



Public Competition Assessment

27 April 2007

Fairfax Media Limited - proposed acquisition of Rural Press Limited

Introduction

1. On 18 April 2007, the Australian Competition and Consumer Commission (ACCC) announced its decision not to oppose the proposed acquisition of Rural Press Limited by Fairfax Media Limited (**proposed acquisition**), subject to section 87B undertakings accepted by the ACCC. The ACCC was of the view that the proposed acquisition, in conjunction with the undertakings, would be unlikely to have the effect of substantially lessening competition in the market for the supply of general display advertising space in community newspapers in Newcastle, Maitland and the lower Hunter Valley in contravention of section 50 of the *Trade Practices Act 1974* (the **Act**). The ACCC also concluded that the proposed acquisition was unlikely to have the effect of substantially lessening competition in any other areas where the circulation of Fairfax and Rural Press newspapers significantly overlaps (for example, Canberra).
2. The ACCC formed its view on the basis of information provided by the merger parties and arising from its market inquiries. This Public Competition Assessment outlines the basis on which the ACCC has reached its decision on the proposed acquisition, subject to confidentiality considerations.

Public Competition Assessment

3. To provide an enhanced level of transparency and procedural fairness in its decision making process, the ACCC issues a Public Competition Assessment for all transaction proposals where:
 - a merger is rejected;
 - a merger is subject to enforceable undertakings;
 - the merger parties seek such disclosure; or
 - a merger is not opposed but raises important issues that the ACCC considers should be made public.

4. This Public Competition Assessment has been issued because Fairfax Media Limited's proposed acquisition of Rural Press Limited is subject to a court enforceable undertaking and is considered to raise issues of interest to the public.
5. By issuing Public Competition Assessments, the ACCC aims to provide the market with a better understanding of the ACCC's analysis of various markets and the associated merger and competition issues. It also alerts the market to the circumstances where the ACCC's assessment of the competition conditions in particular markets is changing, or likely to change, because of developments.
6. Each Public Competition Assessment is specific to the particular transaction under review by the ACCC. While some transaction proposals may involve the same or related markets, it should not be assumed that the analysis and decision outlined in one Public Competition Assessment will be conclusive of the ACCC's view in respect of other transaction proposals, as each matter will be considered on its own merits.
7. Many of the ACCC's decisions will involve consideration of both non-confidential and confidential information provided by the merger parties and market participants. In order to maintain the confidentiality of particular information, Public Competition Assessments do not contain any confidential information or its sources. While the ACCC aims to provide an appropriately detailed explanation of the basis for the ACCC decision, where this is not possible, maintaining confidentiality will be the ACCC's paramount concern, and accordingly a Public Competition Assessment may not definitively explain all issues and the ACCC's analysis of such issues.

The acquirer: Fairfax Media Limited

8. Fairfax is a newspaper publishing group. In Australia, its metropolitan titles are The Sydney Morning Herald, based in Sydney, and The Age, based in Melbourne. Both titles also circulate in Canberra. Fairfax also publishes a national business daily, The Australian Financial Review, and a number of Australian business magazines.
9. Fairfax operates a community media division, Fairfax Community Newspapers, which publishes local and community newspapers in NSW and Victoria. Fairfax also publishes a number of regional newspapers. Fairfax's regional and community publications include free and paid newspapers which circulate in Newcastle, Maitland, the Lower Hunter Valley, Lake Macquarie (immediately south of Newcastle) and the Hawkesbury region (on the north-western outskirts of Sydney).
10. Fairfax operates an online subsidiary, Fairfax Digital. The company's websites include news sites and classified sites in areas such as employment, real estate and motor vehicle sales.

The target: Rural Press Limited

11. Rural Press is a large regional newspaper publisher. In Australia, its titles include The Canberra Times, 10 regional dailies, and over 160 non-daily regional publications. It publishes no metropolitan titles in Sydney or Melbourne. Its

regional and community publications include free and paid newspapers circulating in Newcastle, Maitland, the Hunter Valley, Lake Macquarie and the Hawkesbury region.

12. Rural Press also publishes agricultural publications in Australia, New Zealand, and the United States, and has internet, radio broadcasting and commercial printing interests. Rural Press's websites include news sites associated with its printed newspapers, and classified sites in areas such as employment, real estate and motor vehicle sales.

The proposed transaction

13. The proposed acquisition involves Fairfax Media Limited (Fairfax) acquiring the entire issued capital of Rural Press Limited (Rural Press) by two schemes of arrangement.

Areas of overlap

14. The circulation of Fairfax publications overlaps, to varying degrees, with the circulation of Rural Press publications in the following areas:

- Newcastle,
- Maitland and the Lower Hunter Valley,
- Lake Macquarie,
- the Hawkesbury region, and
- Canberra.

15. Fairfax's and Rural Press's online sites also overlap in the provision of news and advertising space.

16. These areas are discussed in more detail below.

Timing

17. The following table outlines the timeline of key events in this matter.

Date	Event
06-Dec-2006	ACCC notified of proposed acquisition. Commenced review under the Merger Review Process Guidelines. Review suspended pending receipt of submission from merger parties.
14-Feb-2007	Submission received from merger parties. ACCC review recommenced.
02-Mar-2007	Closing date for submissions from interested parties.
4-Apr-2007	Fairfax proffered draft undertaking to the ACCC. ACCC commenced market consultations on draft undertaking.
11-Apr-2007	Closing date for submissions regarding draft undertaking.
18-Apr-2007	ACCC accepted Fairfax's undertaking and announced its decision.

Market inquiries

18. The ACCC conducted market inquiries with a range of industry participants, including competitors, potential competitors, advertisers, readers and other interested parties. As part of this, the ACCC placed advertisements notifying the public of its investigation of the proposed acquisition in local newspapers in Newcastle, the Hunter Valley, the Hawkesbury and Canberra. Submissions were sought in relation to the substantive competition issues and proposed undertakings.

Analytical framework

19. The ACCC has analysed this proposed acquisition in accordance with the principles set out in its paper on Media Mergers, published in August 2006.¹ In particular, the ACCC has examined whether the proposed acquisition would raise competition concerns in relation to:

- the supply of advertising opportunities to advertisers;
- the supply of content to consumers; and
- the acquisition of content from content providers.

Supply of advertising opportunities to advertisers

20. A proposed merger or acquisition would raise competition concerns if it would be likely to substantially lessen competition between media outlets supplying advertising opportunities, such that the merged firm would be able to exercise market power, typically by imposing a small but significant price rise on advertisers.
21. The product dimension of advertising markets will often be narrower than the supply of advertising opportunities overall. For example, it may be limited to classified advertising in newspapers, or in newspapers and online media. Similarly, the facts of a particular case may lead to a conclusion that the relevant market encompasses newspaper display advertising and television advertising, or that these types of advertising are in separate markets.
22. The geographic dimension of advertising markets will depend critically on the merger being analysed. For example, a merger between two community newspapers will likely have quite localised markets closely reflecting the circulation areas of the newspapers in question. In contrast, the relevant market for a merger between two commercial websites may have a considerably wider geographic dimension.

Supply of content to consumers

23. Newspapers typically provide a bundle of news, opinion, sport, lifestyle and entertainment articles, as well as information including weather forecasts and television programming. Each newspaper will design its bundle so as to best meet the preferences of its target audience.

¹ Available at http://www.accc.gov.au/content/index.phtml/itemId/776536/fromItemId/6204#h2_50

24. Local community newspapers and country newspapers, both of which generally circulate in defined local areas, tend to attract readers who are interested in news specific to that local area and in advertising by businesses located in that local area. Newspapers which do not specialise in providing this local content, usually either because they are focused on a wider geographic area (e.g. citywide, regional or national) or because they focus on a particular audience (e.g. business), may therefore not be close substitutes for readers of community newspapers that do specialise in providing local content.
25. A proposed merger or acquisition would raise competition concerns if it would be likely to substantially lessen competition for consumers between media outlets, such that the merged firm would be able to exercise market power, typically by imposing an increase in price (unless the paper is distributed for free) or a reduction in quality. Whether readers are likely to cease reading a newspaper or spend less time reading it as a response to an exercise in market power will depend on the availability of alternatives for readers.

Relationship between advertising and content

26. A close relationship exists between the supply of content to consumers and advertising markets. Newspapers offer advertisers the opportunity to reach the readers of that newspaper. A newspaper publisher which attempted to exercise market power by increasing its cover price or decreasing the newspaper's quality would risk losing readers and, as a consequence of this, advertisers. Consequently, both the loss of revenue from readers (if the paper is not distributed for free) and the loss of revenue from advertising must be considered to determine whether it would be profitable for the newspaper to exercise market power.
27. More specifically, for free community newspapers, the most likely way that a publisher would attempt to exercise market power on readers would be to reduce the quality of the newspaper's layout or its content. In particular, a publisher might reduce the quality of its newspaper by reducing the diversity of content it supplies to readers. However achieved, a reduction in the quality of the newspaper would be likely to result in a proportion of consumers ceasing to read the newspaper or reducing the time they spend reading it. While a reduction in effective readership would be the direct consequence of reducing quality in a free community newspaper, as indicated above, the effect on the profitability of the newspapers could occur through the indirect effect of the reduction in readership on advertising.
28. If advertisers have viable alternatives, they are likely to cease or reduce their advertising in the paper, potentially making the reduction in quality unprofitable for the publisher. However, if advertisers do not have viable alternatives, most may continue to advertise in the paper even if their advertising spend becomes less effective. If that were the case, the publisher would face no real constraints in imposing a small but significant reduction in the quality of the paper. In this way, a merger which produces a substantial lessening of competition in an advertising market may lead to a reduction in the diversity and coverage of content provided to readers.

Acquisition of content

29. Newspapers generally appear to acquire little content other than national and international news from press agencies. Consequently, in practice, any competition concerns in content acquisition markets arising from a newspaper merger could be expected to be associated with the acquisition of national and international news.
30. Much of the content of free community papers is advertising. The remaining news and information content is largely self-supplied, that is, the newspapers employ their own journalists to provide content for the newspaper.
31. Similarly, country newspapers, whether paid or free, tend to focus on news specific to their local area (that is, the area in which the newspaper circulates). Consequently, they largely self-supply news, as well as relying on news supplied by press agencies.
32. Overall, mergers involving free community newspapers or country newspapers seem unlikely to raise competition concerns in content acquisition markets. However, the specific facts of individual matters would always need to be examined.

With/without test

33. In assessing a merger pursuant to section 50 of the Act, the ACCC must consider the effects of the transaction by comparing the likely competitive environment post-merger if the transaction proceeds (the “with” position) to the likely competitive environment post-merger if the transaction does not proceed (the “without” position).

NEWCASTLE AND THE HUNTER VALLEY

Paid daily newspapers

34. The ACCC recognises that the markets discussed below might include paid daily newspapers, particularly in Maitland. However, post-acquisition Fairfax will own all locally-focused paid daily newspapers in Newcastle, Maitland and the Lower Hunter Valley; these being The (Newcastle) Herald and The Maitland Mercury.
35. Consequently, the ACCC concluded that widening relevant markets to include locally-focused paid daily newspapers would not affect its analysis of the proposed acquisition. The analysis below therefore largely focuses on free community newspapers.

Newcastle

Competition analysis

36. Fairfax publishes The Newcastle & Lake Macquarie Post (the Post), a free weekly newspaper circulating in Newcastle and Lake Macquarie. The circulation area of the Post substantially overlaps with that of Rural Press's free weekly newspaper, The Newcastle & Lake Macquarie Star (the Star).
37. Market inquiries suggested that the two papers compete vigorously for general retail display advertising and, accordingly, for readers. In particular, market inquiries cited specific instances where competition between the Post and the Star has assisted in preventing increases in advertising rates.
38. Few submissions were received in relation to competition between the Post and the Star for classified advertising. In any case, it appears that the Newcastle Herald dominates classified advertising in Newcastle and the Hunter Valley. The Post and the Star have relatively small classifieds sections.
39. The Newcastle Herald also appears to dominate real estate advertising for Newcastle properties. Real estate agencies appear to prefer to advertise where other real estate agencies advertise, and where readers expect to find Newcastle properties advertised.
40. News Limited circulates its Sydney-based paper, The Daily Telegraph, in the Newcastle/Hunter Valley region. Market inquiries indicated that most local advertisers do not consider the Daily Telegraph to be a substitute for advertising in the Fairfax and Rural Press publications.
41. Market inquiries in Newcastle did not raise concerns about content.
42. The ACCC is aware of a few very local or niche publications currently circulating in parts of the Newcastle/Hunter Valley area (for example, the Stockton Messenger). However, market inquiries suggested that they are not significant competitors to the Fairfax and Rural Press publications as they do not operate on a sufficiently large scale to present a viable alternative for advertisers.

Competition with other media

43. Market inquiries indicated that online advertising is increasingly effective for real estate. However, many real estate agents continue also to use print advertising to satisfy and attract vendors, and to attract buyers and renters who do not have internet access.

44. For other advertisers in the Newcastle/Hunter Valley region, other forms of advertising (e.g. television for larger businesses, or letterbox drops for smaller businesses) appear to be used on occasion. However, market inquiries suggested that these forms of advertising are used in addition to newspaper advertising, rather than in place of newspaper advertising. Further, some general advertisers advertise solely in newspapers, and do not consider other forms of advertising to be effective in attracting customers.

Barriers to entry

45. There do not appear to be significant regulatory or legal barriers to establishing a free weekly community newspaper paper in the region. Further establishment costs (e.g. content, printing and distribution) appear to be low, and printing and publishing capabilities are readily accessible.

46. However, market inquiries suggested that most businesses would advertise in a new community paper only if it had a comparable circulation to the Post or the Star and was able to attract a significant number of readers. This would require a new entrant to launch its paper on a comparable scale to the Post and Star to attract advertisers.

47. While entry on a smaller scale may be possible, any such papers would be likely to have limited attraction for many advertisers.

48. Market inquiries also suggested that a significant new free weekly newspaper may be deterred from entering the Newcastle market by concerns about Fairfax's anticipated response, combined with perceptions about advertisers' loyalty to existing papers. The ACCC is aware of an aggressive response, including by discounting advertising rates, to attempted entry into another regional market and is concerned that the perception of a similar response in the Newcastle/Hunter Valley region may deter entry. There also appear to be no significant examples of recent new entry in the area that could help substantiate an argument that barriers to entry are low.

Impact of the Fairfax Undertaking

49. In light of the above, the ACCC considers that the proposed acquisition is likely to raise significant competition concerns in the market for the supply of general display advertising in free community newspapers in Newcastle.

50. However, Fairfax's undertaking requires it to divest The Newcastle & Lake Macquarie Post to a purchaser approved by the ACCC. This will address the ACCC's competition concerns by returning the market to its pre-acquisition state; that is, the Post and the Star will be independent competitors in the market post-acquisition.

Conclusion

51. Taking into account the impact of Fairfax's undertaking, the ACCC does not consider that the proposed acquisition is likely to substantially lessen competition in Newcastle.

Lower Hunter Valley: Maitland

Competition analysis

52. Fairfax publishes The Hunter Post, a free weekly newspaper which circulates in Maitland and surrounding areas.
53. Rural Press publishes The Lower Hunter Star, a free weekly newspaper, and The Maitland Mercury, a paid daily newspaper, both of which circulate in and around the Maitland area.
54. Market inquiries yielded similar responses to those obtained in Newcastle. In particular, they suggested that the Hunter Post competes vigorously with the Lower Hunter Star in display advertising and, accordingly, for readers. Competition from other media was limited. As with local newspapers in Newcastle, the ACCC notes that the classified advertising sections in all three papers are relatively small.
55. A small number of market inquiries also suggested that the Newcastle Herald and the Maitland Mercury compete for readers in Maitland, particularly by covering local Maitland news. These parties expressed concern that, post-acquisition, the Herald may reduce its coverage of local Maitland news. However, the ACCC observed that the Maitland Mercury has a significantly greater focus on local Maitland news than the Herald, which focuses more on Newcastle and Hunter-wide news. The Herald also appears to carry more world news and is a substantially larger newspaper (by number of pages) than the Mercury. The ACCC therefore formed the view that the Maitland Mercury and the Newcastle Herald are unlikely to be significant competitors; that is, they are unlikely to be close substitutes for a significant group of Maitland readers.

Barriers to entry

56. For the reasons expressed above as regards Newcastle, the ACCC's view is that barriers to entry to the relevant market are likely to be relatively high.

Impact of the Undertaking

57. In light of the above, the ACCC considers that the proposed acquisition is likely to raise significant competition concerns in the market for the supply of general display advertising in free community newspapers in Maitland.
58. Fairfax's undertaking requires it to divest the Hunter Post to a purchaser approved by the ACCC. This will address the ACCC's competition concerns. In particular, post-acquisition, two competitors will exist, one publishing the Lower Hunter Star (and the Maitland Mercury) and one publishing the Hunter Post.

Conclusion

59. Taking into account the impact of Fairfax's undertaking, the ACCC does not consider that the proposed acquisition is likely to substantially lessen competition in Maitland.

Lower Hunter Valley: Thornton, Woodberry, Tarro, Raymond Terrace and surrounds

Competition analysis

60. The Hunter Post circulates across the Lower Hunter Valley, including in Thornton, Somerset Park, Tarro, Woodberry, and surrounding areas.
61. Rural Press circulates a free weekly newspaper, the Lower Hunter Weekend Star, throughout the Thornton, Somerset Park, Tarro and Woodberry areas.
62. Market inquiries again yielded similar responses to those found in Newcastle and Maitland. They indicated that the Hunter Post competes vigorously with the Lower Hunter Weekend Star in display advertising and, accordingly, for readers. The ACCC again notes that the classified advertising sections of these papers are quite small. For the reasons expressed above as regards Newcastle, the ACCC's view is that barriers to entry to the relevant market are likely to be relatively high. Competition from other media is likely to be limited. In regional areas with low population density, letterbox advertising may also be less effective than it is in metropolitan areas.
63. Market inquiries in the Lower Hunter Valley (outside Maitland) did not raise concerns about content.

Impact of the Undertaking

64. In light of the above, the ACCC considers that the proposed acquisition is likely to raise significant competition concerns in the market for the supply of general display advertising in free community newspapers in the Lower Hunter Valley, including Thornton, Woodberry, Tarro, Raymond Terrace and surrounds.
65. Fairfax's undertaking requires it to divest the Hunter Post to a purchaser approved by the ACCC. This will address the ACCC's concerns. In particular, post-acquisition, two competitors will exist, one publishing the Lower Hunter Weekend Star and one publishing the Hunter Post.

Conclusion

66. Taking into account the impact of Fairfax's undertaking, the ACCC does not consider that the proposed acquisition is likely to substantially lessen competition in the Lower Hunter Valley.

Lake Macquarie

Competition analysis

67. In the Lake Macquarie area, the circulation of The Newcastle & Lake Macquarie Star (Rural Press) overlaps with The Newcastle & Lake Macquarie Post. However, two other free weekly community newspapers circulate specifically in the Lake Macquarie area: Fairfax publishes a free fortnightly community newspaper, The Lakes Mail, and News Limited publishes a free weekly newspaper, The Lake Macquarie News.
68. Market inquiries suggest that advertisers in Lake Macquarie consider the Lake Macquarie News to be a good alternative to advertising in the Star, Post and Mail, and are confident it would remain so post-acquisition.
69. Market inquiries in Lake Macquarie did not raise concerns about content.

Conclusion

70. The ACCC formed the view that the proposed acquisition is unlikely to raise competition concerns in Lake Macquarie, given the existence of an established competitor post-acquisition, the Lake Macquarie News.

THE HAWKESBURY REGION

Competition analysis

71. There is significant (although not complete) overlap in circulation between Fairfax's free weekly publication, The Hawkesbury Independent, and Rural Press's two weekly publications, The Hawkesbury Gazette, which is paid, and The Hawkesbury Courier, which is free.
72. Market inquiries indicated that the Independent competes with the Courier and, to a lesser extent, the Gazette. The Gazette appears to have significant brand loyalty among readers in the area.
73. Market inquiries noted that the circulation area of News Limited's free community newspaper, the Penrith Press, extends into parts of the Hawkesbury area, including the centres of Richmond and Windsor. However, some towns in the upper Hawkesbury region, such as Kurrajong, do not receive the Penrith Press and market inquiries indicated that some advertisers in those areas have no real alternative to advertising with Fairfax or Rural Press. However, the ACCC was satisfied that barriers to expansion in this area were not particularly high, relying on confidential information.
74. Market inquiries in the Hawkesbury region did not raise concerns about content.

Conclusion

75. On the information before it, the ACCC's view is that Fairfax's proposed acquisition is unlikely to raise competition concerns in the Hawkesbury area.

CANBERRA

Competition analysis

76. Rural Press publishes The Canberra Times, which is the major daily newspaper in the Canberra region.

77. Fairfax's daily newspapers, The Sydney Morning Herald, The Age and The Australian Financial Review, also circulate in Canberra, along with The Daily Telegraph, The Herald Sun and The Australian, published by News Limited. All these newspapers have reasonably significant circulation and readership. Other daily metropolitan newspapers (e.g. News Limited's Courier Mail (Brisbane)) also circulate in Canberra, albeit in small numbers.

Supply of advertising opportunities

78. The Sydney Morning Herald and the Age carry minimal, if any, advertising by Canberra-based businesses. However, all three newspapers carry advertising by national advertisers, including Australian Government agencies, as does the Australian. This appears to reflect a desire by these advertisers to reach readers in Sydney, Melbourne, Canberra and indeed nationally, a strategy which suggests that the Age and the Sydney Morning Herald are not significant competitors to the Canberra Times in Canberra.

Supply of content

79. As discussed in paragraph 23 above, media outlets supply a bundle of news content of interest to readers in the area of circulation. The Canberra Times, for instance, includes news on items of interest to residents of Canberra, including news on ACT Government activities, local schools and community organisations, and events in Canberra, in addition to coverage on issues of national and international interest. The Sydney Morning Herald and the Age, on the other hand, have minimal, if any, coverage of local Canberra news, although both papers provide national and international news.

80. The ACCC therefore concluded that the Sydney Morning Herald and the Age were likely to be limited competitors at best for readers of the Canberra Times. It appears that the circulation of the Sydney Morning Herald and the Age in Canberra may at least partially be explained by the significant number of residents in Canberra who originate in Sydney or Melbourne, and who may therefore be more interested in news from their 'home' city than in the Canberra-focused news supplied by the Canberra Times. Another factor underpinning the circulation of the Sydney Morning Herald and the Age may be demand by Australian Government agencies, national organisations based in Canberra, and so on, for wide news coverage.

Conclusion

81. The ACCC concluded that The Sydney Morning Herald and The Age are not significant competitors with The Canberra Times in the supply of advertising opportunities and the supply of content to readers. Consequently, the proposed acquisition is unlikely to raise competition concerns in Canberra.

ONLINE

Competition analysis

82. Fairfax and Rural Press each have online news and classified sites available nationally across Australia, which compete in the provision of news and advertising opportunities. However, a number of strong competitors exist in each area of overlap, including news.com.au, abc.net.au and ninemsn.com for news, realestate.com.au for real estate classifieds, seek.com.au for employment classifieds, and carsales.com.au for automotive classifieds.
83. Consequently, Fairfax's acquisition of Rural Press's online sites would seem unlikely to raise competition issues. In each of the geographic areas of potential competition concern, there is at least one strong online competitor. For example, realestate.com.au carries a number of advertisements for properties in the Newcastle and Hunter Valley region and was named by most real estate agents in the areas as their main online site for advertising.

Conclusion

84. The ACCC formed the view that the proposed acquisition is unlikely to raise competition concerns in online markets, given the existence of strong competitors.

ACQUISITION OF CONTENT

85. Other than The Canberra Times, most Rural Press newspapers are community or country newspapers which, as noted at paragraph 30, do not generally include significant amounts of national or international news, which is the main content acquired (rather than self-supplied) by newspapers. Accordingly, Rural Press is unlikely to be a significant acquirer of national news, relative to other Australian newspapers and media companies (including online). Rural Press is also not a significant acquirer of international news, relative to Australian and overseas newspapers and media companies (including online). Market inquiries did not raise any concerns about the likely effect of the proposed acquisition on competition for the acquisition of national or international news.
86. Consequently, the proposed acquisition of Rural Press by Fairfax would be unlikely to significantly increase concentration in content acquisition markets, and would therefore be unlikely to raise competition concerns in these markets.

FAIRFAX'S UNDERTAKING

87. A brief summary of the undertaking offered by Fairfax Media Limited is set out below:

- Fairfax will divest The Newcastle & Lake Macquarie Post and The Hunter Post (the divestiture businesses) to a purchaser or purchasers approved by the ACCC;
- Fairfax will not make any material adverse changes to the divestiture businesses prior to divestiture;
- Fairfax will appoint an independent manager, approved by the ACCC, to manage the divestiture businesses separately from Fairfax's business, until divestiture; and
- If the sale of the divestiture businesses has not been completed within the confidential divestiture period, an independent divestiture agent, approved by the ACCC, will be appointed to sell the divestiture businesses.

88. The undertaking provided by Fairfax will be available on the ACCC's website (excluding any confidential information).

CONCLUSION

89. On the basis of the above, including taking into account Fairfax's undertaking, the ACCC formed the view that the proposed acquisition of Rural Press Limited by Fairfax Media Limited would not be likely to result in a substantial lessening of competition in the market for general display advertising in free community newspapers in each relevant geographic area in contravention of section 50 of the Act.

90. The ACCC also formed the view that the proposed acquisition would not be likely to result in a substantial lessening of competition in markets for the supply of advertising opportunities, the supply of content or the acquisition of content in other areas where the circulations of Fairfax and Rural Press newspapers overlap (e.g. Canberra) in contravention of section 50 of the Act.