

Television and the Decline of the Cinema in New Zealand: A Study of Changing Location Patterns, 1956-1966

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Until the arrival of television in New Zealand in the early 1960s, the field of mass visual entertainment was virtually monopolised by the cinema. Both as a major influence upon popular values and attitudes, and as a vital centre of social life, particularly in smaller communities, the cinema played an important formative role in New Zealand society in the first half of the twentieth century. In this period it developed a set of structural and locational features appropriate to the time; but since 1950 technological developments and social change have imposed major adjustments upon the industry. Technological developments have comprised the advent of a powerful competitive medium—television—and of new types of films requiring more sophisticated and expensive equipment in cinemas. Social change has affected the cinema primarily through the growing centralisation of New Zealand society and the consequent decline of the small community. Both have contributed to a wave of cinema closures and a concentration of cinema entertainment into central city locations.

This paper presents a brief analysis of the pattern of cinema closures in the period 1956 to 1967, covering both the trends of the pre-television era and the response to television in the 1960s.

The Cinema Industry in New Zealand

At the outset, some general points need to be made on the development and structure of the industry. Cinemas in New Zealand range from major 'first-run' central-city cinemas seating up to 2,000 down to small rural 'circuit' halls, seating perhaps 100 and visited once a fortnight by an itinerant operator. No very clear boundary can be drawn between the 'large-scale' and 'small-scale' sectors, but the importance of the division is considerable. The large-scale sector occupies the major urban locations, is characterised by concentration of ownership and a monopoly of development investment, and contains the 'first-run' houses for new films. The small-scale sector occupies the smaller towns and rural locations, is mostly independently owned, and often uses premises not originally designed as cinemas. The latter group's lack of resources, its inability to obtain access to new films on first release, and its association with generally declining locations make it clearly more vulnerable to economic pressures. As we shall see, the bulk of closures in the 1950s and 1960s were in this sector.

Of 360 licensed cinemas operating in 1965/6, 107 or 30 percent were in centres of 20,000 inhabitants or more and 180, 35 percent, were in centres of less than 1,000.¹ The widespread penetration of New Zealand society by the cinema, implied by these figures, is illustrated in Figure 1, which brings out also the location of the main entertainment centres with their concentrations of cinemas. Only the four main centres, it will be noted, possess more than four cinemas each; ten years earlier, this applied also to a number of secondary cities.

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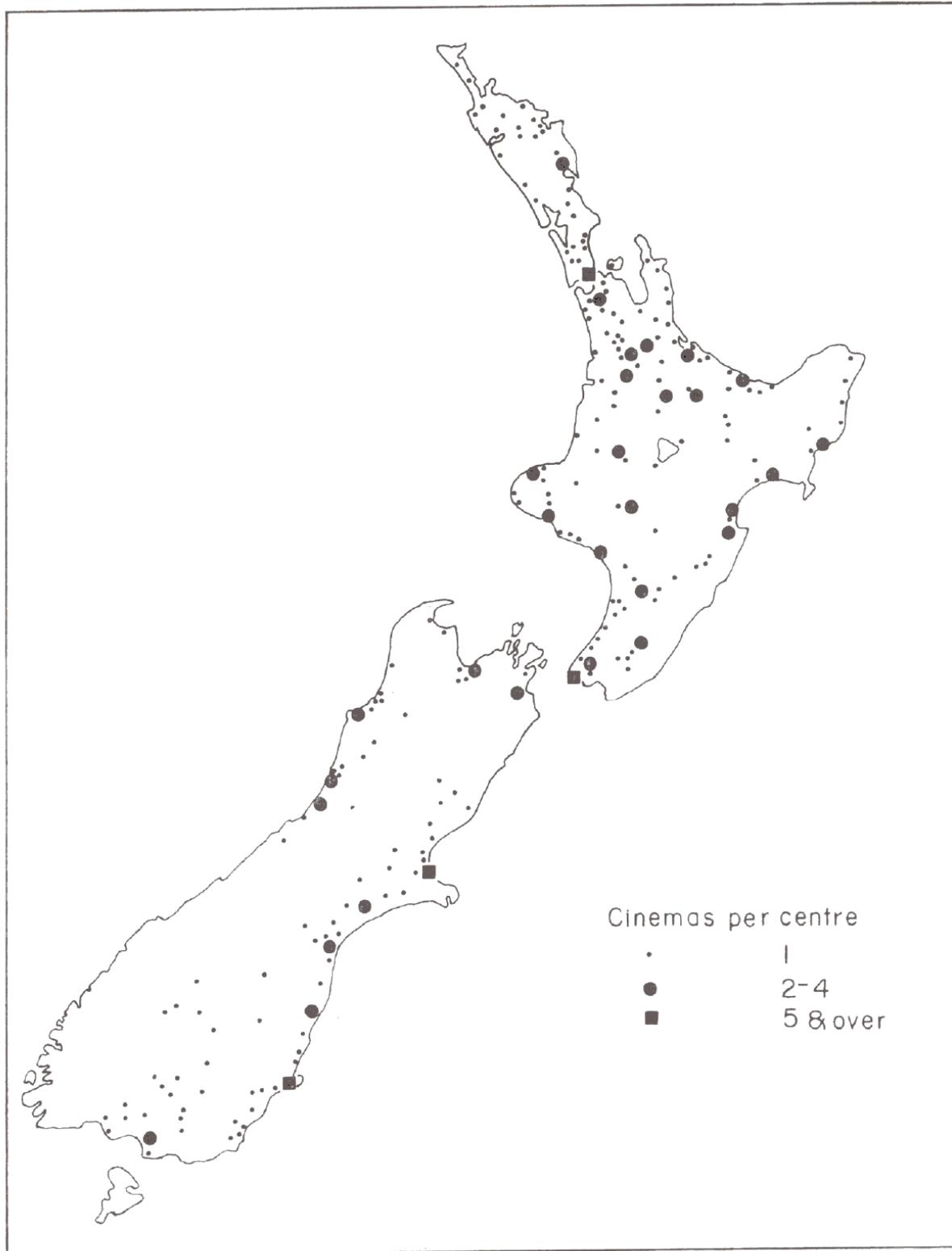


Fig. 1. Distribution of Cinemas in New Zealand, September 1966. *Source:* Film Licensing Authority 1967

In numerical terms, the New Zealand cinema has been on the decline since 1950. In that year, the culmination of a long phase of expansion, there were 600 cinemas in operation. The number dropped steadily during the 1950s to 545 in 1960; thereafter the decline increased dramatically, and by 1967 fewer than 300 cinemas survived. The decade analysed here saw a reduction from 578 cinemas in 1956 to 328 in 1966. Thus 250 cinemas ceased screenings in the period—a major transformation for the industry, to an investigation of which we now turn.

Influences on Closure

The closure of a cinema is usually a reflection of declining demand in its area, and it is thus relevant to consider the changing pattern of demand behind the wave of closures. We shall be concerned here with three aspects of this problem: the pre-television trend, the centripetal pull of the large centres, and the impact of television which has been superimposed on the other two.

1) *Pre-television trends.* The best measure of the popularity of cinema-going in New Zealand is provided by the figures on per capita annual attendance. Admissions per inhabitant reached a peak of over 23 in the war years 1943 and 1944. Since then there has been a secular decline from 19.3 in 1949/50 to 17.0 in 1960/1 and, thereafter, with the arrival of television, to 10.0 in 1964/5. The downward trend in attendance from 1945 to 1960, while not very dramatic, was nevertheless a very real blow to many of the smaller exhibitors, and over 50 cinemas went out of business in the 1950s. Factors contributing to the declining attendance figures probably included the reduced quantity and quality of films produced by overseas studios during the later 1950s, when they faced heavy competition from television in their own countries, and changing patterns of leisure activity in New Zealand associated with higher living standards.

2) *Centralisation.* The relative decline of small rural communities since the 1940s has been in large part a result of improved communications, and of the increasing use of the motor-car. The centralisation of economic functions in the large towns has affected entertainment patterns, and especially the cinema. Audience migration has been encouraged by the higher technical standards and more recent films available in the major urban cinemas, and the burden of the nationwide drop in attendances has thus fallen mainly on the small-town cinemas. At the same time the major city cinemas have been able to maintain satisfactory attendances by drawing on a more widespread audience than formerly. These two trends—the secular decline in attendance, and the growing centralisation of cinema-going—were already established before the introduction of television in the early 1960s.

3) *Television.* Between the statistical years 1960/1 and 1964/5, cinema admissions dropped 35 percent and takings dropped 19 percent in New Zealand. In Table I, data are presented on the regional distribution of these changes related to the impact of television in each region during the period. The degree of television 'penetration' in 1965 was a reasonably accurate measure of the time elapsed since transmissions commenced in each area, and of the quality of reception.

In Table I, statistical areas are ranked according to the decline in cinema attendance from 1960/1 to 1964/5. The correlation between television 'penetration' (the proportion of total homes having television sets) and the decline in cinema admissions is very close. (The coefficient of determination, r^2 , between columns (1) and (3) is 0.91.) The main exception to the pattern is Westland, where attendance dropped 12 percent although the impact of television was negligible; falling cinema business here probably relates to the general economic decline of the region and the out-migration of population, particularly in the cinema-going age group. These factors may contribute also to Marlborough's relatively high ranking.

The late arrival of television in Hawkes Bay and Taranaki—1964 in both cases—meant that its full impact was not felt there in the period covered by Table I, although television penetration appears to have progressed rapidly.

It will be noted that the fall in admissions was not accompanied by a corresponding drop in takings; rather, takings overall dropped about half as far as did admissions

as the decline in audience size was offset somewhat by increased admission prices. Since these price rises seem to have been on a national scale, takings actually rose in the early 1960s in areas where the decline in attendance was less than 20 percent. The benefits of price increases were not equally distributed amongst all cinemas, however; the main beneficiaries were the large cinemas in major centres, whose audience-drawing power was sufficient to override the effects of higher prices. For cinemas in smaller centres and rural locations, price increases merely accelerated the falling-off of demand and hastened their decline.

Patterns of Change

We proceed now to a systematic analysis of cinema closures over the decade 1956-1966. The period has been divided into four:

1956/7—1959/60	the pre-television period
1960/1—1961/2	the first years of television
1962/3—1963/4	the period when television coverage became national in an effective sense
1964/5—1965/6	the period in which the impact of television reached its peak

Of 250 cinema closures in the decade, 217 occurred after August 1960, during the spread of television.

TABLE I
TELEVISION AND THE DECLINE OF CINEMA BUSINESS, 1960/1-1964/5,
BY STATISTICAL AREAS

Statistical Area	Percent Decline in Cinema Admissions	Percent Change in Nett Takings	Percent of Homes with Television March 1965
Central Auckland	44	-25	59.3
Canterbury	41	-25	46.8
Wellington	40	-24	53.2
Otago	39	-19	43.5
S. Auckland-Bay of Plenty	35	-18	44.0
Marlborough	31	-15	29.5
Hawkes Bay	25	-14	37.7
Northland	21	0	26.9
Taranaki	21	0	29.7
East Coast	20	-2	25.7
Southland	14	+8	19.1
Westland	12	+9	1.0
Nelson	5	+20	17.8
New Zealand total	35	19	

Sources: first two columns calculated from Monthly Abstract of Statistics (Department of Statistics, monthly), third based on data supplied by the NZBC.

Comparison of successive yearly lists of licensed cinemas issued by the Film Licensing Authority has made it possible to identify 208 cinemas which closed between

TABLE II
CINEMA CLOSURES BY SIZE OF COMMUNITY, SCREENING RATES
AND CINEMA CAPACITY

Closures by	Period							
	1956-60		1960-62		1962-64		1964-66	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
(a) Population:								
0-199	10	27	12	32	8	14	11	15
200-499	14	38	15	41	19	32	22	30
500-999	3	8	1	3	10	17	14	19
1,000-4,999	4	11	3	8	6	10	12	16
5,000-19,999	1	3	1	3	3	5	2	3
20,000 plus	5	13	5	13	14	22	13	17
Total	37	100	37	100	60	100	74	100
(b) Screening rate:								
1-2 days per week	33	89	31	84	43	73	60	81
3-5 days per week	0	0	0	0	7	11	5	7
6-7 days per week	4	11	6	16	10	16	9	12
Total	37	100	37	100	60	100	74	100
(c) Size of cinema:								
Open air	0	0	1	3	0	0	0	0
0-199	15	40	17	45	19	32	17	23
200-499	16	43	14	38	25	42	37	50
500-999	4	11	2	6	16	26	19	26
1,000 plus	2	6	3	8	0	0	1	1
Total	37	100	37	100	60	100	74	100

Source: Cinema licensing lists, 1956/7 to 1965/6 (Film Licensing Authority, annual).

the commencement of the 1956/7 licensing year and that of 1966/7.² The closures analysed here thus represent about 80 percent of all closures in the period; the effect of the discrepancy is to underestimate the number of small-cinema closures, which group is most prone to omission from the licensing lists on grounds of late application.

Information derived from the lists appears in Table II. It is clear that the bulk of closures were consistently in communities with a population of less than 500, but that from 1962 on their proportion decreased somewhat. For the period 1962-64, closures in towns of 500 to 5,000 made up 27 percent of all closures, and in 1964-66, 34 percent, but only 11 percent in the years 1960-62. These figures indicate the major impact of television in medium-sized communities during the years 1962-65, with consequent closure of cinemas after a process of decline.

Closures in large centres (over 20,000) increased from 1962; most of them were either in the suburbs of the major cities or involved already-marginal cinemas in the