NEW ZEALAND MEDIA OWNERSHIP 2017

AUT's research center for Journalism, Media and Democracy (JMAD)

Merja Myllylahti

4/12/2017

Summary

This JMAD New Zealand media ownership report 2017 reveals a considerable shift in the pattern of New Zealand media ownership. For the first time in seven years, the number of privately/independently owned media outlets exceeded the number of publicly (shareholder) and Crown owned companies.

In 2017, there were seven privately owned media companies: BusinessDesk, NBR, The Spinoff, Allied Press, Newsroom, Bauer Media and MediaWorks - five of these were locally owned. Additionally, Scoop was owned by a New Zealand based non-profit charitable trust.

The media market maintained some competition as the Commerce Commission ruled against NZME & Fairfax and Sky TV & Vodafone mergers. However, at the time of writing it was not clear how the competitive landscape will evolve. In October, NZME & Fairfax took their fight to the High Court, and that decision was pending when the report was published. In June, Sky TV and Vodafone decided to abandon their merger.

The report notes that the digital news market expanded during 2017. There was more available digital news and current affairs content for the public. Yet, at the same time the print newspaper market shrunk with regional and local newspapers reducing staff and publication dates. Commercial television broadcasting showed signs of distress.

New Zealand media ownership: key trends and events

- More privately-owned media outlets than in any previous year
- Sky TV and Vodafone merger denied and abandoned
- NZME-Fairfax merger appeal at the High Court
- Newsroom enters the digital news market
- Financial difficulties for commercial TV broadcasters

JMAD reports are freely available on AUT online: http://www.aut.ac.nz/study-at-aut/study-areas/communications/research/journalism,-media-and-democracy-research-centre/journalists-and-projects/new-zealand-media-ownership-report

Content

1. Trends in the global media ownership

In 2017, consolidation among technology, media and telecommunication (TMT) companies continued globally. However, the pace of mergers and acquisitions slowed down from 2016. Data from the market information provider Mergermarket shows that in the first half of 2017 deal activity in the sector dropped from the previous year: the value of deals was US$176 billion, 21 percent lower than in the first half of 2016 (Deans, 2017). In the first six months of 2017, there were five “megadeals” including Sinclair Broadcasting’s acquisition of Tribune Media (PwC, 2017).

In 2017, Alphabet (parent company of Google) was the “largest media owner in the world” attracting US$79.4 billion in advertising revenue (Zenith, 2017). As seen in table 1, the second largest communication conglomerate was Facebook (US$26.9 billion) and the third largest Comcast (US$12.9 billion) (Zenith, 2017). Approximately 73 percent of all the advertising money on the internet went to Alphabet, Facebook, Baidu, Microsoft, Yahoo, Verizon and Twitter (Zenith, 2017). Most of the largest media companies – 20 out of 30 – were based in the United States, China and Germany. The rest were in the United Kingdom, France, Italy and Brazil (Zenith, 2017).

Table 1: Ten top global media owners 2017 (by advertising spend)

Ranking	Company
1	Alphabet (US)
2	Facebook (US)
3	Comcast (US)
4	Baidu (China)
5	The Walt Disney Co. (US)
6	21st Century Fox (US)
7	CBS Corporation (US)
8	iHeartMedia Inc. (US)
9	Microsoft (US)
10	Bertelsmann (Germany)

Source: Zenith, 2017

A report by the Center for Media Pluralism and Media Freedom notes that in Europe, media ownership concentration is shaped by regulatory leniency. It states that “the trend towards relaxation and/or abolition of ownership restrictions has enabled large media groups to expand throughout the EU and to thereby solidify their presence in a number of media markets” (Center for Media Pluralism and Media Freedom, 2017, p.45). Although the report concentrates on countries in Europe, similar observations apply to the United States.

The Centre for Innovation & Sustainability in Local Media, based in the United States, observes that "consolidation in the industry has continued, reaching historic highs" (Center for Innovation & Sustainability in Local Media, 2017, p.6). Its research report notes that "the largest 25 newspaper chains now own almost a third of the country's newspapers" (Center for Innovation & Sustainability in Local Media, 2017, p.6). In his blog *Newsonomics*, Ken Doctor pointed out that Gatehouse Media, Digital First Media and Gannett have taken over "the bulk of country's 1,350 daily newspapers", and that the three "own a full quarter of the nation's dailies, as family-run operations dwindle, and final generations of newspaper-owning families look for the exits before the passageway becomes too narrow" (Doctor, 2017).

In 2017, billionaires and telecommunication companies continued to buy media assets in the United States. For example, in July 2017 Laurene Powell Jobs, a philanthropist and billionaire, bought a majority stake in the *Atlantic* magazine. Before that, in February 2017, Japanese telecommunications conglomerate Softbank Group announced that it was purchasing the owner of New Media/Gate House media group. The company owns 564 community print newspapers and 489 websites in the United States employing 9,509 people (Fullerton, 2017). However, most of the major media mergers of 2017 happened in the broadcasting sector, not in print media. *The State of the News Media 2017* report observes that in the US “a wave of consolidations and station purchases have made some broadcast media owners considerably larger” (Matsa, 2017). In 2017, five broadcasting companies owned approximately 37 percent of the local television stations in the country (Matsa, 2017). In April, European Union regulators approved 21st Century Fox’s US$14.5 billion takeover of the United Kingdom’s broadcaster Sky TV. In September, the UK government referred the deal to the country’s competition authorities. In its ruling, the European Union regulators said that as Fox and Sky are “mainly active in different markets in Austria, Germany, Ireland, Italy and the U.K”, they compete and therefore the merger could be allowed (Reid, 2017). *The Guardian* points out that if the merger is approved, it “will bring together two of the most powerful broadcasters in the world” (Ruddick, 2017). 21st Century Fox owns the cable network Fox News in the United States, and the merger would bring Sky News under its wing as well. The Murdoch family already owns 39% of Sky through 21st Century Fox.

In May, another major broadcasting deal was announced. Sinclair Broadcast Group, which is the second-largest television station operator in the United States, reported that it was buying Tribune Media – owner of 39 television stations in the country. According to PwC, “the deal is the largest announced broadcasting megadeal following the airwave auction” (PwC, 2017). The merger of two companies, valued at US$3.9 billion, would create a new, dominant TV-station group in the United States with 200 television stations nationwide. *The Economist* notes that Sinclair Group's executive chairman David Smith is "a conservative ally of Mr Trump who, critics say, puts his stations in the service of Republican causes" ("Sinclair Broadcast Buys Tribune Media", 2017).

The consolidation in the broadcasting sector continued in July. The pay television company Discovery Communication announced that it was buying Scripps Networks Interactive for US$14.6billion. Discovery owns channels such as Discovery Chanel, Animal Planet and Eurosport whereas Scripps owns channels such as HGTV, Food Network, Travel Channel, DIY Network and the Cooking Channel. The combined company has "nearly 20% share of ad-supported pay-TV audiences in the US", and it will be "home to five of the top pay-TV networks for women and will account for over 20% share of women watching primetime pay-TV in the US" (Discovery Communication, 2017). At the time of writing, the AT&T mega deal to buy Time Warner was still waiting for the final regulatory approval. In 2016, AT&T announced that it was acquiring Time Warner, the media company behind HBO and Warner Bros., for US$80 billion.

Law changes and broadcasting mergers in Australia

In 2017, the Australian government abolished media ownership rules which had prevented further consolidation in the sector. The bill about removing the ownership restrictions faced some opposition in the Senate, such that the changes were “proving a major headache for the government which needs crossbench support to pass” (Davies, 2017). However, on September 14, the law changes passed. The government abolished the “two out of three rule” which had prevented an individual media company such as News Corp from owning newspapers, television and radio stations in the same license area. Additionally, the “reach rule” which had prohibited a single television broadcaster reaching more than 75 percent of the population, was removed. Media academic Tim Dwyer observed that “while there are still some ownership controls in place, and local content requirements that remain in place, these will not stop further media concentration” (Dwyer, 2017). Amidst these law changes “Senate kingmaker” Nick Xenophon negotiated a one-off A$60 million fund which supports small publishers and journalism scholarship (Shields & Battersby, 2017). The fund gives grants only to media companies which are headquartered in Australia and mainly owned by Australian shareholders. Therefore, foreign owned companies such as *The Guardian*, *The Daily Mail* and *Buzzfeed* are not eligible for the funding.

The removal of ownership restrictions was expected to escalate media mergers and takeovers in Australia. However, in November the Australian Competition and Consumer Commission (ACCC) published new guidelines about prospective media mergers, saying that they would be assessed against the criteria of competition for news stories and diversity of voices.

In May, before the law changes, Fairfax Media had become a takeover target. It received an “unsolicited, preliminary, non-binding indication of interest to acquire Fairfax” from the private equity groups TPG Group & Ontario Teachers Pension Plan Board and Hellman & Friedman (Fairfax Media, 2017a). The takeover did not materialise because neither of the consortiums made a formal bid for the company. After its suitors pulled out, Fairfax stated that its real estate listing service Domain would be listed to the Australian stock market, and this went ahead in November. The company’s chairman Nick Falloon said that “with media reform expected later this year, Fairfax will actively look to maximise value given the strategically important businesses we own” (Fairfax Media, 2017b). In November, Fairfax’s shareholders voted in favour of moving Domain to a separate company with Fairfax retaining 60 percent of the company’s shares. On November 16, the company was listed on the Australian stock exchange ASX with the value of A$2.2 billion.

The Australian broadcasting companies were also facing takeovers as media corporations and investors anticipated law changes. In June, the broadcasting corporation Ten Network, one of the three largest commercial television networks nationwide, entered voluntary administration as its two largest shareholders refused to extend the company's credit facility. The network was put on sale after failing to secure financial backing from its billionaire shareholders Lachlan Murdoch, Bruce Gordon and James Packer. In July, the Australian Competition and Consumer Commission (ACCC) confirmed that the company had received a takeover bid from Murdoch and Gordon (Chau, 2017). Before the takeover bid, Murdoch, Gordon and Packer each owned a 30 percent stake in the company. Additionally, Australian cable television company Foxtel held 14 percent of the Ten Network's shares. In August, multibillion television network company CBS Corporation, worth US$28 billion, announced that it was buying Ten. CBS stated that the "acquisition not only presents CBS with considerable broadcasting opportunities in Australia but also allows for further multi-platform distribution and growth" (CBS Corporation, 2017). CBS owns "one of the world's largest libraries of entertainment content", and its operations "span virtually every field of media and entertainment, including cable, publishing, radio, local TV, film, and interactive and socially responsible media" (CBS Corporation, 2017). However, the takeover deal was challenged in court by Rupert Murdoch's 20th Century Fox, Lachlan Murdoch and fellow media baron

Bruce Gordon in September (Davies, 2017). In November, the CBS takeover was confirmed by the Supreme Court. In August, another broadcasting deal in Australia was announced. Telstra and News Corp announced that they were combining their pay television companies Foxtel and Fox Sports Australia to form a new pay television and entertainment company. The owners aim to complete the deal in the first half of 2018 depending on regulatory approval. News Corp will own 65 percent of the new company's shares, with Telstra taking the remaining 35 percent (Mitchell, 2017).

2. New Zealand media ownership and market structure

In 2017, ownership of the leading commercial news companies in New Zealand remained unchanged, and they continued to be owned by financial shareholders. The Commerce Commission denied further ownership consolidation in the media market by ruling against Sky TV & Vodafone and NZME-Fairfax mergers. Sky TV and Vodafone canceled their merger ambitions in June after the commission's ruling. In contrast, NZME and Fairfax confirmed in May that they would appeal the commission's decision and take it to the High Court. The ten-day High Court hearing started in Wellington on October 16. At the time of writing the decision was pending, and it was not clear what the outcome may be. In a meanwhile, the New Zealand media market remained relatively competitive.

However, beyond the largest companies, there was a considerable shift in the pattern of New Zealand media ownership in 2017. For the first time in seven years, the number of privately and independently owned media outlets exceeded the number of publicly (shareholder) and Crown owned companies (see table 2). The privately/independently owned companies included Allied Press, Bauer Media, BusinessDesk, MediaWorks, NBR, Newsroom, The Spinoff and Scoop (owned by a foundation). The launch of Newsroom in March 2017 expanded the digital news market. However, the print newspaper market remained in difficulty and a number of regional newspapers cut publication dates (see more below). In 2017, NZME remained a publicly owned company, listed on the New Zealand stock market (NZX). Its main brands included *The New Zealand Herald,* Newstalk ZB and The Hits, and additionally it owned the group buying site GrabOne. In November, the company launched a new jobs platform called YUDU. According to NZME, it reaches “more than 3.3 million New Zealanders” and “approximately 82% of New Zealanders read, watch, listen to, or otherwise engage with NZME’s brands” (NZME, 2017a).

Stuff was also headquartered in Auckland. In August, Fairfax Media renamed its New Zealand operations Stuff – using the name of its leading online site in New Zealand with the reach of 3.5 million New Zealanders. Other main brands of the company include *The Dominion Post*, *Press,* Neighbourly and Stuff Fibre. In November, Fairfax bought the rest of the shares in Neighbourly. Accompanying the name change, Fairfax group executive editor Sinead Boucher was named as the new chief executive officer of Stuff. As mentioned, Stuff is part of Australian Fairfax Media, which is publicly owned and listed in the Australian stock market (ASX). It is mainly owned by financial shareholders (financial institutions). Bauer Media is a privately owned, global media conglomerate, headquartered in Germany. MediaWorks, based in Auckland, is privately owned by the American investment management firm Oaktree Capital.

Table 2: Major media companies in New Zealand in 2017

Company	Ownership	Funding	Most important NZ assets
Allied press	Private	Commercial	*The Otago Daily Times*
Bauer Media	Private	Commercial	*Metro, The Listener, North & South, The New Zealand Women's Weekly, Noted.co.nz, Paperboy*
BusinessDesk	Private	Commercial	BusinessDesk
Coliseum Sports Media	Private	Commercial	Coliseum Sports Media
Stuff	Public, shareholders	Commercial	*The Dominion Post*, *The Press, Stuff,* Neighbourly
MediaWorks	Private	Commercial	TV3, Bravo, TV3plus1, 3NOW On Demand, 3news.co.nz, The Edge TV, The Edge, RadioLIVE, The Breeze
Maori TV	Crown owned	Public	Maori Television Channel, Te Reo Channel
NBR	Private	Commercial	*The National Business Review,* NBR radio, *nbr.co.nz*
Newsroom	Private	Commercial	Newsroom.co.nz, Newsroom Pro
NZME	Public, shareholders	Commercial	*The New Zealand Herald*, The Radio Network, GrabOne
RNZ	Crown owned	Public	Radio New Zealand National, Radio New Zealand Concert, *thewireless.co.nz*
Sky TV	Public, shareholders	Commercial	Sky TV, My Sky, Prime, Igloo, Neon, Fan Pass
TVNZ	Crown	Commercial	TV ONE, TV2, TV ONE plus 1, TV2+1, TVNZ Ondemand, ONENews.co.nz
Scoop	Foundation	Commercial	*scoop.co.nz*
The Spinoff	Private	Commercial	The Spinoff

In 2017, there were three Crown-owned companies: Television New Zealand (TVNZ), Radio New Zealand (RNZ), and Maori Television. TVNZ is owned by the state, but it is commercially funded with no public service obligation. Approximately 95 percent of its operations are funded by advertising, and its primary mandate is to pay a dividend to the New Zealand government.

RNZ is the only advertising free public interest broadcaster in New Zealand. In 2016, the Radio New Zealand Amendment Bill was passed in Parliament, and the RNZ Charter was updated to reflect the broadcaster's commercial capacity. The charter states that RNZ continues to provide services commercial free, but it can also enhance its funding by collaboration and partnerships. In 2017, RNZ had multiple content partnerships with other media outlets including Bauer Media and Fairfax. Maori Television, also funded by the government, is specifically required to revitalise the Maori language.

Print and online news outlets

Print market

In 2017, NZME and Fairfax continued to have a duopoly control over the New Zealand print newspaper market, and they dominated online news market. The combined market share of Fairfax and NZME newspapers was 89.3 percent (of which Fairfax's market share was 45.9 percent and NZME's 43.4 percent). Allied Press had an 8.4 percent market share (Molineaux et al., 2016). The two companies leading weekday newspapers included *The New Zealand Herald*

(NZME), *The Dominion Post* (Fairfax), *The Press* (Fairfax) and the *Otago Daily Times* (Allied Press). In 2017, both NZME and Fairfax Media reported declines in print revenue and growth in digital revenue. In the first half of 2017, NZME profit fell 87 percent to $7.8 million from the first half of 2016. The drop was partly due to the cost of the company's separation from Australian APN News and Media. In the first half of 2017, NZME's revenue fell three percent to $189 million from the same period in 2016. Earnings from the print papers declined four percent, but the digital revenue increased 20 percent (from 2016 to 2017 for the same six months) (NZME, 2017b). NZME chief executive Michael Boggs commented that "digital is obviously a key revenue growing stream for us", but said that print remained an important part of NZME's business because "the print pays a lot of the bills today" (Gray, 2017). In August, Fairfax reported that its full year revenue for the financial year 2017 had declined 4.8 percent to A$1.7 billion from the previous year. The company made an A$84 million profit compared to an A$773 million loss in 2016 (Fairfax Media, 2017c). Fairfax chief executive managing director Greg Hywood declared that "Fairfax is in great shape. We have delivered strong value for shareholders through growth and transformation initiatives" (Fairfax Media, 2017c).

Fairfax New Zealand revenue was down seven percent: digital revenue grew 29 percent, but circulation revenue declined five percent. Hywood said that "our New Zealand business has the tremendous digital growth platform of *Stuff* at its core" (Fairfax Media, 2017c). Nevertheless, in September the company warned investors that the revenue from its Australian metropolitan newspapers was down 11 percent compared to June 2017.

Table 3: Print & online readership and circulation in 2017

Publication	**Readership/ audience size**	**% change from previous year**	**Circulation (30/06/2017)**	**%change from previous year**
The New Zealand Herald	1,674,000	-1.2%	118,845	-7.6%
The Dominion Post	488,000	-7.4%	49,471	-10.6%
Sunday Star Times	378,000	-7.8%	80,404	-15.5%
The Press	372,000	-0.3%	49,972	-10%
Waikato Times	215,000	+4.9%	19,591	-11.7%
Otago Daily Times	195,000	+3.2%	32,890	-4.1%
Bay of Plenty Times	158,000	+10.5%	12,092	-11.4%
Hawkes Bay Today	130,000	+6.6%	17,740	-5.6%
Northern Advocate	124,000	+2.5%	11,083	-5.3%
Sunday News	123,000	+32.3%	17,343	-20.1%

Sources: ABC, Roy Morgan Research

In New Zealand, revenue from Stuff (formerly Fairfax New Zealand Media) was down ten percent (Fairfax Media, 2017d). However, Fairfax's digital real estate listing service Domain saw total revenue growing 13 percent and digital revenue 22 percent from June to September 2017 (Fairfax Media, 2017d).

Figures from the New Zealand audit bureau ABC show that in the first six months of 2017 the circulation of major newspapers fell from the previous year. As seen in table 3, *The Dominion Post* circulation fell 10.6 percent, *The Press* 10 percent and *The New Zealand Herald* 7.5 percent (ABC, 2017). According to Roy Morgan readership results, *The New Zealand Herald, The Dominion Post* and *The Press* lost readers in the 12 months to June 2017, and they also lost print subscriptions (Roy Morgan, 2017a, ABC). However, *The New Zealand Herald* continued to dominate the market with 1,674,000 readers in print and online. Regional newspapers such as the *Otago Daily Times, Waikato Times, Bay of Plenty Times, Hawkes Bay Today* and *Northern Advocate* gained readers. Also, Fairfax's *Sunday News* had 32 percent more readers in June 2017 compared to same time in 2016 (Roy Morgan, 2017a).

Bauer Media dominated circulation in the New Zealand magazine market: *New Zealand Women's Day* had 339,000 readers, *The Listener* 246,000, *New Zealand Woman's Weekly* 169,000 and *North & South* 134,000. *The New Zealand*

Herald's inserted magazine *Canvas* had 307,000 readers whereas *Sunday Star-Times's* the *Sunday Magazine* had an audience of 281,000 (Roy Morgan, 2017a).

In March, the *Marlborough Express* faced the biggest shakeup in its 150-year history when publication dates were cut to three from seven (Read, 2017). Fairfax, the owner of the paper, was seeking to cut two jobs but said that it would maintain "10.5 editorial staff in the region" (Read, 2017). Sinead Boucher, Fairfax group executive editor at the time, commented that "media organisations the world over are having to rethink the sustainability of their local newspaper models" (Read, 2017). In June, Fairfax announced that the *Nelson Mail* was dropping its Tuesday and Thursday editions, costing "fewer than four full time jobs" (Pullar-Strecker, 2017a). Additionally, the company announced that its weekday papers would move to compact size in mid-2018. In October, Fairfax Media was planning to cut 11 regional sports and racing reporters (E tu, 2017). E tu's industry coordinator communications Joe Gallagher said that the move was "another step towards the dismantling of professional regional journalism" (E tu, 2017). He added that:

> It's another nail in the coffin of quality journalism with the loss of good jobs as well as professional reporting standards which best serve local communities. It's an abandonment of the regions where sport is an incredibly important part of life, and it's a major blow to keeping these communities informed (E tu, 2017).

September also marked the end for a twice-weekly 32-year-old Auckland print newspaper *The Auckland City Harbour News.* Fairfax announced that the paper, which was delivered to 20,000 houses, was moving to digital-only. Fairfax national communities editor Jeremy Rees noted that the print paper was "no longer commercially viable" and that there was "not enough advertising to cover the printing production, delivery, journalists and advertising staff" ("30-year-old Auckland newspaper to stop press", 2017). Rees said that many of Fairfax's suburban and rural papers were still "well-loved with a long runway ahead" because "there are a lot of people who still want to read local news" ("30-year-old Auckland newspaper to stop press", 2017). However, he confirmed that its three bi-weekly newspapers the *Central Leader*, the *East Bays Courier* and the *Eastern Courier* would become weekly papers from the beginning of October ("30-year-old Auckland newspaper to stop press", 2017).

Digital news sites

In 2017, most of the digital news sites in New Zealand were free for anyone to access. Of the main news outlets, the *National Business Review* and *The Otago Daily Times* had introduced digital subscriptions, paywalls. Newsroom's Pro service, which reports on government and business, also required a subscription. Additionally, Scoop had a license fee for organisations. In 2017, multiple digital sites introduced PressPatron tool – developed in New Zealand – which enables voluntary donations for the websites. The sites using PressPatron for crowdfunding included Newsroom, The Spinoff and Scoop as well as blogs such as *Public Address*, *Villainesse*, *Pundit* and *Bill Bennett*.

In 2017, NZME and Fairfax continued to dominate online news. According to the web analytics firm SimilarWeb, *Stuff* was New Zealand's sixth most visited website whereas *nzherald.co.nz* was ranked as number ten and TVNZ as number 26. The data from SimilarWeb shows that from May to July 2017, *Stuff* was the leading online news site with 87 million total visits (table 4).
The *nz.herald.co.nz* had 63 million total visits during the same period. The combined audience, measured by the total visits, for *Stuff* and *nzherald.co.nz* was 150 million compared to the combined total of 32.4 million total visits for TVNZ, Newshub, The Spinoff and Newsroom (SimilarWeb, 2017). The two dominant sites had almost five times more visits than the other competitors mentioned here.

Table 4: New sites total visits May-July 2017

Website	Total visits (May to July 2017)
Stuff	87 million
Nzherald.co.nz	63 million
TVNZ	19.4 million
Newshub	8.7 million
The Spinoff	3.7 million
Newsroom	605,817

Source: SimilarWeb, 2017

According to RNZ chief executive officer Paul Thompson, the broadcaster's online growth has been strong. In July 2017, the site had 8.1 million page views (up 31%) and 1.8 million users (up 33%). Digital-only news site *Scoop.co.nz* reached "more than 500,000 readers per month" (Scoop, 2017). *Interest.co.nz,* which is privately owned by the limited company JDJL Limited, is the "market-leading resource for interest-rate comparatives" in New Zealand, and it has become a "key source of research on banks and other financial institutions" (interest.co.nz, 2017). The online site offers news and news commentary on financial issues and declares that it is "completely independent of every financial institution and adviser group on the market" (interest.co.nz, 2017). The sites managing editor is Gareth Vaughan and it has five other reporters and editors. Another niche media company is The Health Media, which runs the *nzdoctor.co.nz* website. In 2016, *NZ Doctor's* managing editor Barbara Fountain won the Editorial Leader of the Year at the Canon Media Awards. Another online site worth mentioning is *Politik*; a subscription based website run by experienced political journalist Richard Harman. According to the site, it is "New Zealand's best informed independent political news site that's read every day in the Beehive, by MPs, by CEOs, by lobbyists – and even by former Prime Ministers" (Politik, 2017). The public can read three stories a month for free after which the readers are required to pay $15.50 a month for its content.

Independents

In 2017, New Zealand had multiple independently owned media outlets of which most delivered content on digital platforms. These media outlets provided at least some news and current affairs content.

They include

- National Business Review, financial newspaper group
- Allied Press, regional newspaper group
- Scoop, independent news website
- BusinessDesk, newswire service
- The Spinoff, digital-only media outlet
- Newsroom, digital-only news site

The *National Business Review* (*NBR*) is the only business newspaper in New Zealand, and it is mainly published in a digital format. In 2012, publisher Todd Scott bought the paper from its previous owner Barry Colman. In 2017, the newspaper employed 20 full time and part time journalists. The print version of the newspaper is published only once a week, but the digital *nbr.co.nz* is updated regularly. In March 2017, print circulation for the weekly paper was 5,175 (a 11.3% drop from the same time on the previous year). However, by August 2017, the *NBR* online had gained 5,000 individual subscribers and it had 28,767 people who subscribed to "at least one of our free email alerts" (Keall, 2017). The site was also supported by "hundreds of organisations with IP (office-wide) subscriptions, from corporates like Fonterra to the big law firms and accounting shops to large government departments and universities" (Keall, 2017). Scott argues that people are now ready to pay for the quality journalism: "Today, people are aware that advertising, click-driven models encourage churnalism. People won't renew their sub unless the *NBR* is producing news they can use" (Keall, 2017). NBR has expanded its operations to radio, and more recently to video. In 2017, the publisher launched NBR View to offer video content, and it has engaged TVNZ's newsreader Simon Dallow, award-winning broadcaster Susan Wood and Prime News anchor Eric Young to deliver it.

Scoop is an independent news website, and its operations are mainly funded by subscription and licensing revenue. The site focuses on "publishing important political and local content rather than clickbait" (Scoop, 2017). Corporations and organisations pay a licensing fee for using its website and services. Scoop has over 100 organisations paying a license fee and these include government departments, law firms, universities and corporations (Scoop, 2017). Scoop Publishing Limited operates the news website, and it is wholly owned by the non-profit charitable trust, Scoop Foundation for Public Interest Journalism. Its editorial team consists of two co-editors, a political editor, a news editor and an arts editor (Scoop, 2017).

Allied Press is an independent, Otago-owned media company, which employs more than 400 people. Its leading newspaper is the *Otago Daily Times,* founded in 1861. The company launched digital subscriptions for the *Otago Daily Times* in 2016. The publisher also holds a majority interest in the *Greymouth Evening*

Star and has a range of community and farming newspapers throughout the South Island including *North Canterbury News, The Ashburton Courier*, *The Timaru Courier*, *The Oamaru Mail*, *The News*, *The Mountain Scene*, *The Star* and *The Ensign*. Additionally, the company has a television station in Dunedin, Chanel 39, which is the only local television provider in the area. Allied Press has an agreement with NZME to source news from NZME's news service, and it contributes reports and funding for this service (Allied Press, 2016).

Wellington-based BusinessDesk, established in 2008, is jointly owned by journalists Jonathan Underhill, Pattrick Smellie and Paul McBeth. It employs six journalists. The company's strategy is based on a news wire model, and its operations are mainly funded by wholesale, retail and corporate subscriptions. According to co-owner Pattrick Smellie, BusinessDesk is currently seeking ways to diversify its revenue streams as the media environment rapidly evolves.

The Spinoff is a digital-only media outlet, "an online magazine and content creation studio working across text, audio and video" (Duncan Greive, personal communication, August 17, 2017). The Spinoff regards itself as "the fastest growing media startup, amassing a monthly New Zealand audience of over 500,000 in less than three years" (The Spinoff, 2017). The site has been nominated for 24 Canon journalism awards, and has won six of them. The Spinoff is owned by Greive, who is also editor/publisher of the site, his wife and five of its employees and long-term contractors. The digital-only media outlet has 22 employees working either full or part-time. Roughly 50 percent of its operations are funded by corporate sponsorships and memberships (Duncan Greive, personal communication, August 17, 2017). Its sponsors include telecommunications company Spark and its video streaming service Lightbox, Heart of the City (Auckland guide), Bigpipe (gaming company), Auckland University of Technology, MBM (media agency), Unity Books, Flick (electricity startup), MacDiarmid Institute (research institute) and Callaghan Innovation (government agency). Greive admits that launching a new digital-only media outlet has been hard work and "exhausting" and "exhilarating" at the same time, but the publisher finds that "there is a large, curious audience willing to try new media" (Duncan Greive, personal communication, August 17, 2017). He says that business and NGO's are "ready and willing to try and support" new media if you can prove "reliability and traction" (Duncan Greive, personal communication, August 17, 2017).

"The talent is amazing, and there is a large, curious audience willing to try new media."

Duncan Greive

The Spinoff

In March 2017, Tim Murphy - former chief editor of the *New Zealand Herald* - and Mark Jennings - former head of news at TV3 - launched their digital-only news and current affairs site Newsroom. It is mainly owned by Murphy and

Jennings; additionally Bernard Hickey owns 12.6 percent, Mel Reid eight percent, Craig and Selwyn Pellett three percent and "an early individual investor" 2.5 percent of the company. The outlet employs 11 full-time and two half-time staff members (Tim Murphy, personal communication, August 14, 2017). The new media outlet has an Auckland based public site *newsroom.co.nz* which is freely and publicly available. Its Newsroom Pro service is a paid subscription service for corporations and organisations, and it is based in Wellington and headed by Bernard Hickey. According to the Newsroom website, it delivers "in-depth storytelling for thinking audiences with an interest in the people, progress, and democracy of Aotearoa" and its journalism aims to produce content that sets "the national news agenda and inform(s) intelligent conversations at every level of New Zealand life" (Newsroom, 2017). Newsroom's operations are 60 percent funded by foundation supporters, 20 percent by subscriptions to Newsroom Pro and 20 percent by shareholders (Tim Murphy, personal communication, August 14, 2017). Major sponsors of Newsroom operations include Holden (car manufacturing), Kiwibank, Chorus (a telecommunications infrastructure company), Bell Gully (law firm), Victoria University and Auckland University. Murphy comments that entering the New Zealand media market as a newcomer

> "We have let our journalism be the biggest awareness raiser and selling point for Newsroom."
>
> Tim Murphy
>
> Co-editor, Newsroom

was challenging for the new venture. It needed to "demonstrate to potential supporters and subscribers what Newsroom will offer, what our point of difference is and that we can indeed be a sustainable and profitable journalism venture" (Tim Murphy, personal communication, August 14, 2017). However, he admits that the media outlet has had the advantage of experienced journalistic staff: "It would be markedly more difficult to establish a new news service without that starting point of experience and profile" (Tim Murphy, personal communication, August 14, 2017). He notes that the content sharing trial with *Stuff* has helped Newsroom to build awareness – although not much traffic or revenue – and this has been "priceless" (Tim Murphy, personal communication, August 14, 2017).

Ethnic media

New Zealand has multiple ethnic media outlets which are not well known to the public. Creative NZ, Arts Council of New Zealand, has produced a fact sheet outlining main ethnic media outlets in the country. According to the council, there are 21 Iwi stations, multiple print publications such *Mana* magazine, and one Freeview television station, Maori TV, to serve Maori communities (Creative NZ, n.d.). In October 2014, NZME launched the first Maori newspaper in the mainstream media in collaboration with the *Rotorua Daily Post*. The editors Kereama Wright and Marisa Balle put out the first issue of the monthly

Māngai Nui, in November 2014. Pasifika communities are "well catered" with multiple radio stations and five main print publications, however, there is no Pasifika specific television channel in New Zealand (Creative NZ, n.d.). The Indian population is served by three main radio stations, seven print publications, one Freeview channel and two subscription channels (Creative NZ, n.d.). One of the best known Indian publication *The Indian Weekender* is the "first weekend publication that is targeted at the 120,000-strong ethnic Indian readership" (The Indian Weekender, 2017). According to the paper, its online edition is "increasingly being accessed by readers in Fiji, Australia, India, The US, the UK, Canada, Singapore and Malaysia" (The Indian Weekender, 2017). The weekend publication is published by Kiwi Media Publishing Ltd, and its publisher is Bhav Dhillon. According to the company's media kit, the paper has a circulation of 15,000, and an approximate weekly readership of 60,000 (The Indian Weekender, 2017). New Zealand also has specific media for Filipino and Korean audiences: there is one radio station for Filipino communities, one print publication twice monthly and one paid television channel on the Sky platform. Additionally, there are five print publications for Korean communities and two subscription channels on the Sky platform. There are also three main television channels in Mandarin and Cantonese, multiple print publications, three Freeview stations and eight subscription channels to keep Chinese audiences informed (Creative NZ, n.d.). In 2016, NZME launched a new website with the *Chinese Herald* which is targeted at Chinese readers. The *Chinese Herald* was established in 1994, and has a circulation of 10,000. It is published in Auckland four times a week (Ethnic Media Information New Zealand, n.d.). In September, professor Anne-Mary Brady from the University of Canterbury, presented a paper at the "The corrosion of democracy under China's global influence" at a conference in Virginia, the United States, about the Chinese influence in New Zealand under President Xi Jinping. In her paper, Brady argues that "in the space of a few years, New Zealand's Chinese language mass media has gone from being an independent, localized, ethnic language medium to an outlet of China's official messaging" (Brady, p.35). She notes that New Zealand's local Chinese language media platforms had content co-operation agreements with Xinhua News Service and received their China-related news from Xinhua which is controlled by the People's Republic of China (Brady, p.35).

Blogs

In 2017, some of the most well-known blogs and blogging platforms included *PublicAddress* (which features Russell Brown's *Hard News* amongst others); Lizzy Marvelly's *Villainesse*; Martyn Bradbury's *The Daily Blog*; David Farrar's *Kiwiblog;* Cameron Slater's *Whale Oil*; *The Standard*, *The Dim-Post*, Chris Trotter's *Bowalley Road* and *Bill Bennett. Villainesse* won the best blog award at the Canon Media Awards, other nominations included *PublicAddress* and *The Spinoff Parents*. Judges Toby Manhire and Bill Ralston commented that "*Villainesse* stands out for its strong feminist voice, excellent graphic presentation and a good sense of what is in the news" (Canon Media Awards, 2017).

In 2017, bloggers - not so much the blogs themselves - were in the spotlight for various reasons. In August, *The Daily Blog's* Martyn Bradbury revealed that the police had unlawfully accessed his private banking information as they searched for the hacker behind Nicky Hager's' *Dirty Politics* book. In an article written by the investigative journalist David Fisher, Bradbury detailed how the police actions lead his bank to deny him credit (Fisher, 2017).

In 2017, Conservative Party leader Colin Craig sued *Whale Oil* blogger Cameron Slater for defamation. Slater then countersued Craig. In June, a High Court judge reserved his decision in the defamation case. In October, Slater, public relations professional Carrick Graham and former MP Katherine Rich failed in a court bid to knock out a defamation claim by three health experts ("Whale Oil blogger, former MP, and PR specialist could face jury", 2017). Slater was accused by Dr Doug Sellman and two other health academics Boyd Swinburn and Shane Bradbrook of defaming them in a series of posts on his site. Their action was prompted by revelations in Nicky Hager's 2011 book Dirty Politics. The High Court did not strike out the case, and said the defamation action could yet proceed to a jury trial ("Whale Oil blogger, former MP, and PR specialist could face jury", 2017). In August 2017, Nicky Hager observed that the *Whale Oil* blog, which "not long ago [was] so influential, is now "diminished" (Hager, 2017). He noted that **"**there is hardly a single journalist left who would take stories off the dirty politics bloggers. Cameron Slater and the *Whale Oil* blog still exist, but they have shrunk back to the margins of politics" (Hager, 2017).

Television, on demand and streaming

Commercial television broadcasters

In 2017, commercial broadcasters were clearly facing financial challenges. The Crown owned TVNZ reported an 89 percent drop in its profit, Sky TV lost 33,880 satellite subscribers, and MediaWorks reported a substantial loss in the financial year ending December 2016. A Treasury report from February 2017 warned the government that if the advertising revenue of TVNZ continued to shrink, the commercial broadcaster would "need a Crown lifeline" (McBeth, 2017a). The report suggested that the sale of TVNZ would "potentially deliver the highest value commercial option" (McBeth, 2017a).

The ownership structures of the broadcasting companies remained unchanged after Sky TV and Vodafone abandoned their merger following the Commerce Commission's ruling (more about the merger below).

Crown owned TVNZ is a national television broadcaster, mainly funded by advertising revenue. It operates six channels including two main channels and two plus channels. Its main channels are TVNZ 1 and TVNZ 2, and its flagship news programme is 1 News. The broadcaster has live-streaming on TVNZ 1, TVNZ 2 and Duke, and a video streaming service on TVNZ OnDemand. Additionally, it has an entertainment focused TVNZ.co.nz and 1 News NOW news sites. TVNZ chief executive Kevin Kenrick says that in 2017 the broadcaster "exceeded its goal of engaging 2 million New Zealanders per day with peak audience TV share reaching a multi-year high and TVNZ OnDemand delivering double-digit growth in audience reach" (TVNZ, 2017a). In 2017, TVNZ cut jobs and announced a sharp decline – drop of 89 percent - in its profit from the previous year (largely because of a $12 million loss from its content output agreement with Disney). In 2017, TVNZ's after tax next profit was $1.4 million. From 2016 to 2017, its revenue declined 2.5 percent to $316.5 million, but it managed to offset a drop in television advertising by "increasing online revenue" (TVNZ, 2017b). The broadcaster cut one million dollars off its costs. These included "the increased costs of organisation restructuring" (TVNZ, 2017b). In April TVNZ confirmed that it was cutting "less than 10 jobs across the news team" (Cook, 2017). Head of news John Gillespie indicated that there "could be more [job losses] to come" (Cook, 2017).

Sky TV broadcasts live sports and offers pay television services via its own platform and Igloo, general video-on-demand services, subscription video-on-demand via NEON, and over the top services via Fan Pass and SKYGo. FanPass offers its users passes to view premium sports content, and SKYGo enables its satellite customers to stream a selection of Sky's linear channels and view content on-demand. Additionally, Sky owns free-to-air TV channel Prime.

In August 2017, Sky TV announced that its annual profit had dropped 21 percent from the previous year to $116 million, and that its revenue had declined 3.7 percent over the same period to $894 million (Sky TV, 2017a). The company lost 33,800 subscribers, but because NEON and Fan Pass gained customers, the net loss was 27,897 subscribers. At the end of the 2017 financial year, the total number of Sky TV subscribers was 824,782. In a note to the company's shareholders, chief executive officer John Fellet declared "piracy has become our biggest competitor" (Jennings, 2017a). He noted that because other media companies use clips of Sky Sport content, they get the rewards without paying for the production costs: "these sites clip highlights of key sporting events and put them online within minutes of them happening, almost always with ads (for which they receive revenue) wrapped around them" (Jennings, 2017a). In his note, Fellet did not mention the other media companies he was referring to, but Sky TV has taken TVNZ, Stuff and NZME to the High Court.

MediaWorks, which is privately owned by the investment management company Oaktree Capital, owns nationwide television brands and half of the country's commercial radio stations. In 2017, the company continued its rebranding which started in 2015. Two years ago, MediaWorks renamed its news outlets Newshub; a multiplatform service covering television, radio and digital news services. In 2017, the company announced that TV3 was rebranded as Three. On its website, MediaWorks lists Newshub, The AM Show (radio), The Project (TV) and Radio Live under the "news and current affairs" brands, but channel Three (TV) and Three Now (ondemand) are listed under the music and entertainment brands together with Bravo and programmes such and Jono and Ben. MediaWorks chief commercial officer Glen Kyne commented that "if the Three rebrand contributes to bringing more audience into that, then that's a very a good story for MediaWorks and makes my job a lot easier" (Junn, 2017).

MediaWorks, like TVNZ and Sky TV, reported falling revenue and profit. For the financial year 2016, its television and radio business made an operating loss of $15 million ("MediaWorks reports loss after 'destablising year'", 2017). In a financial year ending in 2017, its revenue from television operations fell $16.7 million to $130 million, and digital revenue also declined. Michael Anderson, who took the helm at MediaWorks after Mark Weldon's departure, noted that the year 2016 was a "destabilising" one for the company ("MediaWorks reports loss after 'destablising year'", 2017). Anderson noted that the company had suffered "internal disruption" as key broadcasters and managers were lost: "we gave away more share than we should have but we didn't have a clear focus – we do now" ("MediaWorks reports loss after 'destablising year'", 2017).

Streaming video on-demand services

In 2017, competition in the streaming video on-demand (SVOD) market became fiercer as more New Zealanders signed up for these services. There were multiple companies offering streaming video on-demand including Amazon's Prime Video, Netflix, Lightbox, Quickflix, NEON, Coliseum Sports Media and the broadcasters' own video services such as TVNZ OnDemand and ThreeNow. In February telecommunications company Spark signed a partnership with Netflix (even though the service competes with its own Lightbox). Spark gives its customers free access to Netflix standard services if they sign a two-year broadband contract with it. Jason Paris, chief executive for Spark's home mobile and business services, commented that "we already see the popularity of Netflix in New Zealand - around a third of the data over our broadband network on an average evening is customers streaming Netflix and Lightbox" (Spark, 2017). In August, another new partnership was announced. The All Blacks signed a partnership with Amazon's Prime video on-demand service; the team will feature in an eight-part documentary series. The deal is “New Zealand Rugby’s first with a major international pay streaming platform” (Greive, 2017). New Zealand Rugby has had a long partnership with Sky TV and the management of the organisation denies that the deal with Amazon Prime signals end of its relationship with Sky TV.

The latest Roy Morgan survey shows that nearly two in five Kiwis have subscribed to a streaming video on-demand service, and that one in ten has at least two subscriptions to these services. At the end of 2016, 1.1 million New Zealanders had a subscription to Netflix (a 56 percent growth from 2015) (Roy Morgan, 2017b). However, Spark’s Lightbox was the fastest growing service provider as it “more than doubled” its customer base from 285,000 in 2015 to 630,000” in 2016 (Roy Morgan, 2017b). The combined customer base of NEON and Quickflix was 337,000. Roy Morgan’s industry communications director Norman Morris said that “Neon and Quickflix remain well behind Netflix and Lightbox. Currently, fewer than 150,000 Kiwis have a home subscription to either of the two smaller providers, and most subscribers also have Netflix or Lightbox” (Roy Morgan, 2017b).

Another survey by researcher Andrew Zhu, based on responses from 1,003 New Zealand adults, shows that YouTube is the most accessed video streaming site (72%) followed by Netflix (32%). Almost 52 percent of respondents used TVNZ OnDemand and 26 percent ThreeNow (Tait, 2017). According to TVNZ, in the first half of the financial year 2017, it had 81 million total streams with 1 NEWS increasing its streaming by 37 percent and TVNZ OnDemand by 24 percent from the first half of 2016 (TVNZ, 2017c). MediaWorks states that it "is the number one premium video publisher in New Zealand with over 55 million streams a month across the network" which is at odds with TVNZ Numbers (MediaWorks, 2017a).

Public interest television

Maori Television, funded by the government, is "New Zealand's indigenous broadcaster, providing a wide range of local and international programmes for audiences across the country and online" (Maori TV, 2017a). In 2017, the network moved from Newmarket to East Tamaki Road. Maori TV had a turbulent period from 2014 to 2017 under Paora Maxwell's management – many talented staff left Maori TV during his time as chief executive officer. In May 2017, Maxwell himself left and stated that: "this has been a difficult decision but changing family and business circumstances has led to the need to dedicate my time to other commitments" (Maori TV, 2017b). Some of his critics noted that Maxwell's departure would be "hopefully a new dawn" for the broadcaster (Haunui-Thompson & Forbes, 2017). Labour's Maori broadcasting spokesperson Peeni Henare commented that Maxwell's resignation gave the broadcaster "an opportunity to focus" (Haunui-Thompson & Forbers, 2017).

Like other New Zealand media news companies (see above), Maori TV also formed an alliance with Fairfax's *Stuff* website. Maxwell commented that the partnership "opens a new window to the Maori world", and that because *Stuff* reaches "more than two million New Zealanders every month", the alliance gives its news and current affairs content "a great exposure" (Maori TV, 2017c).

Radio broadcasting

Commercial radio

In 2017, NZME and MediaWorks continued their duopoly in the commercial radio market. NZME's radio brands include Newstalk ZB, Radio Sport, iHeart Radio, The Hits, ZM, Coast, Flava. MediaWorks brands include Mai, The Edge, George FM, The Rock FM, More FM, The Sound, The Breeze, RadioLIVE, Magic and rova. GfK, the company that provides official radio rankings in New Zealand, noted in July that "more than 80% of New Zealanders aged 10+ listen to commercial radio each week" (GfK, 2017a). It also observed that "commercial radio continues to thrive" (GfK, 2017a). Every time GfK releases its radio ratings, both NZME and MediaWorks declare themselves as winners. As Newsroom's co-editor Tim Murphy puts it: "No matter what happens, win, lose or collapse – everyone's a winner, baby" (Murphy, 2017). The GfK 2017 radio survey shows that the top ten stations (nationwide), ranked in the 10+ age group, were MediaWorks' The Edge, Breeze, More FM, The Rock, The Sound and Mai FM had a total station share of 42.4 percent. NZME's radio stations in the same category had a total station share of 29.5 percent (see table 5). The total station share is the percentage share that each commercial station has of the total commercial listening from Monday midday to Sunday midday (GfK, 2017a).

Table 5: Radio rankings and total station share*

All people 10+	Reach	Rank	Station share
The Edge	647,200	1	7.5%
Breeze	521,600	2	8.2%
More FM	513,800	3	7.3%
Newstalk ZB	502,300	4	10.3%
ZM	486,800	5	6.4%
The Rock	428,000	6	7.9%
Coast	412,900	7	7.5%
Mai FM	401,500	8	5.4%
The Hits	395,100	9	5.3%
The Sound	338,000	10	6.4%

Source: GfK, 2017

NZME observed that its radio “continues to grow and now has over two million listeners” (NZME, 2017a). Its chief commercial officer Laura Maxwell pointed out that while MediaWorks “went backward”, NZME’s radio is “on a roll with 54,500 new listeners, reaching 60% of all radio listeners” (NZME, 2017a). NZME managing editor Shayne Currie said that Newstalk ZB continued its dominance: “we’ve again retained the number one crown, while the Mike Hosking Breakfast is the biggest breakfast show in the country" (NZME, 2017a). NZME’s iHeart radio app, launched in January 2017, had over 250,000 downloads (NZME, 2017b). In the first half of 2017, NZME’s radio and “experiential” revenue fell six percent to $26 million from the same period in 2016. NZME chief executive Michael Boggs noted that the company’s radio saw “a positive momentum change in survey results, reflecting operational initiatives to grow our audience and revenue” (NZME, 2017b).

In contrast, MediaWorks declared that it had remained “the number one commercial radio network” and that it had gained popularity by reaching “2,274,600 listeners every week across its nine radio brands” (MediaWorks, 2017b). It also stated that in the key 25-54 commercial demographic, the broadcaster’s 55.2 percent commercial share was “beating its nearest competitor by 22 percentage points” (MediaWorks, 2017b). Additionally, it argued that in the “critical” breakfast timeslot, it had 1,514,300 listeners which “equates to over 60% of total commercial listeners” (MediaWorks, 2017b). In January 2017, MediaWorks launched rova, a new digital audio streaming platform, and by

June 2017, it had 160,000 app downloads, 145,000 app users and close to 800,000 streams (MediaWorks, 2017b). In the last financial year, MediaWorks's radio revenue dropped slightly to $157 million. Michael Anderson, CEO of MediaWorks, said that radio remained "a key part of our media mix" (GfK, 2017a). The GfK radio survey in September 2017 revealed that 3.36 million New Zealanders – more than 80 percent of those over 10+ - listened to commercial radio stations weekly (GfK, 2017b). In a press release, Radio Broadcasters Association chief executive officer Jana Rangooni said that the third survey of the year "shows growth in commercial radio audiences across New Zealand" (GfK, 2017b).

Public service radio

RNZ (Radio New Zealand) is the only public interest broadcaster in New Zealand. In the 2017 budget, the government committed $11.4 million to fund RNZ operations over the next four years. The funding increase followed a campaign by ActionStation, Coalition for Better Broadcasting and campaigner Jo Bond. In April 2017, they presented a petition - with 32,337 signatures - to Parliament for an increase in RNZ's funding. ActionStation welcomed the funding increase, but its campaign director Laura O'Connell Rapira said that it did not go far enough: "When you compare this boost to the $60 million per year the government has committed to attracting Hollywood producers, it does make you wonder about priorities" (ActionStation, 2017).

In June, the Coalition for Better Broadcasting (CBB) presented a petition to the Commerce Select Committee and additionally revealed "emails from anonymous staff members" and "a leaked document on a recent restructure" (Cooke, 2017). The leaked documents observed that RNZ was developing a culture of "defeat, division, suspicion and mistrust", and that the broadcaster had lost "10 percent of its staff" (Cooke, 2017). However, chair of the RNZ board, Richard Griffin, argued that the broadcaster was "probably more functional, strategic, and efficient than we have ever been" (Cooke, 2017). In 2017, RNZ made its editorial development director Gael Woods redundant. In protest its news director and former political editor Brent Edwards quit his job after 16 years in its service. In a departure interview Edwards said that he was backing RNZ's multimedia transformation despite the job losses: "I absolutely support a multimedia strategy", but that there were some "differences" as to how the transition should be executed (Peacock, 2017a). He noted that the change needs to be "underpinned by a commitment to public service journalism. As soon as you undermine your journalism, then you undermine the reason people would come to any news organisation" (Peacock, 2017a).

The July 2017 radio ratings for RNZ show that RNZ National's weekly audience had grown to 619,000 people (+7%), almost 15 percent of all people over 10-years in New Zealand (GfK, 2017c). That is 11.7 percent of total weekly radio listening in New Zealand. In the breakfast category, RNZ National reached 467,000 people aged over 10-years, a 15 percent market share of the total radio listening audience. RNZ chief executive Paul Thompson commented that "we are growing and New Zealanders are clearly relishing RNZ's high quality journalism, current affairs and entertainment programming" (GfK, 2017c). Thompson observed that there was a growing demand for news, and this was possibly driving RNZ's ratings. RNZ National maintained its place as the second most listened-to station in the country after The Edge. RNZ National's flagship programme Morning Report performed strongly. From January to June 2017, it gained 8.6 percent in listeners, and had up to 467,000 listeners a week (GfK, 2017c). The September radio rankings revealed that the broadcaster had a record number tuning into RNZ stations. In a media release the broadcaster stated that "over 691,000 people are now tuning in to RNZ's radio stations in an average week – the highest figure ever recorded" (RNZ, 2017b).

3. New Zealand media ownership: patterns and main events

In 2017, the main media ownership structures for the commercial media outlets remained intact: the Sky TV and Vodafone merger was denied by the Commerce Commission and abandoned; the NZME and Fairfax merger was denied and appealed, and the decision is pending at the High Court.

As in previous years, the leading commercial media companies including NZME, Fairfax and Sky TV, were largely owned by financial institutions such as banks, investment banks, investment management firms and private equity corporations. These institutions were substantial shareholders (owning more than five percent of a company's shares). Additionally, MediaWorks remained 100 percent owned by Oaktree Capital. Yet at the same time, there were more privately and independently owned media companies emerging in New Zealand than in any other year since 2011. The local, independent media outlets were broadly owned by their editor publishers and the employees. To exemplify, BusinessDesk, NBR, Newsroom, The Spinoff and Allied Press are all owned by their managers, editor/publishers and/or their employees. Allied Press is a New Zealand news publisher owned by brothers Sir Julian Smith (chairman) and Nick Smith (business director). Bauer Media is also privately owned - 85 percent of its shares are owned by Bauer family member Yvonne Bauer. The company, headquartered in Germany, is a global media conglomerate owning over 600 magazines, 400 digital media outlets, and over 100 radio and television stations around the world. MediaWorks is also privately owned by an American fund management company Oaktree Capital. Scoop is owned by a New Zealand based charitable trust. In many cases, private ownership is regarded as beneficial. For example, *The Washington Post* newsroom and profit have grown since the Amazon founder, billionaire Jeff Bezos took over the company. Yet private ownership has become under scrutiny because of the lack of transparency - private companies or billionaire owners – do not have to disclose exact information about their ownership, profit or revenue. The Centre for Media Pluralism and Media Freedom points out that “it is essential that the ownership structures of media organisations are transparent” (Centre for Media Pluralism and Media Freedom, 2016, p.29). Benson and Pickard also argue that not all “billionaires are benevolent” as media owners, and point out that “private ownership also raises concerns about partisan bias, self-dealing and lack of transparency” (Benson and Pickard, 2017). The two academics state that:

> The Atlantic and the Washington Post are the bright and shiny faces of an increasingly oligarchic media system in the U.S. The oligarchs' values and priorities, however, may not align with democratic objectives. Their business model – and definition of journalistic success – tends to exclude audiences or issues that cannot be monetized (Benson and Pickard, 2017).

Major patterns in ownership

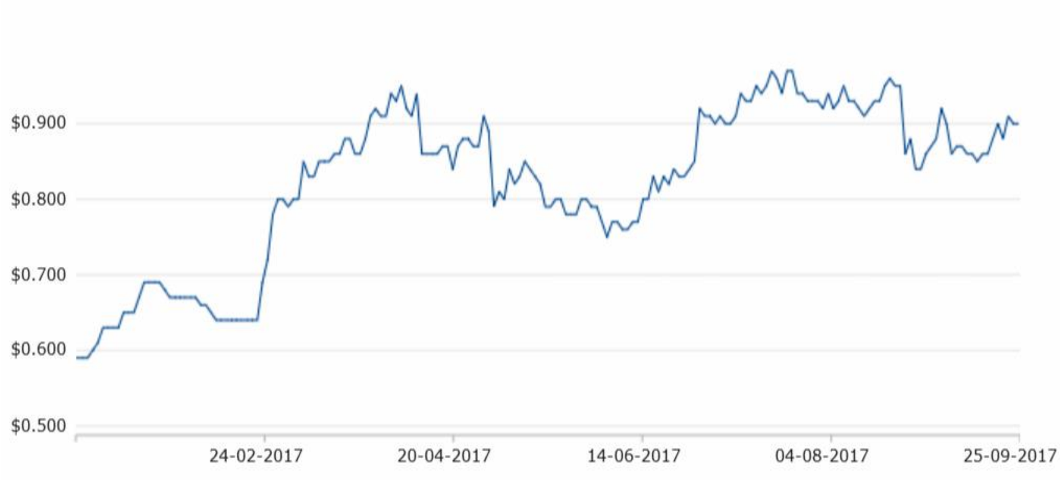
During 2017, there were rapid changes in the financial ownership of New Zealand media companies as substantial shareholders sold their holdings and others acquired them. American global investment group Black Rock appeared as one of the largest shareholders in Sky TV, and the third largest in Fairfax Media. Perhaps it is not surprising that in 2017 both companies were in merger talks, and for a short while, Fairfax was a potential takeover target.

NZME

In September 2017, eight substantial shareholders - all financial institutions - held 96.58 percent of NZME shares (table 6). In 2016, the same figure was 85.6 percent. In 2016, Australian Allan Grey Investments was one of the largest shareholders of NMZE, but by September 2017 it had sold all its shares – 11.94 percent of the total.

In May, the NZME share price dropped after the Commerce Commission ruled against the proposed merger with Fairfax, but between January and September 2017, the share price rose 61 percent from $0.6 to $0.97 (figure 1). There were no changes to the company's Board.

Figure 1: NZME share price January-September 2017



Source: NZX

Table 6: NZME substantial shareholders 2017

Substantial shareholders September 2017	***Ownership***
New Zealand Central Securities Depository Ltd.	15.74%
JP Morgan Nominees Australia Ltd	14.32%
National Nominees Ltd	12.71%
Auscap Asset Management	14.3%
HSBC Custody Nominees (Australia)	12.34%
Citicorp Nominees Pty Ltd	10.4%
Forager Funds Management	6.3%
UBS Nominees Pty Ltd	5.37%
Nomura International	5.1%
Total	96.58%

Source: NZME, NZX

Table 7: NZME board members 2017

Board member	***Other director roles***
Sir John Anderson, Chairman	Commonwealth Bank of Australia, Steel & Tube, NPT Limited, Turners & Growers
Peter Cullinane	STW Communications, Lewis Road Creamery
Carol Campbell	NZ Post, Kingfish, Marlin Global, Kiwibank, NPT Limited

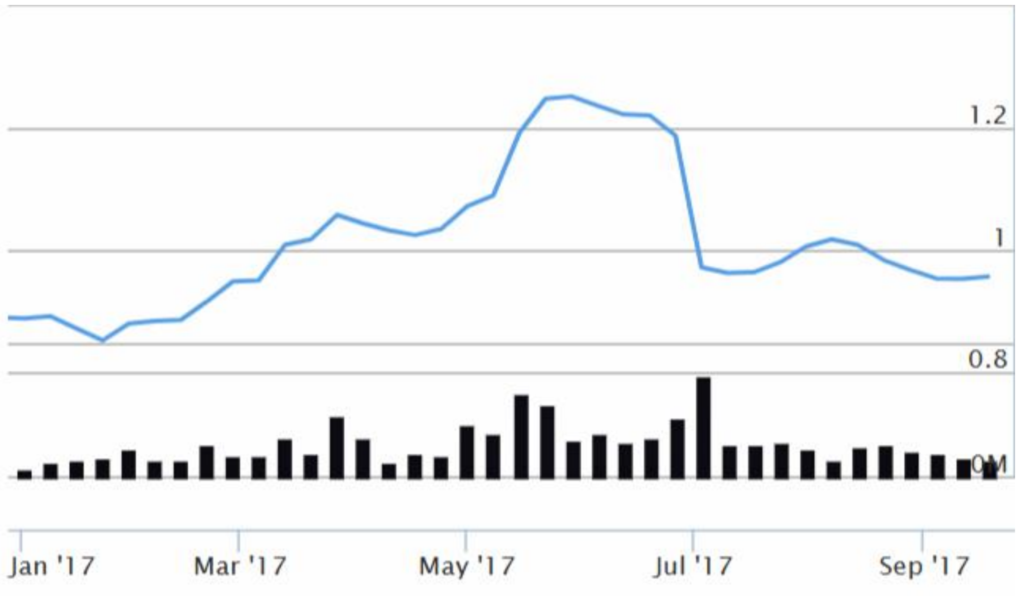
Source: NZME

Fairfax Media

In September 2017, Fairfax's substantial shareholders - all financial institutions - held 21.4 percent of the company's shares (table 8). In 2016, the figure was 39.7 percent. Ausbil Investment Management has remained the company's largest shareholder, but all the other five substantial shareholders listed in 2016 had sold their holdings. These included Henderson Global Investors, IOOF Holdings, SAS Trustee Corporation Dimension Fund Advisors Group and Schroder Investment Management.

In August 2017, American investment management group Legg Mason Global Asset Management was the second largest shareholder of Fairfax, and Black Rock Group the third largest. Between January and September 2017, Fairfax's share price rose 7.3 percent from A$0.89 to A$1.25. There were no changes to the company's Board.

Figure 2: Fairfax Media share price January-September 2017



Source: ASX

Table 8: Fairfax substantial shareholders 2017

Substantial shareholder September 2017	Ownership
Ausbil Investment Management	8.8%
Legg Mason Global Asset Management	6.9%
Black Rock Group	5.7%
Total	21.4%

Sources: ASX, Fairfax Media

Table 9: Fairfax board members 2017

Board member	***Other director roles***
Nick Falloon, Chairman	Not declared.
Patrick Allaway	Saltbush Capital Markets, David Jones, The Country Road Group, Metcash, Woolworths SA
Jack Cowin	Domino Pizza Enterprises, Bridgeclimb
Greg Hywood (CEO)	Not declared.
Sandra McPhee	Kathmandu, NSW Public Service Commission Advisory Board, St Vincent's Health Advisory Board
James Millar	Mirvac Limited, Slater and Gordon, Macquarie Media, Export Finance and Insurance Corporation, Forestry Corporation of NSW.
Linda Nicholls	Japara Healthcare, Medibank Private Limited
Todd Sampson	Qantas Airways

Source: Fairfax Media

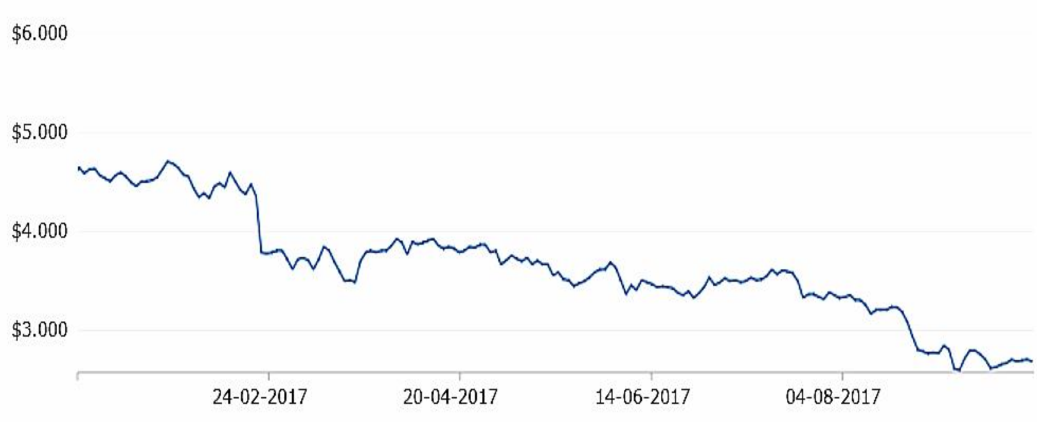
Sky TV

In 2016, three financial institutions held 27.5 percent of Sky TV's shares. In September 2017, six financial institutions, all substantial shareholders, held 49.9 percent of the corporation's shares (table 10). By September, Scottish Kiltearn Partners, based in Edinburgh, and its associated funds, held 15.4 percent of Sky TV's shares. Australian Perpetual Group and American Black

Rock investment management group were amongst the largest shareholders of Sky TV in 2016 and 2017.

At the start of September 2017, Sky TV's shares dropped to "their lowest level in more than 18 years" after *The New Zealand Herald* reported that Amazon was considering bidding for New Zealand's rugby broadcasting rights (McBeth, 2017b). Sky TV's share price fell 42 percent from January to September 2017 (figure 3). The company's chief executive officer John Fellet bought a small stake in the company after it announced a 21 percent decline in annual profit and a smaller dividend to the shareholders. Fellet bought 50,100 shares for $152,506.04, lifting his holding to 216,400 shares (McBeth, 2017b).

Figure 3: Sky TV share price January-September 2017



Source: NZX

Table 10: Sky TV substantial shareholders 2017

Substantial shareholder September 2017	Ownership
Black Rock Group	12.3%
Perpetual Group	10.98%
Kiltearn Partners	9.37%
Kiltearn Global Equity Fund	6.03%
UBS Group	5.15%
Harris Associates	6.09%
Total	49.92%

Sources: NZX, Sky TV

Table 11: Sky TV board members 2017

Board member	***Other director roles***
Peter Macourt, Chairman	Prime Media, Virtus
John Fellet (CEO)	Not declared
Susan Paterson	Airways Corporation, Theta Systems, Goodman NZ, Arvida Group, Les Mills NZ
Mike Darcey	Not known
Geraldine McBride	Fisher and Paykel Healthcare, National Australia Bank
Derek Handley	Not declared

Source: Sky TV

In September, Sky TV appointed Mike Darcey as an independent director to its board. Darcey had worked at Sky UK for 15 years, and "played a prominent role in most of Sky's major strategic decisions and its major commercial and regulatory dealings during this period" (Sky TV, 2017b). From

2013 to 2015, Darcey was chief executive officer of News UK, publisher of the *Times, Sunday Times* and *Sun* newspapers. Sky TV's chairman Peter Macourt observed that "Mike Darcey has a wealth of experience in the Pay TV, telecommunications and media markets" (Sky TV, 2017b).

MediaWorks

In 2015, American hedge fund Oaktree Capital took 100 percent ownership of MediaWorks, and it was a sole owner of the broadcaster in 2017. The company's board structure changed in June 2017 when Julie Christie stepped down after three years on board. She noted that "it's important that directors refresh their governance portfolios regularly and that boards refresh their skill set regularly" ("Julie Christie leaving MediaWorks board", 2017). At MediaWorks, she was "responsible for bringing reality television shows to New Zealand screens" ("Julie Christie leaving MediaWorks board", 2017). In 2016, London-based investment manager Jonas Mitzschke, presenting Oaktree Capital, was appointed to the company's board. Additionally, a former Fairfax Australia executive Jack Matthews was made a board member, before becoming its chairman.

Table 12: MediaWorks board members 2017

Board member	***Other director roles***
Jack Matthews, Chairman	Crown Fiber Holdings, Network for Learning, Trilogy, APN Outdoor
Michael Anderson (CEO)	Oztam, oOH! Media
Jonas Mitzschke	Oaktree Capital
Paul Lockey	Callaghan Innovation, Auckland Transport

Source: MediaWorks, LinkedIn

Key events in media ownership

In 2017, decisions about the Sky TV & Vodafone and NZME-Fairfax mergers were the key events concerning New Zealand media ownership. In 2016, both Sky TV & Vodafone and NZME-Fairfax applied for the merger approval, but the Commerce Commission turned both of these down. The two merger prospects and their outcomes are discussed more in detail below.

Sky TV and Vodafone – the merger denied and abandoned

Pay television company Sky TV and telecom company Vodafone New Zealand abandoned their merger plans in June 2017 – three months after the Commerce Commission denied them merger clearance. Chair Dr Mark Berry reasoned that the Commerce Commission "had not been able to exclude the real chance that the merger would substantially lessen competition" (Commerce Commission, 2017a). The commission's main concern was that the combined company would be too dominant in the premium sports content market and in customer acquisition. Sky TV chief executive officer John Fellet expressed the company's dissatisfaction: "This is a very disappointing conclusion to a merger we saw as enhancing New Zealand's communications and media landscape" (Sky TV, 2017c).

Vodafone's competitors 2degrees and Spark, who wrote submissions against the merger, were pleased by the decision. 2degrees chief executive officer Stewart Sherriff said that the commission "has recognised that competition is still developing, and that the impact of competition from companies such as 2degrees can be reduced over time if monopolies are created" (Henderson, 2017). Spark general manager in regulatory affairs John Wesley-Smith noted that "the lack of a meaningful wholesale market today for Sky's sports content means we and other mobile and broadband providers have been held back from offering our customers new ways to watch sports content" (Hunter, 2017). InternetNZ chief executive Jordan Carter added that "Kiwi consumers could have been the losers from such a deal" (InternetNZ, 2017). In March, Sky TV and Vodafone were planning to appeal the Commerce Commission's decision, but in June the two parties decided to abandon their merger. In a market announcement the companies said that they had "decided to terminate the sale and purchase agreement", but would "continue to work together to strengthen commercial relationship" (Sky TV, 2017d). The two companies did not give any reasons for dropping their appeal.

Table 13: Sky TV & Vodafone merger process

Timeline	***Occasion***
June 2016	Sky TV and Vodafone Europe leave application for merger approval
July 2016	Commerce Commission's statement of preliminary issues
October 2016	Commerce Commission sends a letter to request more information about "unresolved issues"
November 2016	Deadline for Sky TV, Vodafone and other parties' new submissions
December 2016	Commerce Commission delays final merger decision
February 2017	Commerce Commission denies merger approval
March 2017	Sky TV and Vodafone draft an appeal
June 2017	Sky TV and Vodafone abandon their merger

In October, the companies announced that they were teaming up in a new Vodafone TV initiative which provides Sky TV free-to-air and streaming services such as Netflix under one system. The service is only available with the Vodafone broadband plan. Vodafone TV will have unlimited Sky Basic service, but customers need separate subscriptions for Sky's premium services and Netflix.

NZME and Fairfax – the merger denied and appealed

In contrast to Sky TV and Vodafone, news publishers NZME and Stuff (formerly Fairfax New Zealand) decided to fight the Commerce Commission's merger decision. On May 3, 2017, the commission denied their merger approval. On May 26, NZME and Fairfax New Zealand confirmed that they were taking their fight to the High Court.

NZME and Fairfax filed their merger application with the Commerce Commission in May 2016. One of the core arguments was that the joint company would be better placed in competing against Facebook and Google for advertising dollars. However, after receiving submissions and outlining its concerns, the commission announced in August that it was delaying its decision. In November, the commission's draft decision declined the merger, and in December the regulator held conferences in Wellington to hear different parties' views about the merger. In March 2017, the regulator delayed its final decision which was finally delivered on May 3, 2017 (table 14).

Table 14: NZME & Fairfax NZ merger process

Timeline	***Occasion***
May 2016	NZME and Fairfax merger application to Commerce Commission
June 2016	Commerce Commission outlines its concerns
July 2016	Merger approval submissions sent to Commerce Commission
	Responses to the merger proposal filed
August 2016	Commerce Commission announces that it is delaying the merger decision until March 2017
September 2016	NZME and Fairfax sign merger agreement
	NZME agrees to buy Fairfax NZ assets for $55 million in cash
November 2016	Commerce Commission draft determination declines merger approval
	Draft submissions and crossubmissions delivered to commission
December 2016	Conferences held to hear views about the merger
March 2017	Commerce Commission delays its final merger decision
May 2017	Commerce Commission's final merged denial
May 2017	NZME and Fairfax announce appeal against the decision
October 2017	Appeal heard in the High Court
December 2017	High Court decision pending

In its final merger decision in May, the Commerce Commission said that it understood the financial and commercial realities of the two companies. It acknowledged that the merger could create cost savings of "between $40 million to around $200 million over five years", but ruled that these would not "outweigh the detriments" (Commerce Commission, 2017b). The commission pointed out that NZME and Fairfax would control nearly 90 percent of the daily newspaper circulation in New Zealand, and would reach "approximately 3.7 million New Zealanders" through their different channels (Commerce Commission, 2017b). Chairman Dr Mark Berry said that the merger would "concentrate media ownership and influence to an unprecedented extent for a well-established modern liberal democracy" (Commerce Commission, 2017b). The commission believed that by influencing news and political agendas, the merged company created "a risk of causing harm to New Zealand's democracy and to the New Zealand public" (Commerce Commission, 2017b). The commission also stated that the merger would be likely to reduce the quality of news and the diversity of voices (plurality).

The New Zealand Herald disagreed. The paper's editorial said that the commission was "wrong", and its mistake was to "equate diversity of ownership with diversity of views" (The New Zealand Herald, 2017). The editorial argued that newspapers are not in a business of pushing their own views", and that without the merger "fewer newspapers might survive" thus harming democracy (The New Zealand Herald, 2017). The author of this JMAD report, Merja

Myllylahti, welcomed the commission's decision but warned that there was no winner and no cause for celebration as the news industry was already facing job cuts and the closure of publications. At the same time, she noted that "the merger would not have been a salvation for the companies. There were no guarantees that this merger would have solved their fundamental revenue problems" (JMAD, 2017). In *The Dominion Post,* media academic Dr Peter Thompson advocated the overhaul of New Zealand's Commerce Act and media regulations. He stated that the government "needs to review media ownership regulations and ensure that there is adequate funding for public service media provisions across all platforms" (Thompson, 2017).

On May 26, 2017, NZME and Fairfax revealed that they were appealing the Commerce Commission's decision and taking it to the High Court. The media companies believed that the commission was not allowed to take plurality properly into account in its decision, and they also stated that the commission had failed to consider the real competition in the market ("NZME/Fairfax appealing Commerce Commission's decision to block merger", 2017). On these matters the media companies claimed that the commission made an error "by concluding there were separate markets in online domestic news services, Sunday newspapers and community newspapers, and that there would be a substantial lessening of competition in those markets" ("NZME/Fairfax appealing Commerce Commission's decision to block merger", 2017).

In October 16, the ten-day hearing at the Wellington High Court commenced. In his opening statement at the High Court, NZME-Fairfax lawyer David Goddard argued again that the Commerce Commission had overstepped its mandate, and that the commission had not fully considered the impact of social media companies on NZME and Fairfax.

Epilogue: Media policies and the 2017 general election

Earlier New Zealand media ownership reports have highlighted the demise of current affairs and news programmes on commercial television. The 2015 report observed that in the case of MediaWorks, “financial ownership has intensified its profit imperatives, and led to the demolition of its news and currents affairs programmes” (Myllylahti, 2015). Colin Peacock recently observed that when ten years ago TVNZ “spent around $50 million a year on news”, whereas in 2017 its spending was "in the mid-30s [million dollars]" (Peacock, 2017b). As outlined above, TVNZ announced newsroom cuts, and in September TVNZ head of news John Gillespie did not rule out more job losses for 1News. When asked about cost cutting, he said that “there will be more changes in journalism, so whether they’re cuts or whatever…” (McConnell, 2017). In March 2017 Newshub announced a new, 30 minutes weekday news bulletin, to be broadcast on channel Three at 4.00pm. The company chief news officer Hal Crawford said that “we are committed to news“, adding that the new bulletin would increase MediaWorks’ news broadcasting (MediaWorks, 2017c). Currently TVNZ’s and

MediaWorks's "current affairs" programmes are primarily for entertainment. For example, *The Project* is described as "a comedy-news panel hybrid imported from Australia" (Kilgallon, 2017).

Not surprisingly, in 2017, the future of public broadcasting became an issue during the general election campaign. All the main parties – other than the National – outlined their media and public broadcasting policies. In October, Labour, NZ First and the Green Party formed a government, and Clare Curran was named as Minister for Broadcasting, Communications and Digital Media. In an interview after the appointment, she said that "expanding the role of RNZ and creating a new Public Media Funding Commission" were her priorities as a Minister (Pullar-Strecker, 2017c). During the election campaigning, Labour and NZ First proposed media policies which supported public broadcasting and public interest journalism, and they wanted to keep TVNZ under the government ownership. In contrast, Gareth Morgan's Opportunities Party wanted to sell-off the Crown owned company, and NZ First wanted to merge Crown owned broadcasters. The Better Public Media Trust (formerly the Coalition for Better Broadcasting) noted that the NZ First broadcasting policy was "ambitious": it proposed merger of TVNZ and RNZ and the removal of all advertising from TVNZ1 (Better Public Media Trust, 2017). The party suggested that public broadcasting should be funded by a special levy which would allow the government to collect $50 million from internet service providers and telecommunication companies (Better Public Media Trust, 2017). Labour stated its intention to transform RNZ into "a truly multi-platform provider dedicated to quality New Zealand programming and journalism" – including making it into a free to air non-commercial television service (Labour Party, 2017). The party had no plans to sell off TVNZ. Newsroom's Mark Jennings noted that there was "a flaw in this policy; if current trends continue, TVNZ will be unprofitable in a few years and need a handout from the state" (Jennings, 2017b).

During the campaign, Labour promised to boost RNZ's annual funding by $38 million which would be divided between RNZ and NZ On Air. The party also proposed establishment of a Public Media Funding Commission, to oversee funding of the two organisations and to support investigative journalism. In a press release, the Labour Party stated that "funding for public interest journalism is a constant struggle. New Zealand has one of the lowest levels of public service media funding of any developed country" (Labour Party, 2017b). It added that a publicly funded, commercial free media service would "contribute to a stronger democracy" if it was editorially and operationally independent from the government (Labour Party, 2017b). The Better Public Media Trust observes that "although the Greens traditionally support public media and broadcasting, this year their policy is rather limited in scope and was clearly written with 'fiscal responsibility' in mind" (Better Public Media Trust, 2017). In April, Green Party broadcasting spokesperson Gareth Hughes proposed a new $3 million fund for the public interest and investigative journalism. At the *Agenda 2020: New Zealand media futures* conference at AUT, Gareth Hughes said that he would not consider selling off TVNZ (Hughes, 2017). National Party did not announce any media policies. The Better Public Media Trust observed that "while our commercial media suffer from significant market failure, National has done nothing. All of this is a result of the Government's lack of interest and wilful neglect" (Better Public Media Trust, 2017).

Commercial media outlets were not entirely happy with the political parties' policies. Stuff (Fairfax New Zealand) chief executive Sinead Boucher did not like the Labour's policy stating that she would "question their approach of piling more money into state-owned media" (Pullar-Strecker, 2017b). She noted that "whilst RNZ is a great organisation, I am not convinced New Zealanders have much appetite for more of their journalism to ultimately flow up to government control" (Pullar-Strecker, 2017b).

Conclusion

This seventh JMAD New Zealand media ownership report observes a new pattern in New Zealand media ownership. In 2017, the privately owned, independent media outlets outnumbered those companies owned by shareholders and Crown. The privately-owned companies were mainly owned by their editor/publishers and their employees. The employee led ownership structure can have its benefits. In Canada, broadcasting company CHEK is such a company. Its director of news, Rob Germain, describes difference between corporate and employee ownership: "[Now] the decisions are made here locally and they are made with the local term [and with the] best interest of the company and its employees" (Shihipar, 2017). She also notes that because of its ownership structure, people trust it and tune into its coverage when big news is happening: "We're not run by a mega-corporation based in another province that doesn't know the issues and is only looking at the bottom line" (Shihipar, 2017).

Nevertheless, it would be foolish to think that the New Zealand media market structure has changed materially. The commercial newspaper publishers, NZME and Fairfax, continue to dominate in print and online news markets. NZME and MediaWorks continue to have a duopoly in the radio market, and commercial television broadcasting is still in the hands of TVNZ, MediaWorks and Sky TV. These companies have substantial market power, and it is important to remember, that they and other major media companies are owned by their financial shareholders whose primary interest is to get the best return on their investment. As seen in 2017, financial ownership can change hands very rapidly, and can trigger sudden structural changes within media corporations. The financial ownership of NZME and Sky TV increased from the previous year whereas Fairfax's declined. MediaWorks remained 100 percent owned by Oaktree Capital.

In terms of media diversity and plurality of the voices, the emergence of new alternative media outlets is a positive development. In 2017, Newsroom was breaking multiple news stories which were clearly in the public interest, and not covered in the major news platforms. In fairness it should be noted that the *NZ Herald*, the *NBR* and *Stuff* also published major investigative stories which were also clearly in the public interest.

Finally, the report raises concerns about the difficulties facing commercial broadcasters. In 2017, MediaWorks was loss making. Previously, in 2013, it was placed into receivership. TVNZ's revenue and profit are falling, and Sky TV is losing customers and revenue. Similarly, in 2017, the Australian Ten Network went into voluntary administration, and was bought by CBS. Such outcomes could also occur in New Zealand.

References:

ABC (2017, n.d.). Press audit results. Retrieved from http://newspaper.abc.org.nz/audit.html?org=npa&publicationid=%25&mode=embargo&npa_admin=1&publicationtype=19&memberid=%25&type=%25

ActionStation (2017, May 25). A win for RNZ, but funding boos doesn't go far enough. [Press release] Retrieved from http://www.scoop.co.nz/stories/PO1705/S00369/a-win-for-rnz-but-funding-boost-doesnt-go-far-enough.htm

Allied Press (2016). Submission on statement on preliminary issues for NZME/Fairfax merger to Commerce Commission, July 1. Retrieved from http://www.comcom.govt.nz/business-competition/mergers-and-acquisitions/authorisations/merger-authorisation-register/nzme-limited-and-fairfax-new-zealand-limited/

Benson, R. and Pickard, V. (2017, August 11). The slippery slope of the oligarchy media model. *The Conversation*. Retrieved from https://theconversation.com/the-slippery-slope-of-the-oligarchy-media-model-81931

Better Public Media Trust (2017, n.d.). BPM voting guide. Retrieved from https://betterpublicmedia.org.nz/news1/2017-election-voting-guide/

Brady, A-M. (2017, September). Magic Weapons: China's political influence activities under Xi Jinping. The corrosion of democracy under China's global influence conference, Arlington, Virginia, USA. Retrieved from https://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf

Canon Media Awards (2017). Judges' comments. Retrieved from http://www.canonmediaawards.co.nz/2017-judges-comments/

CBS Corporation (2017, August 27). CBS Corporation to acquire Network Ten in Australia. [Press release]. Retrieved from http://www.prnewswire.com/news-releases/cbs-corporation-to-acquire-network-ten-in-australia-300510009.html

Center for Innovation & Sustainability in Local Media (2017). *Thwarting the emergence of news desert.* Retrieved from http://newspaperownership.com/wp-content/uploads/2017/03/Symposium-Leave-Behind-Web-Final.pdf

Center for Media Pluralism and Media Freedom (2016, n.d.). Media pluralism monitor 2016 – results. Retrieved from http://cmpf.eui.eu/media-pluralism-monitor/mpm-2016-results/

Chau, D. (2017, July 5). Lachlan Murdoch and Bruce Gordon launch takeover bid for Network Ten, ACCC confirms. ABC. Retrieved from http://www.abc.net.au/news/2017-07-05/accc-confirms-network-ten-joint-bid-by-gordon-and-murdoch/8680160=

Commerce Commission (2017a, February 23). Commission denies clearance for Vodafone/Sky merger. [Media release] Retrieved from http://www.comcom.govt.nz/the-commission/media-centre/media-releases/2017/commission-declines-clearance-for-vodafonesky-merger/

Commerce Commission (2017b, May 3). Commission declines NZME/Fairfax merger. [Media release]. Retrieved from http://comcom.govt.nz/the-commission/media-centre/media-releases/2017/commission-declines-nzmefairfax-merger/

Cook, F. (2017, April 27). TVNZ news team cuts revealed. *The New Zealand Herald*. Retrieved from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11846275

Cooke, H. (2017, June 29). Leaked e-mails show turmoil at RNZ, but chair says all is well. *Stuff*. Retrieved from https://www.stuff.co.nz/national/politics/94214385/Leaked-emails-show-turmoil-at-RNZ-but-chair-says-all-is-well

Creative NZ (2017, n.d.). Auckland ethnic media fact sheet. Retrieved from http://www.creativenz.govt.nz/development-and-resources/research-and-reports/auckland-ethnic-media-fact-sheet

Davies, A. (2017, September 12). Channel Ten: Murdoch's 20th Century Fox joins battle to block CBS takeover. *The Guardian*. Retrieved from https://www.theguardian.com/media/2017/sep/12/channel-ten-murdochs-20th-century-fox-joins-battle-to-block-cbs-takeover

Deans, D.H. (2017, July 28). The technology, media and telecom 2017 M&A deal update. Telecomtechnews.com. Retrieved from https://www.telecomstechnews.com/news/2017/jul/28/technology-media-and-telecom-2017-ma-deal-update/

Discovery Communication (2017, July 31). Discovery communications to acquire Scripps Networks Interactive for $14.6 billion. [Press release]. Retrieved from https://corporate.discovery.com/discovery-newsroom/discovery-communications-to-acquire-scripps-networks-interactive-for-14-6-billion/

Doctor, K. (2017, July 28). The megaclustering of the Amercian local press. Newsonomics. Retrieved from http://newsonomics.com/newsonomics-the-megaclustering-of-the-american-local-press/

Dwyer, T. (2017, September 14). Media reform deals will reduce diversity and amount to little more than window dressing. The Conversation. Retrieved from https://theconversation.com/media-reform-deals-will-reduce-diversity-and-amount-to-little-more-than-window-dressing-83957

Ethnic Media Information New Zealand (2017, n.d.). Ethnic communities in New Zealand. Retrieved from http://www.eminz.co.nz/ethnic-communities-in-nz/chinese-community/media-options/Newspaper-1.htm

E tu (2017, October 18). Fairfax axe for sports reporters another blow to journalism. [Press release]. Retrieved from http://www.scoop.co.nz/stories/PO1710/S00128/fairfax-axe-for-sports-reporters-another-blow-to-journalism.htm

Fairfax Media (2017a, May 18). Fairfax Media to allow TPG consortium and Hellman & Friedman to conduct due diligence. [Market announcement]. Retrieved from http://www.fairfaxmedia.com.au/pressroom/au---nz-press-room/au---nz-press-room/fairfax-media-to-allow-tpg-consortium-and-hellman-friedman-to-conduct-due-diligence

Fairfax Media (2017b, July 3). Fairfax proceeds with Domain separation, ends discussions with private equity. [Market announcement]. Retrieved from http://www.fairfaxmedia.com.au/pressroom/au---nz-press-room/au---nz-press-room/fairfax-proceeds-with-domain-separation-ends-discussions-with-private-equity

Fairfax Media (2017c, August 16). Full year results. [Media release] Retrieved from http://www.fairfaxmedia.co.nz/ArticleDocuments/193/2017-08-17_Full%20Year%20Results-Media%20Release.pdf.aspx?Embed=Y

Fairfax Media (2017d, September 21). Fairfax Media Limited trading update. [Market Announcement] Retrieved from http://www.fairfaxmedia.com.au/pressroom/au---nz-press-room/au---nz-press-room/fairfax-media-limited-trading-update

Fisher, D. (2017, August 28). Hunt for Rawshark sees police rapped again for 'unlawful' search of banking records. *The New Zealand Herald*. Retrieved from http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11911784

Fullerton, L. (2017, February 21). Robotics and tech firm SoftBank Japan purchases newspaper company Gatehouse Media. *The Drum*. Retrieved from http://www.thedrum.com/news/2017/02/21/robotics-and-tech-firm-softbank-japan-purchases-newspaper-company-gatehouse-media

GfK (2017a, June 7). Commercial Radio celebrates further audience growth. [Press release] Retrieved from http://www.gfk.com/en-nz/insights/press-release/commercial-radio-total-nz-survey-2/

GfK (2017b, September 28). Commercial radio celebrates further audience growth. [Media release]. Retrieved from http://www.gfk.com/en-nz/insights/press-release/commercial-radio-celebrates-further-audience-growth/

GfK (2017c, July 13). Total New Zealand Radio New Zealand Audience Measurement. [Press release] Retrieved from http://www.gfk.com/en-nz/insights/report/radio-new-zealand-reports-archive/

Gray, J. (2017, August 26). NZME earnings up a notch despite revenue headwinds. *The New Zealand Herald*. Retrieved from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11700586

Greive, D. (2017, August 11). Exclusive: All Blacks in major content deal with US tech giant Amazon. *The Spinoff*. Retrieved from https://thespinoff.co.nz/media/11-08-2017/exclusive-all-blacks-in-major-content-deal-with-us-tech-giant-amazon/

Hager, N. (2017, August 16). Sunlight did what sunlight does: Nicky Hager on Dirty Politics, three years on. *The Spinoff*. Retrieved from https://thespinoff.co.nz/politics/16-08-2017/sunlight-did-what-sunlight-does-nicky-hager-on-dirty-politics-three-years-on/

Haunui-Thompson, S. & Forbes, M. (2017, May 8). Maori TV boss resignation 'new dawn' critics say. RNZ. Retrieved from http://www.radionz.co.nz/news/te-manu-korihi/330313/maori-tv-boss-resignation-new-dawn-critics-say

Henderson, J. (2017, February 24). Spark/2degrees punch the air as Sky/Vodafone merger collapses. Reseller. Retrieved from https://www.reseller.co.nz/article/614756/spark-2degrees-punch-air-sky-vodafone-merger-collapses/

Hughes, G. (2017, April). Presentation at the Agenda 2020: NZ media futures conference, Auckland, New Zealand. Retrieved from https://web.facebook.com/groups/208337106193631/

Hunter, T. (2017, February 23). Com-Com declines Sky-Vodafone merger. The NBR. Retrieved from https://www.nbr.co.nz/article/comcom-declines-sky-vodafone-merger-th-199887

InternetNZ (2017, n.d.). Comment on Commerce Commission's Vodafone / Sky merger clearance decision. Retrieved from https://internetnz.nz/news/internetnz-comment-commerce-commission%E2%80%99s-vodafone-sky-merger-clearance-decision

Interest.co.nz. (2017). About. Retrieved from http://www.interest.co.nz/about-us

Jennings, M. (2017a, August 23). Sky TV struggles with weight of disruption. Newsroom. Retrieved from https://www.newsroom.co.nz/2017/08/22/44227/sky-tv-struggles-with-weight-of-disruption

Jennings, M. (2017b, September 12). RNZ cash comes with expectations. Newsroom. Retrieved from https://www.newsroom.co.nz/2017/09/12/47409/when-politics-thwart-pragmatism

JMAD (2017, May 3). OK. Some very quickly drafted responses which are shared via AUT media advisory. [Facebook group posting]. Retrieved from https://web.facebook.com/groups/208337106193631/

Julie Christie leaving MediaWorks board (2017, June 22). Newshub. Retrieved from http://www.newshub.co.nz/home/money/2017/06/julie-christie-leaving-mediaworks-board.html

Junn, J. (2017, February 9). From TV3 to Three: Glen Kyne on the enduring commercial power of television. StopPress. Retrieved from http://stoppress.co.nz/news/tv3-three-enduring-commercial-power-television

Keall, C. (2017, August 25). You take us higher: NBR online tops 5000 subscribers. NBR. Retrieved from https://www.nbr.co.nz/5000

Kilgallon (2017, March 24). MediaWorks boss: Project is here to stay and will win the ratings war. *Stuff*. Retrieved from http://www.stuff.co.nz/entertainment/tv-radio/90799850/MediaWorks-boss-Project-is-here-to-stay-and-will-win-the-ratings-war

Labour Party (2017a, September 12). Labour promises more money, and a new TV channel, for RadioNZ. [Press release] Retrieved from http://wellington.scoop.co.nz/?p=102871

Labour Party (2017b, n.d.). Strengthening our national identity. Retrieved from http://www.labour.org.nz/broadcasting

Maori TV (2017a, n.d.). About. Retrieved from http://www.maoritelevision.com/about/about-maori-television

Maori TV (2017b, May 8). Paora Maxwell announces resignation from Maori Television. [Media release] Retrieved from https://www.maoritelevision.com/about/media/paora-maxwell-announces-resignation-maori-television

Maori TV (2017c, June 23). Maori Television and Fairfax Media announce partnerships today. [Media release] Retrieved from https://www.maoritelevision.com/about/media/maori-television-and-fairfax-media-announce-partnership-today

Matsa, K. E. (2017, May 11). Buying spree brings more local TV stations to fewer big companies. Pew Research Center. Retrieved from http://www.pewresearch.org/fact-tank/2017/05/11/buying-spree-brings-more-local-tv-stations-to-fewer-big-companies/

McBeth, P. (2017a, November 10). TVNZ will need Crown support if revenue keeps shrinking, Treasury says. NBR. Retrieved from https://www.nbr.co.nz/article/tvnz-will-need-crown-support-if-revenue-keeps-shrinking-treasury-says-b-209844#.WgjOU4_CE-E.twitter

McBeth, P. (2017b, May 26). NZME/Fairfax appeal merger rejection. BusinessDesk. Retrieved from http://business.scoop.co.nz/2017/05/26/nzmefairfax-appeal-merger-rejection/

McConnell, G. (2017, September 29). 'Change' on the way for 1 News, they're cuts or whatever'. *Stuff*. Retrieved from https://www.stuff.co.nz/entertainment/tv-radio/97351542/change-on-the-way-for-1news-whether-theyre-cuts-or-whatever

MediaWorks (2017a, n.d.). Digital. Retrieved from http://www.mediaworks.co.nz/home/advertise/digital.html

MediaWorks (2017b, July 6). MediaWorks radio remains the number one commercial radio network in New Zealand with reach continuing to grow. [Media release] Retrieved from http://www.mediaworks.co.nz/home/about/news.html

MediaWorks (2017c, March 1). Newshub announces new weekday news bulletin for Three. [Media release] Retrieved from http://www.scoop.co.nz/stories/BU1703/S00031/newshub-announces-new-weekday-news-bulletin-for-three.htm?from-mobile=bottom-link-01

MediaWorks reports loss after 'destablising' year (2017, May 30). Newshub. Retrieved from http://www.newshub.co.nz/home/money/2017/05/mediaworks-reports-loss-after-destabilising-year.html

Mitchell, R. (2017, August 17). News Corp. and Telstra's Foxtel to merge with Fox Sports Australia. Retrieved from http://variety.com/2017/tv/news/new-corp-telstra-plans-foxtel-fox-sports-australia-merger-1202530811/

Molineaux, J., Matheson, D., Myllylahti, M., Phelan, S., Thompson, P. and Lealand, G. Submission on statement of preliminary issues for NZME/Fairfax merger – 8 July 2016. Accessed April 1, 2017. http://www.comcom.govt.nz/business-competition/mergers-and-acquisitions/authorisations/merger-authorisation-register/nzme-limited-and-fairfax-new-zealand-limited/

Murphy, T. (2017, July 7). All we hear is radio gaga. Newsroom. Retrieved from https://www.newsroom.co.nz/2017/07/06/37723/all-we-hear-is-radio-gaga

Myllylahti, M. (2015, December 11). JMAD New Zealand media ownership report. AUT research center for Journalism, Media and Democracy. Retrieved from http://www.aut.ac.nz/study-at-aut/study-areas/communications/research/journalism,-media-and-democracy-research-centre/journalists-and-projects/new-zealand-media-ownership-report

Newsroom (2017). Home. Retrieved from https://www.newsroom.co.nz/2017/03/12/8470/welcome-to-newsroom

NZME (2017a, July 6). NZME hits over two million listeners. [Press release] Retrieved from http://www.scoop.co.nz/stories/CU1707/S00067/nzme-hits-over-two-million-listeners.htm

NZME (2017b, August 24). Half year 2017 results presentation. Retrieved from http://www.nzme.co.nz/media/1274/nzme-h1-2017-results-presentation.pdf

NZME, Fairfax appealing Commerce Commission's decision to block merger (2017, May 26). The New Zealand Herald. Retrieved from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11863615

Peacock, C. (2017a, October 8). Brent Edwards signs off RNZ. RNZ. Retrieved from http://www.radionz.co.nz/national/programmes/mediawatch/audio/201860416/brent-edwards-signs-off-at-rnz

Peacock, C. (2017b, March 23). TVNZ confirms job losses in news reshuffle. RNZ. Retrieved from http://www.radionz.co.nz/national/programmes/mediawatch/audio/201837761/tvnz-confirms-job-losses-in-news-reshuffle

Politik (2017, n.d.) Home. http://politik.co.nz/

Pullar-Strecker, T. (2017a, June 13). Nelson Mail cuts Tuesday and Thursday editions. Stuff. Retrieved from https://www.stuff.co.nz/business/industries/93632089/nelson-mail-cuts-tuesday-and-thursday-editions

Pullar-Strecker, T. (2017b, September 12). Fairfax NZ queries Labour plan for 'more state-owned journalism'. Stuff. Retrieved from https://www.stuff.co.nz/business/industries/96745395/radio-nz-television-channel-no-snub-to-tvnz-says-labour

Pullar-Strecker, T. (2017c, October 25). Labour confirms big picture policy on public media. *Stuff*. Retrieved from https://www.stuff.co.nz/business/industries/98227688/labour-confirms-big-picture-policy-on-public-media

PwC (2017, n.d.). US media and telecommunications deals insights. Retrieved from http://www.pwc.com/us/en/industry/tmt/assets/us-media-and-telecommunications-deals-insights-q2-2017.pdf

Read, E. (2017, March 28). Fairfax's Marlborough Express paper reduces publication. Stuff. Retrieved from http://www.stuff.co.nz/business/90913306/fairfaxs-marlborough-express-paper-reduces-publication

Reid, D. (2017, April 7). EU approves 21st Century Fox bid to buy Sky TV channel for $14.5 billion. CNBC. Retrieved from https://www.cnbc.com/2017/04/07/eu-approves-21st-century-fox-bid-to-buy-sky-tv-channel-for-14-5b.html

RNZ (2017a, July 13). RNZ audiences continue to grow. [Press release]. Retrieved from http://www.radionz.co.nz/media/101

RNZ (2017b, October 5). RNZ rides the radio wave – 691,600 New Zealanders now tune to RNZ. [Media release] Retrieved from http://www.radionz.co.nz/media/104

Roy Morgan (2017a, August 11). It's official: NZ Herald is New Zealand's most widely read publication – print & online. [Press release] Retrieved from https://www.roymorgan.com/findings/7304-roy-morgan-new-zealand-readership-results-magazines-and-newspapers-june-2017-201708111429

Roy Morgan (2017b, March 1). Nearly 2 in 5 Kiwis now have Subscription Video on Demand in the home – and 1 in 10 already have at least TWO services. [Media release] Retrieved from http://www.roymorgan.com/findings/7164-netflix-and-lightbox-svod-new-zealand-december-2016-201703011134

Ruddick, G. (2017, June 27). All you need to know about Fox's Sky deal. *The Guardian*. Retrieved from https://www.theguardian.com/media/2017/jun/29/all-you-need-to-know-21st-century-fox-sky-takeover-deal

Scoop (2017, n.d). Introducing Scoop. Retrieved from http://www.scoop.co.nz/about/about.html

Shields, B. & Battersby, L. (2017, September 14). Media reforms to pass the Senate, clearing the way for major mergers and acquisitions. The Sydney Morning Herald. Retrieved from http://www.smh.com.au/federal-politics/political-news/media-reforms-set-to-pass-the-senate-clearing-the-way-for-major-mergers-and-acquisitions-20170913-gygx0v

Shihipar, A. (2017, October 6). What if we imagined a future where media works were owners? JSource. The Canadian Journalism Project. Retrieved from https://j-source.ca/article/imagined-future-media-workers-owners/

Sinclair Broadcast buys Tribune Media (2017, May 13). *The Economist*. Retrieved from https://www.economist.com/news/business/21721966-americas-media-regulator-aids-consolidation-tv-stations-sinclair-broadcast-buys-tribune

SimilarWeb (2017, n.d.). Top websites. Retrieved from https://www.similarweb.com/top-websites/new-zealand

Sky TV (2017a, August 22). Sky TV announces 2017 results. Retrieved from https://www.nzx.com/companies/SKT/announcements/305888

Sky TV (2017b, September 19). Mike Darcey appointed to Sky TV board. [Press release] Retrieved from https://www.sky.co.nz/-/mk_pressrelease_190917

Sky TV (2017c, February 23). Commerce Commission declines to clear the proposed merger of Vodafone and SKY. [Market release] Retrieved from https://skynz.akamaized.net//documents/24003/3505505/23.02.17+SKY+Announcement+-+NZCC+clearance+declined.pdf/8f682931-f547-450d-84af-96c2a96dbd3f

Sky TV (2017d, June26). SKY and Vodafone terminate sale and purchase agreement. [Market announcement] Retrieved from https://skynz.akamaized.net//documents/24003/4740786/SKY_Vodafone_statement_June_2017.pdf/cb55f710-6718-4af6-9db8-b1fbc6a125c2

Spark (2017, February 27). Spark New Zealand partners with Netflix, taking next step in the evolution of its media strategy [Press release] https://www.nzx.com/files/attachments/253857.pdf

Tait, M. (2017, May 4). Sky suffers as NZ demand for online video skyrockets. Newsroom. Retrieved from https://www.newsroom.co.nz/@screen-entertainment/2017/04/05/18082/sky-subscriptions-suffer-as-kiwis-turn-to-online-video

The Indian Weekender (2017, n.d.). Info. Retrieved from https://www.indianweekender.co.nz/Info/Advertise.aspx

The Spinoff (2017, n.d.). About Retrieved from https://thespinoff.co.nz/about-contact/

30-year-old Auckland newspaper to stop press (2017, September 12). RNZ. Retrieved from http://www.radionz.co.nz/news/national/339210/30-year-old-auckland-newspaper-to-stop-press

The New Zealand Herald (2017, May 4). Editorial: blocking this merger is a big mistake. Retrieved from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11849426

Thompson, P. (2017, May 10). New thinking needed to respond to the NZME-Fairfax merger decision. Opinion. *The Dominion Post.* Retrieved from http://www.stuff.co.nz/dominion-post/comment/92387599/peter-thompson-new-thinking-needed-to-respond-to-the-nzmefairfax-merger-decision

TVNZ (2017a, August 31). TVNZ posts net profit of $1.4 million for 2017 financial year. Retrieved from https://www.tvnz.co.nz/one-news/new-zealand/tvnz-posts-net-profit-1-4-million-2017-financial-year

TVNZ (2017b, August 31). TVNZ reports EBITDAF of $17.4 m after writing down onerous content contract. [Media release]. Retrieved from http://tvnz.co.nz/tvnz-corporate-comms/reports-ebitdaf-17-4-m-after-writing-down-onerous-content-contract-6536613

TVNZ (2017c, February 22). TVNZ delivers stable NPAT half year result. [Media release] Retrieved from http://tvnz.co.nz/tvnz-corporate-comms/delivers-stable-npat-half-year-result-6515645

Whale Oil blogger, former MP, and PR specialist could face jury (2017, October 4). Stuff. Retrieved from https://www.stuff.co.nz/national/97558227/whale-oil-blogger-former-mp-and-pr-specialist-could-face-jury-after-failing-to-get-defamation-case-struck-out

Zenith (2017, June 9). Top 30 Global media owners 2017. Retrieved from https://www.zenithusa.com/top-30-global-media-owners-2017/