

Case studies

3. *City Voice*, an alternative to the corporate model

SIMON COLLINS and JEREMY ROSE

Former editors of City Voice, Wellington

FOR JUST over eight years, from April 1993 to June 2001, *City Voice* provided a small, worker-owned alternative to corporate news media ownership in New Zealand. Unlike almost all other mass media in New Zealand, *City Voice* did not exist primarily to make money. It aimed to earn its workers a decent living, but primarily it existed for reasons that are summed up in this edition of *Pacific Journalism Review* by the word democracy. *City Voice* aimed to give a voice to the people of Wellington to help them influence the issues that concerned them.

In this commentary, we first place *City Voice* in an historical media context. We then outline the history of the publication: its purposes, its contents and character, its role in the Wellington community, its ownership and finance, and the reasons for its eventual closure. Finally, we draw some conclusions.

Why news media exist

Most news media in New Zealand and the rest of the English-speaking world today are owned by big companies that exist purely to make money for their shareholders. Because we are dominated by Anglo-American corporate culture, it is easy to forget that this is a relatively recent and unusual phenomenon. Historically, many of the world's newspapers were founded to promote the political views of their founders and/or the economic and cultural/linguistic

interests of social and ethnic groups. These are still the driving forces of many newspapers in most countries where press freedom exists, and indeed of Maori and other ethnic media in New Zealand too.

It is true that these original political and social purposes have been progressively weakened during the past 100 years or so as small, family-owned news media have been absorbed into huge multinational companies whose shareholders are mostly too distant to care about any aspect of the business other than its profits. The result in New Zealand is that most news media select the stories that are covered, and decide on their placement in newspapers and news bulletins, on the basis of day-by-day monitoring of which stories achieve the highest sales or audiences. Almost subconsciously, journalists absorb the resulting 'news values' that sell: emotion (including conflict, sex, race, violence, death); the unexpected (usually the negative); striking visual images; relevance to the audience; elite 'celebrities'; and humour. Stories are written and rewritten to exaggerate these elements, leaving out other material that might 'bore' people. The results are often grossly misleading, alarmist headlines that induce excitement, fear or resentment but seldom understanding.

But news does not have to be defined by that commercial framework. An alternative is a democratic framework which sees empowering all the people as the best guarantee of the personal freedoms and collective material security that are important for human enjoyment of life. In any society beyond village level, such a democracy requires news media which: (1) keep watch on economic, social and environmental developments and alert people to major issues as they arise; (2) inform people fully and honestly about all issues; and (3) provide a forum in which all people can debate the issues and so help to shape society's decisions. A meaningful democracy requires such media, even if they do not make money.

City Voice: origins and goals

The idea of *City Voice* began when the two of us met through a mutual friend, Chris Ritchie, in mid-1992. We gradually widened the founding group to include other journalists such as Nick Bollinger, Mark Cubey and Rachel Woodley, photographer David Gurr, artist Chris Healey, advertising staff Anna Locker-Lampson, Seona Ashton and Viv Brown, accountant Dave Jenkins, office manager Sue Brimblecombe and distributors Babe and Karen

Edwards. We saw the need for a democratic newspaper that would provide an alternative to the commercial media in which many of us had worked. We believed that the commercial definition of ‘news’ was alienating many people. It made them feel angry and bitter – and powerless to do anything about it. So they turned off, and we saw people, especially young people, drifting away from following the news seriously. We believed that was not in people’s best interests – it simply handed power over to an elite.

So with *City Voice* we aimed to produce a different kind of newspaper, which tried with public journalism to empower people to understand issues and to actually do something about them (Venables, 2001). We aimed to report on the views and life experiences of ordinary people. If we were writing about schools, we aimed to interview the students; if the subject was prisons, we would interview the prisoners; if it was drugs, we would interview the drug addicts. We adopted a slogan from America: ‘News you can use’. We ignored stories about the latest crimes and disasters, and sought out stories where readers could do something about the issue, such as city council plans for the waterfront or the proposed inner-city motorway. We also wanted to make the paper the best guide to ‘what’s on in town’. And we wanted to provide practical information such as the cheapest places to buy various goods and services, where to go to play various sports, and more whimsical material about the latest fashions, favourite recipes and street gossip.

We formalised these goals in an Editorial Charter:

City Voice is published weekly for the following purposes:

1. To provide a vehicle for all members of the central Wellington community to communicate news and opinions to one another, subject only to constraints of space, public interest and readability, as determined by ordinary shareholders of the company.
2. To inform the people of central Wellington about issues affecting their community through high quality news reports, feature articles and analysis.
3. To provide the best available guide to what’s on in Wellington through comprehensive listings, reviews and news of the arts and entertainment.
4. To campaign for a fairer and more tolerant society, and for an improved quality of life in central Wellington.
5. To ensure, in particular, that the activities and concerns of the relatively poor and powerless are represented in news and opinion articles each year at least in proportion to their share of the local population.

6. To offer practical advice to readers about aspects of daily life.
7. To avoid denigrating any individual or group unless the benefit to the general public from publishing such material exceeds the hurt to the individual or group concerned.
8. To pursue all these goals with a sense of humour and a warm delight in the diversity of life.

Character and contents

City Voice was a tabloid newspaper averaging around 20 pages a week – usually three or four pages of community news including local politics, four or five pages of news, reviews and comprehensive listings of arts and entertainment, two pages of ‘Writeback’ (letters and opinions), and a mix of features including profiles, backgrounders, health, food, fashion, motoring, gardening, architecture and design and occasional sport.

We printed 28,000 copies and distributed 21,000 free to every letterbox in Wellington’s central business district and inner suburbs from Wadestown to Berhampore, Northland to Hataitai. Most of the other 7000 copies were distributed free in wire street stands and on café counters around town, and about 100 were mailed out each week to paying subscribers.

It was a radical, activist paper. Our first issue led with a group called Friends of the Library which was set up, largely because *City Voice* made it possible, to campaign against the city council’s proposed library charges (the council eventually backed down). Early issues of the paper ran an opinion piece by a sex worker about the soliciting law, an interview of the Children’s Commissioner by a group of children, and an interview with Satan’s Slaves about whether local residents were right to be afraid of the gang’s heavily protected suburban house. In background articles, we unkindly compared Wellington’s so-called ‘Labour’ mayor Fran Wilde with Britain’s Margaret Thatcher, noting the similarities between Thatcher’s poll tax and Wilde’s plans for uniform annual charges to replace graduated property rates. We focussed on the council’s underlying ideological agenda, rather than confusing readers with the personal squabbles between councillors which tended to dominate the local dailies.

City Voice was the first paper in Wellington to take the arts seriously. Our regular reviewers were passionate about their subjects. We interviewed the people involved in nearly every new play, ran at least one story a week on the visual arts, profiled local and visiting musical groups and reviewed most new

movies. We published special issues for the Wellington Film Festival, and produced the programme for the annual Fringe Festival.

The other sections of the paper aimed to be relevant to ordinary people. The food section started off with articles on home cooking as well as wine and restaurant reviews. Fashion pages covered clothes that people actually wore, rather than the bizarre creations that pass for fashion in glossier publications. Motoring pages featured individual Wellingtonians' favourite cars, including much-loved old bombs as well as newer models. Health pages focussed on low-tech therapies such as homoeopathy and massage.

At first, the whole paper was totally editorially-driven and most ads were sold for placement anywhere in the paper rather than on specific pages such as food or fashion. However, as a free paper we depended on advertising, and gradually the advertising team talked us into running more and more advertising features where stories were written specifically to fill the space between ads on arranged themes. This started with pages on particular suburbs such as Kelburn or Newtown. In later years it extended to sections on travel and other advertising topics such as party ideas, suntan lotions, home heating and upcoming events such as craft shows.

Partly in a move to take back the initiative editorially, we also offered various groups in the community the chance to publish their own 'papers within a paper' on a monthly or six-weekly cycle where they had total editorial control over what went into their papers (usually one or two pages). These included *Chinese Voice*, *Enabling Voice* (people with disabilities), *Fe'e* (Pacific Island), *Greek Voice*, *Indian Voice*, *Mauri Ora* (Maori), *Queer City* (gay/lesbian/transgender) and papers for old people and young people.

Empowering the community

City Voice gave a voice to many people who had never had a voice in the news media before. We reported on the meetings and concerns of council tenants and provided space for their opinion pieces in the Writeback pages. Several tenants became regular volunteers in our office. Others told us that they could not afford to buy daily newspapers and they were grateful to get good local news for free from *City Voice*. Most of the 'papers within a paper' also gave a voice to communities that had never had a chance to speak to the general public of Wellington before.

City Voice strengthened local democracy by giving local body issues the

kind of in-depth coverage which the commercial media avoid as too ‘boring’. We helped to change the sense of hopelessness and helplessness that many ordinary people feel about the news. A security guard at the council used to tell us we should call the paper ‘*The Truth*’ because it was the only paper that reported on what was really happening. We helped to strengthen already-strong local residents’ groups by reporting on their meetings and concerns. *City Voice* became the bulletin board for organisations such as the Residents’ Coalition, ad-hoc groups to Save Capital Power and Save the Airport and local groups on national issues such as Project Waitangi. Our coverage of the city council’s draft annual plans and consultation meetings helped to attract record numbers of submissions on the plans. We covered pretty much every public meeting, petition and protest on our patch, usually both to tell people about the event beforehand and then to report afterwards on what happened. We organised public meetings ourselves on issues where no one else was doing it, such as the proposed sale of the airport and the proposed removal of liquor monopolies held by local licensing trusts. We ran a series of meetings on national election issues such as health, education and the economy for Wellington Central candidates and party spokespeople in the 1999 election.

The paper got many Wellingtonians excited about the arts and other public events. Surveys showed that a high proportion of theatre and gallery visitors read about the shows in *City Voice*. Some public lectures at Victoria University and elsewhere were filled to overflowing after *City Voice* stories about the lecturers.

On the other hand, for some readers, we overdid it. Especially towards the end of the paper’s life, we heard from people who were sick of all the stories about protests and bored by our ‘obsessive’ coverage of the proposed privatisations of Capital Power and then Wellington Airport. Even though we always aimed to cover protests in a ‘constructive’ way, with phone numbers and details about how to get involved, our coverage was often seen as unbalanced and ‘shrill’. The paper became seen as narrowly oppositional, full of carping criticism. There was little to get excited about or to inspire. Although McNair surveys showed that our total readership was steady, the anecdotal evidence suggested that it was narrowing. People interested in local politics and the arts tended to love the paper, but many people interested in other things stopped reading it.

Ownership and finance

City Voice was owned by the Te Aro Publishing Cooperative Ltd, a registered company whose articles of association provided that its ordinary shares would be held in equal amounts by each of the people who worked for it.

The cooperative issued redeemable preference shares to about 160 people who invested a total of \$165,000, which we promised to repay in either three or five years, with interest payable by two options – either at the rate of inflation plus a fixed amount, or at a variable rate based on the profits we had made. There was a board of directors usually of five or six people, of whom one was elected by the redeemable preference shareholders. All the other directors were elected by the ordinary shareholders to maintain the principle of worker control. We believe that, just as empowering all the people is the best guarantee of the freedom and security that make life enjoyable in any human community, so empowering all the workers is the best guarantee of an enjoyable workplace. Individual workers would, of course, make decisions appropriate to their roles as news editor, arts editor, advertising manager and so on on a day-to-day basis. But the principle of cooperative ownership meant that all the workers collectively would make major longer-term decisions such as whether profits should be handed out to the shareholders or reinvested in improving the paper.

This structure helped the paper to start with great enthusiasm. None of us had launched a paper on this scale before, and we all learnt a lot of new skills in the process. Cooperative meetings were held every fortnight or so and helped to build a sense of inclusiveness. At least in the early stages, workers were prepared to effectively subsidise the paper by taking low wages in the expectation that they would reap the benefits of future profits. There was a one-for-all and all-for-one attitude that saw advertising reps writing reviews, journalists laying out ads and the whole staff helping to paste up the paper on what were often chaotic Wednesday mornings.

However, this changed gradually, mainly because the paper did not make money. Rather than discussing how we should spend the profits, cooperative meetings became dominated by how we could cut costs to survive. Wages were low: we all started on a common wage of \$NZ300 a week before tax; we raised the wage gradually to \$500 by 1996; but were forced to cut it back to \$450 the following year to stay afloat. The year we cut the wages, 1997-98, was the only year when we made a profit and were able to repay 10 per cent of the money that had been invested in redeemable preference shares back in 1993 – a small

token of good faith to people whom we had promised to repay in full with interest. In all other years we lost an average of about \$50,000 a year on turnover of around \$500,000. We had always expected that the paper would take a couple of years to become established – that was the main reason we raised capital initially. But once the capital had gone, survival became a matter of increasingly desperate cash management, trying to round up cash from late-paying advertisers and delaying our own payments as long as possible. We cut not only wages but also the working hours of some workers, putting more pressure on the remaining workers, so that everyone was always short of time. Increasingly, people resented the time required for cooperative meetings, and found the meetings painful experiences. Attendances dwindled, and meetings became less and less frequent.

In the planning stages of the cooperative, it was agreed that members would not only share any future profits, but would also share responsibility for any losses. This was later amended at the request of the parents of one of the cooperative's youngest members. Towards the end of the paper's life, this led to a situation where the directors – none of whom by that time actually worked for the paper – faced the possibility of carrying quite large losses. Workers were understandably reluctant to become directors and share responsibility for losses. As a result, the board of directors began to meet more frequently and increasingly took the hard decisions. In the last few years of the paper's life, occasional meetings of the full cooperative often had little option other than to rubber-stamp decisions already taken in principle by the board. Conversely, the board vetoed a number of cooperative decisions, and the cooperative effectively ceased to be the final decision-making body.

Endplay

Advertising revenue peaked in 1996-97, but even then there was considerable stress because we were spending more than we were earning. As a totally independent enterprise, we lacked the economies of scale that larger companies get from producing several publications with the same staff and equipment. We also refused for as long as possible to compromise on what we considered to be the minimal number of journalists required to produce a good newspaper: a fulltime editor/news editor, a fulltime arts editor/reporter, a fulltime photographer, a half-time subeditor/production manager and part-time reviewers and listings editors. By contrast, some of our competitors in the

Capital Community Newspapers group got by with a single editor/reporter for each paper, plus shared group production resources.

Staffing apart, the paper was always run on a shoestring. Our desks were donated, usually with drawers missing. Paper was recycled. As we could not afford cleaners, we cleaned the office ourselves after the publication went off to the printer each week, with the result that for most of each week the office looked like a bombsite. The computers, the printer and the photocopier broke down often because we deferred maintenance as long as possible.

Everyone focussed on getting the paper out each week. The editors wrote stories as well as editing stories by other contributors. The advertising manager sold ads personally as well as managing the other reps – usually selling right up to the last minute in a frantic effort to reach our break-even sales figure each week. Late ads and late stories usually forced the production manager to work through most of the night before the paper went off to the printer on a Wednesday morning. It was a hand-to-mouth culture and there was never enough time for forward planning.

At the end of 1996 our first advertising manager left because she could not see how to boost sales any further. Early in 1997, a bitter personal dispute between the new advertising manager and our top-selling sales rep led eventually to both of them leaving. Sales plunged. A new advertising manager managed to stop the collapse, but sales never recovered to their previous peaks. The board took the traumatic decision to cut the wages.

The paper survived for another four years, but from then on it was in a state of semi-permanent crisis. Morale was fragile. A few weeks of good advertising sales boosted everyone, but then a bad week induced panic, which made it much harder for sales reps to maintain the motivation required to sell. Already-overworked journalists became consumed with thinking up and writing advertising features to try to help the advertising staff sell ads. Page numbers shrank in line with falling advertising from 24 pages to 20, then 16, then 12, so there was much less room for good stories, and much of the surviving ‘editorial’ space had to be devoted to advertising features. There seemed to be no point in widening the pool of volunteer contributing writers as there was so little space for their stories, so as existing volunteers moved on, the writing pool narrowed. In the last few years, working at *City Voice* came to seem like living in a ghetto, largely cut off from the wealthy city around us.

In late 2000, conscious of their potential liability for ‘reckless trading’ if

the paper continued, the directors decided to wind up the cooperative. Some of those working at the paper led by the arts editor, Federico Monsalve, formed a new company, City Voice Media Ltd, which raised extra capital, cut costs and continued publishing for a few more months. But in June 2001 the new company decided that it too could not afford to lose any more money, and the paper closed. All trade creditors were paid off by September 2003, but apart from the 10 percent repaid in 1998, the investors in both Te Aro Publishing Cooperative and City Voice Media lost all the money they had invested.

Why *City Voice* closed

City Voice did not close for lack of capital. When we sought capital in 1993, we were overwhelmed by the response. One retired civil servant who did not know any of us walked in off the street and invested \$10,000.

Nor were we beaten by any underhand tactics by the commercial media. The dominant media company in Wellington, INL (now Fairfax), ignored us because our advertising revenue was too small to have any effect on it. Our most direct competitor, another free weekly aimed at visitors and the entertainment market, *Capital Times*, did fight us hard, approaching all our advertisers and offering better deals after every issue of *City Voice* came out. But we did the same to it and regarded it as a fair competitor.

So *City Voice* failed simply because we could not sell enough advertising. This, in turn, was because we did not reach enough readers. Rather to our surprise, advertisers were always willing to advertise in *City Voice* if it gained them enough extra customers. Most of them did not even notice our politics – but they did notice whether their sales rose when they advertised in different media. Advertising in *City Voice* did work for some businesses, such as organic health food shops, alternative health therapists, theatres and some restaurants. But crucially, it never worked for big-volume advertising areas such as real estate, cars, jobs, supermarkets, fashion and appliance stores. With hindsight, we believe there were three main reasons for this:

First, over time the paper became increasingly narrowly focussed on local politics and the arts, and the people interested in those things are generally not big spenders on property, cars and so on. We gained a much broader readership at first because the paper was new and exciting with unconventional stories, innovative design, striking photos and content innovations such as the ‘papers-within-a-paper’. But over time we lost readers because we lost some of the

people who came up with those innovations, and we failed to keep drawing in new contributors to replace them. Gradually, nearly all the elements of the paper apart from politics and the arts became subverted by the drive to sell advertising. Too often features were written reluctantly to sell ads around, rather than with humour and passion.

Second, the advertising features themselves turned readers off. Ironically, with hindsight, we believe we would have sold a lot more advertising if we had refused the pleas from the advertising staff for advertorials and stuck to producing good stories.

Third, we failed to distribute the paper to those who wanted to read it. We usually ran out of copies in the street stands and cafés, and often had calls from people in more distant suburbs complaining that there were no stands in their areas. Yet when we surveyed the suburbs where we did distribute to all letterboxes, we found that 20 percent of the households put *City Voice* straight into their recycling bins because they did not have time to read it. We realised that we should abandon home delivery and switch to having a lot more street stands through the whole region, rather than just in the central city. The switch would have boosted our readership by at least 20 percent, and it would have delivered advertisers a more distinct ‘demographic’ – mainly younger people who go out a lot and have money to spend. It would not have reduced access to the paper for other people such as council tenants who valued the paper for its news coverage, provided that we had enough street stands at local dairies and supermarkets and in the main council complexes. But we felt that we could not take the financial



City Voice: The morning after, 18-25 April 2001.

risk of such a fundamental change unless we had some bank savings to cover the time it would take to pick up new readers (to replace those who would no longer get the paper delivered at home). With mounting debts rather than assets to back us, we never made the change.

Alternative models

In New Zealand, discussions on business ownership focus almost exclusively on either foreign versus local or public versus private. Disappointingly, what little debate there is about media ownership tends to follow the same pattern. Would proponents of New Zealand ownership really prefer, say, that the *Dominion-Post* was owned by a local millionaire such as Graeme Hart, rather than by Britain's Scott Trust? Hart has become New Zealand's richest man by a singleminded pursuit of profit, whereas the Scott Trust, which publishes *The Guardian* and *The Observer* and has a major share in a South African weekly, has the sole aim of producing quality newspapers (www.gmgplc.co.uk/gmgplc/scott).

In the past century, New Zealand's newspapers have been transferred from wealthy establishment families to a virtual duopoly of multinational media giants. Yet it's doubtful if the shift has impacted adversely on the quality of journalism or on the political leanings of the country's various newspapers and magazines. Few would argue that the Irish-owned *New Zealand Herald* is inferior journalistically to the still family-owned *Otago Daily Times*, or that the locally owned *National Business Review* is more sympathetic to workers' views than the foreign-owned *Listener*.

The arguments for and against foreign ownership are economic, not journalistic. Both foreign and local corporate media owners tend to want establishment news media which reflect the views of the ruling elite.

But there are alternatives. In Britain, the Scott Trust, founded in 1936 to safeguard free and liberal journalism, is living proof that major dailies need not be cash cows for multinational companies. For decades, the profits from *The Guardian* have been ploughed back into quality journalism. In France, *Le Monde* is part-owned by societies of its journalists and readers, although it is now also listed on the Paris stock exchange, and the left-wing daily *Liberation* is half-owned by its staff and 'friends' (www.lemondeinenglish.com/keydates.php, <http://news.bbc.co.uk/1/hi/world/europe/3614785.stm>). In the US, 10 per cent of people who tune into public radio and television also donate

to public broadcasting through annual pledges, contributing 22 percent of the service's income (Aufderheide, 2000). Free liberal 'city newspapers' provide alternatives to the mainstream press through street stands in most US cities even as small as Boulder, Colorado (population 95,000; see www.boulderweekly.com). Their advertising base includes entertainment and personal ads and lifestyle products for young professionals, such as outdoor clothing, designer furniture and travel.

Closer to home, the stability and longevity of membership-owned organisations such as the Automobile Association, Public Service Investment Society, AMI Insurance and *Consumer* magazine suggest that there are viable alternatives to publicly listed companies.

With the right editorial judgements and distribution arrangements, we see no reason why another worker-owned newspaper should not be as commercially successful in New Zealand as the free city newspapers are in the US or as paid trust – and worker-owned newspapers are in London and Paris (with obvious adjustments for our smaller size). Our experience would, however, argue against raising capital for a democratic news outlet by claiming to offer a straight commercial investment. If the goal is to create a newspaper for democratic reasons rather than to make money, it would be more honest to say so from the outset, and to raise money through subscriptions to a membership-based readers' society or trust which does not pretend to offer interest or dividends.

To a large extent, the social base for such a publication already exists. The not-for-profit sector has a vested interest in a new type of newspaper – one that shares the concerns of workers, environmentalists and human rights activists. A paper committed to independent quality journalism that forgoes a bogus neutrality for an informed and lively commitment to progressive causes.

The combined communications budgets of New Zealand's unions and assorted non-government organisations – largely wasted on propaganda sheets that nobody reads – would easily cover the costs of a good national weekly. However, convincing unions and NGOs to hand over their communications budgets to an independent newspaper on the understanding that it shares certain core values is about as likely as convincing Barry Colman to hand over the *NBR* to a trust.

But it does seem possible that unions and NGOs might be willing to support such a paper by paying for bulletins to appear in it. Full-page adverts could replace their current magazines and journals – delivered free to mem-

bers. The bulletins would appear in a publication that people actually want to read – and they would reach non-members.

Conclusion

For eight years, *City Voice* provided a democratic alternative to the commercial news media in Wellington. It empowered its readers to take part in local democracy by providing the in-depth information they needed to understand the issues. *City Voice* also created and publicised opportunities to take part in public debate and to influence decision-makers. It strengthened public participation in the creative and intellectual life of the city. Its cooperative structure facilitated an inclusive culture where the paid workers were willing to support one another regardless of formal job descriptions.

The experiment did not last because of editorial mistakes, largely to do with allowing the paper to become too narrowly focussed and too dominated by advertising features. The paper also failed to change its distribution arrangements when it became clear that the paper was not getting to the people who wanted to read it.

But it is vital to a meaningful democracy in any country that the news media should not be left entirely to companies that are in business primarily to make money. We need democratic news media that are committed to empowering their readers, listeners or viewers to understand the issues and take part in public debate. Such models exist internationally and in membership-based organisations in New Zealand. We hope that wider democratic media will arise again in this part of the world.

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Simon Collins was editor and news editor of City Voice from 1993 to 2000 and is now science reporter for the New Zealand Herald. Jeremy Rose was arts editor and reporter for City Voice from 1993 to 1996 and is now a research writer for Consumer magazine.

jeremy.rose@clear.net.nz
simoncollins@clear.net.nz