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Word War

Demutualising the New Zealand Press Association

Gavin Ellis

**A thesis submitted in fulfilment of the requirements for the degree of
Master of Arts in Political Studies, University of Auckland, 2006**

The University of Auckland

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The coming of war was greeted with enormous popular enthusiasm in the capitals of all combatant countries.

John Keegan, *The First World War*, 2001

DEDICATION

To my dear wife, Jenny Lynch, who had a superior ability to estimate the time this thesis would take to write but a misguided view that my retirement from daily journalism would be a pathway to leisure. Her support and self-sacrifice have, as always, sustained me.

ACKNOWLEDGEMENTS

As the former editor-in-chief of a New Zealand daily newspaper, I found that the prospect of having this thesis supervised by one of the country's foremost – and forthright – media critics was mildly disconcerting. No longer protected by the power of the *New Zealand Herald's* masthead, I faced potential combat on unfamiliar ground – the academic territory in which the supervisor was clearly well-versed. My small anxieties were ill-founded. There was no combat, not so much as a cross word. Dr Joe Atkinson, senior lecturer in the Department of Political Studies, gave sound advice and enormous encouragement throughout the research and writing of the thesis. Not once did he call me to account for past 'sins' or forego discussion of the thesis to critique my editorial position on this or that. Rather, his understanding of daily journalism and media organisations was the source of advice that materially improved this study. He also helped me navigate that unfamiliar academic territory. I owe him a debt of thanks...and a decent bottle of wine for intruding on his Christmas 'holiday' with requests that he read chapters.

This thesis could not have been undertaken without the cooperation that was extended to me by news media executives, who gave so generously of their time and knowledge. In particular, I wish to thank the chief executive of the New Zealand Press Association, Lincoln Gould, whose support throughout the exercise was unstinting. I am grateful for the assistance provided by the editor of NZPA, Nick Brown, and other members of the agency's staff. I wish also to thank the NZPA board for allowing access to its records, and its current chairman, Peter O'Hara, for his generous assistance wearing a number of 'hats'. I am grateful to the past and present executives of the three newspaper groups and news agencies who provided valuable assistance in charting recent history and to the editors of New Zealand's daily newspapers who made time to take part in the survey that forms part of this research and to answer innumerable emails on points that emerged during the research process.

The staff in charge of the National Newspaper Collection at the National Library in Wellington and Emma Gray at the State Library of New South Wales provided helpful assistance while the anonymous security guard at the National Library, who recovered my lost research-laden laptop, saved my life.

Finally, I would like to thank Bruce Morris and Jenny Lynch for proof-reading the thesis.

ABSTRACT

In 2006, New Zealand's daily newspapers ceased the cooperative exchange of news stories through the country's principal domestic wire service, the New Zealand Press Association. Thereafter, the agency became responsible for producing all of the material it transmitted but was free to offer its services to clients outside the daily press. The thesis asks why a 125-year tradition was abandoned and explores the consequences of that decision.

Domestic news agencies have attracted relatively little academic attention beyond their early development, with the result that the thesis relies heavily on primary sources for much of its historiographic content, in particular the news media executives who were involved in the events leading up to demutualising of the service. Two field studies assess the early effects of the restructuring: firstly, an analysis of the non-local domestic content of six daily newspapers to measure changes in the use of NZPA material over time; and, secondly, a survey of daily newspaper editors to determine satisfaction levels before and after demutualisation of the news service.

The restructuring of NZPA was a manifestation of fundamental changes to New Zealand news media companies that can be traced directly to market liberalisation and the transition from local to transnational ownership. New levels of competition directly challenged the cooperative basis of NZPA and change became inevitable. The agency adopted a commercial model based on that of Australian Associated Press.

The loss of content from contributing newspapers had measurable effects on geographic coverage by NZPA and on the range and quality of stories written by its own editorial staff, which had not increased beyond pre-demutualisation levels due to financial constraints placed on the agency. These effects contributed to a drop in satisfaction levels among daily newspaper editors.

A positive outcome was the creation of a national news agency that was available to all media where, in the past, it had been limited to newspapers. NZPA began to attract non-newspaper customers, which reduced its financial dependence on traditional subscribers.

Research was undertaken during the first year of commercial operation. Therefore, findings on the agency's post-demutualisation performance should be regarded as interim and a basis for future monitoring.

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