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27 May 2016

[www.accc.gov.au](http://www.accc.gov.au)

Dear Interested Party

**Request for submissions: Seven West Media – proposed acquisition of *The Sunday Times* and *perthnow.com.au***

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on Seven West Media Limited's<sup>1</sup> (**SWM**) proposed acquisition of *The Sunday Times* (and the associated online site *perthnow.com.au*) from News Limited (**News**). SWM owns *The West Australian*, *The Weekend West* and a range of other media assets. Following the transaction the parties also propose to enter into content sharing arrangements.

Further details regarding the proposed acquisition can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- how closely SWM's weekday newspaper *The West Australian*, its weekend newspaper *The Weekend West*, and related website *thewest.com.au* compete with News' *The Sunday Times* and *perthnow.com.au* for the supply of content to consumers and the supply of advertising space to advertisers
- the impact of the proposed acquisition on competition, and whether it will affect:
  - newspaper prices
  - the quality of content, especially local news content
  - the range/diversity of content, especially local news content
  - the price of advertising, especially in newspapers in Western Australia
- whether, following the proposed acquisition, there would be sufficient competitive constraints on SWM to ensure the relevant content and advertising markets remain competitive.

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<sup>1</sup> Or a related body corporate to SWM.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on Friday 17 June 2016**. Responses may be emailed to [mergers@acc.gov.au](mailto:mergers@acc.gov.au) with the title: *Submission re: West Australian Newspapers / News - attention Jason Byrne*. If you would like to discuss the matter with ACCC officers over the telephone or in person, or have any questions about this letter, please contact Jason Byrne on (02) 6243 1279 or Kate Reader on (02) 9230 3822.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

#### ***Confidentiality of submissions***

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Tom Leuner  
General Manager  
Merger Investigations

## Attachment A – Background on the proposed acquisition

### The proposed acquisition

SWM proposes to acquire the newspaper title *The Sunday Times* and the associated online site *perthnow.com.au* from News. News will retain all of its other online and print publications.

### Seven West Media (SWM)

SWM's national media assets include the Seven Network, Pacific Magazines and Yahoo!7.

In Western Australia, SWM supplies:

- *The West Australian*, a paid newspaper distributed in Perth and regional Western Australia from Monday to Friday.
- *The Weekend West*, a paid newspaper distributed in Perth and regional Western Australia on Saturdays only.
- *thewest.com.au*, the website for *The West Australian* and *The Weekend West*.
- Western Australian community and regional newspapers:
  - *The Albany Extra*
  - *The Albany Advertiser*
  - *The Augusta Margaret River Times*
  - *The Broome Advertiser*
  - *The Bunbury Herald*
  - *The Bunbury South Western Times*
  - *The Busselton-Dunsborough Times*
  - *The Countryman*
  - *The Geraldton Guardian*
  - *The Great Southern Herald*
  - *The Harvey-Waroona Reporter*
  - *The Kalgoorlie Miner (Monday to Friday)*
  - *The Kalgoorlie Miner (Saturday)*
  - *The Kimberley Echo*
  - *The Manjimup-Bridgetown Times*
  - *The Mid West Times*
  - *The Narrogin Observer*
  - *The North West Telegraph*
  - *The Northern Guardian*
  - *The Pilbara News*
  - *The Sound Telegraph*

- *The Quokka* – a weekly printed classified-advertising publication, sold throughout metropolitan and regional areas of Western Australia. It is supplemented by the online site *quokka.com.au*.
- Regional radio stations in the Spirit and Red FM networks:
  - 101.3 Red FM (Broome)
  - 96.5 Red FM (Geraldton)
  - 106.5 Red FM (Karratha)
  - 91.7 Red FM (Port Hedland)
  - 102.9 Broome Spirit (Broome)
  - 98.1FM Spirit (Geraldton)
  - 1260AM Spirit (Karratha)
  - 1026AM Spirit (Port Hedland)
  - Spirit Southwest 621 (Bunbury)
  - Spirit Remote (Remote WA)
  - Red FM (Remote WA)
- SWM also holds a 49.9 per cent interest in Community Newspaper Group, with News having the remaining 50.1 per cent interest. Community Newspaper Group publishes a number of community newspapers for distribution within certain regions across Perth or nearby:
  - *The Advocate*
  - *Canning Times*
  - *Comment News*
  - *Eastern Reporter*
  - *Fremantle Gazette*
  - *Cockburn Gazette*
  - *Guardian Express*
  - *Hills Gazette*
  - *Avon Valley Gazette*
  - *Joondalup Times*
  - *Wanneroo Times*
  - *Mandurah Coastal Times*
  - *Pinjarra Murray Times*
  - *Melville Times*
  - *Midland Reporter*
  - *Kalamunder Reporter*
  - *North Coast Times*
  - *Southern Gazette*
  - *Stirling Times*
  - *Weekender*
  - *Weekend Courier*

- *Kwinana Courier*
- *Western Suburbs Weekly*.

## News

News is wholly-owned by News Corporation and is the publisher of various print media and online sites throughout Australia (or parts of Australia), including *The Australian*, *The Herald Sun* and *The Daily Telegraph* newspapers, and online sites *news.com.au*, and *realestate.com.au*. News also has a 48.9 per cent interest in *carsguide.com.au* and a 25 per cent interest in *careerone.com.au*. As indicated above, News also has a 50.1 per cent interest in the Community Newspaper Group.

News is selling:

- *The Sunday Times* – a paid newspaper distributed in Perth and regional Western Australia on Sundays only.
- *perthnow.com.au* – the associated website for *The Sunday Times*.

## Content sharing arrangements

In addition, News proposes to enter into arrangements to:

- grant West Australian Newspapers Limited (**WAN**), subsidiary of SWM, a non-exclusive licence for four years to certain content published on News' Australian metro print publications and metro masthead websites (excluding *The Australian* and *news.com.au*) for use in *The Sunday Times*, *perthnow.com.au* and *thewest.com.au*, *The West Australian* and *The Weekend West*.
- re-sell, on a non-exclusive basis, advertising space in *The Sunday Times*, *perthnow.com.au*, *The West Australian* and *Weekend West*, to national advertisers or advertisers with their primary business outside Western Australia for 12 months.

WAN also proposes to enter into arrangements to:

- grant News a non-exclusive licence for four years to publish certain WAN digital content about Western Australia in *news.com.au* and News' Australian metro masthead websites and SWM's Western Australia print content in News' Australian print publications.
- re-sell, on a non-exclusive basis, advertising space in News' print and digital print extension assets (excluding *The Australian*) to advertisers in Western Australia for 12 months.
- print and distribute the community newspapers published by Community Newspaper Group and *The Australian* in Western Australia.

## Attachment B – Questions for interested parties

As indicated in the covering letter, we would welcome your views on the competition effects of the proposed acquisition. The questions below are designed to assist you in providing a submission. They are separated into different sections, but you are free to answer any or all of the questions.

### Questions for all interested parties

1. Please outline the reasons for your interest in the proposed acquisition.
2. To what extent do you think SWM and News compete with one another on price, the supply of content (e.g. news/information) and/or the supply of advertising space through:
  - a. their existing newspapers, such as SWM's *The West Australian* and *The Weekend West*, and News' *The Sunday Times* and *The Australian*
  - b. their existing websites, such as SWM's *thewest.com.au* and News' *perthnow.com.au*
  - c. any other media platform or brand?
3. To what extent are *The Sunday Times* and *The West Australian/The Weekend West* in competition, given they are published on different days?
4. If the proposed acquisition went ahead, would competition from other media suppliers provide a sufficient competitive constraint on SWM to ensure it offers products on competitive terms? Specifically, which media suppliers might provide a competitive constraint?
5. Do you consider SWM, News, or any other market participant, to be a particularly vigorous competitor for the supply of media in Western Australia, on aspects such as quality, range or diversity of content (e.g. local news/information), price, promotional activity or any other factor?
6. What impact, if any, do you consider the proposed acquisition will have on competition for the supply of community newspapers in Western Australia generally or in particular regional areas?
7. What impact will the proposed content sharing arrangements described above have on competition between *The Australian* and SWM's newspapers post acquisition?
8. Are there impacts in markets for the acquisition of content, particularly Western Australian content, that arise due to the proposed acquisition and the content sharing arrangements?

### Questions for consumers

9. Please identify the media platforms you use to access content, such as news and information, during a typical week. If you use multiple media platforms (e.g. online and print), please explain why.
10. What are the particular media sources that you currently use to access Western Australian-focused content, such as local news and information?

11. In the event the price of *The Sunday Times*, *The West Australian* or *Weekend West* increased, or there was a reduction in the quality of content of the newspaper, would you
  - a. continue to buy the newspaper
  - b. switch to an alternative newspaper
  - c. switch to another media platform (online, radio or television)
  - d. take some other action (please specify)?
12. Are there any aspects of printed newspapers that you value, as opposed to other types of media? For example, this could be a preference to read newspapers at certain times of the week (e.g. weekends), or the convenience of newspapers.
13. Do you read both SWM's and News' newspapers, or choose to read one or the other? Please explain the features that you value in the specific newspaper(s) you have identified. For example, this may include:
  - a. local news specific to the region in which you live
  - b. in-depth sections on particular topics of interest (e.g. sport)
  - c. lift-outs or newspaper inserted magazines that you find attractive (e.g. travel or real estate)
  - d. the level of differentiation in terms of local or other content.
14. If the proposed acquisition were to proceed, would you have competitive alternatives for accessing local news and information, or other content that you value, in Western Australia?
15. Are *perthnow.com.au* and *thewest.com.au* substitutes for you? What other websites can you use to obtain local news?
16. Do you consider *The Australian* to be a substitute for *The Sunday Times*, *The West Australian* or *The Weekend West*?

#### **Questions for media suppliers**

17. In your view, what would be appropriate sources (e.g. Nielsen Online Ratings) and measures (e.g. circulation/readership) to determine the relevant market shares held by participants in the market?
18. How closely do you compete with SWM and News in Western Australia, either on price (e.g. advertising, cover price or subscription packages), the supply of local content or any other way you try to attract customers?
19. Should the proposed acquisition proceed, what is the potential for significant new entry or expansion that would competitively constrain SWM? In your response, please detail any major barriers to entry and expansion.

## Questions for advertisers

20. How do you currently advertise in Western Australia?
21. Do you typically use a number of different media platforms (e.g. newspapers and online) to reach your target audience? Why or why not?
22. Taking account of your target audience, do you consider advertising on other media platforms (such as online, radio or television) to be an alternative for printed newspapers?
23. Where you currently advertise in printed newspapers and/or online, what would you do if your supplier increased the price of advertising by 5 to 10 per cent, or lost some of its readership/circulation?
24. Are there instances where you have leveraged the presence of News in negotiating a better advertising deal with SWM (or vice-versa), or observed other media suppliers changing their offer in response to competition from SWM or News? If so, please provide specific details.
25. Do you consider the relevant market for the supply of advertising to advertisers to be:
  - a. a broad market which includes, for example, printed newspapers, online, radio and/or television
  - b. a narrow market, such as the supply of advertising in newspapers
  - c. a different combination of media or other market (please specify)?
26. Are there specific types of advertising for which *perthnow.com.au* and *thewest.com.au* are the only two competitive options?
27. We would also welcome your views on whether it is appropriate or not to define separate advertising markets for different days of the week (e.g. weekend newspapers).

## Other information

28. Please provide any additional information, or identify any other competition issues, that you consider are relevant to the ACCC's consideration of the proposed acquisition under section 50 of the *Competition and Consumer Act 2010*.