you get that balance wrong the readers will disappear.

Really, she says, it is in the interest of Fairfax to let a well proven formula continue unchecked.

But the potential for Fairfax to govern editorial content is ever present, even if it does not appear to be likely. The theorists will continue to analyse the situation, and pessimistic commentators will continue to speculate on the future of New Zealand's community newspapers.

But as long as market forces demand efficiency, and continuing competition from other media forces cost-cutting, the situation we see now will remain a viable and acceptable, if not utopian option.

Rodney Times will continue to approach its role as it always has, *Gulf News* will keep campaigning on behalf of its readers and Fairfax will keep accepting the profits.

It's an unromantic reality, but it is reality all the same.