

Watchdog approves landmark Australian media merger

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The Nine-Fairfax merger is the first deal under a controversial media ownership law that removed restrictions on companies owning newspapers, radio and free-to-air television stations in the same city

A landmark merger between Australian broadcaster Nine Entertainment and venerable newspaper group Fairfax won regulatory approval Thursday, clearing the way for the creation of a media giant across television, print, video streaming and digital.

The Australian Competition and Consumer Commission said the deal, announced in July, "was not likely to substantially lessen competition in any market."

The ACCC acknowledged the merger would leave only four big [media](#) companies "intensely focusing on Australian [news](#)", but it said the advent of the internet had brought in many online news players to "provide some degree of competitive restraint".

The Nine-Fairfax merger was the first deal under a controversial media ownership law passed last year which removed restrictions that prevented companies from owning newspapers, radio and free-to-air television stations in the same city.

Major players in the market had long pressed for the change, arguing the rules were outdated and did not account for digital media platforms and new actors like Google and Facebook which have syphoned off the lion's share of advertising revenue in the media sector.

The ACCC decision opens the door to further consolidation in the Australian media market, already dominated by a small group of broadcasters and Rupert Murdoch's News Corporation.

News Corp, the country's largest newspaper group, has already begun developing cross-platform deals with free-to-air television companies, and many analysts believe it could merge in turn with Seven West, which operates the country's most popular television network.

The Nine-Fairfax deal, in which Nine is the dominant partner, includes Nine's free-to-air [television](#) network, Fairfax's radio interests and mastheads—including The Sydney Morning Herald and The Age in Melbourne—and a suite of digital assets, including the highly profitable online real estate site Domain.

The new company will be called Nine, with Fairfax ceasing to exist, drawing the curtain on a brand that has been an Australian staple for more than 170 years.

Like news organisations worldwide, Fairfax has been shedding jobs for years and the takeover by Nine has raised fears of further editorial cutbacks. Nine has already signalled it will seek to sell off the Fairfax stable of rural and regional newspapers.

The Nine takeover must still be approved by Fairfax shareholders at a meeting on November 19.

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