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Nine-Fairfax deal needs greater scrutiny by ACCC, says media union

The takeover of Fairfax Media by Nine should undergo a far more detailed examination by the Australian Competition and Consumer Commission than that currently proposed, says the union for media workers.

The Media, Entertainment & Arts Alliance has written to the heads of Nine and Fairfax urging the companies to seek formal authorisation of the merger from the ACCC – a far more rigorous process than the current 12-week informal merger review.

MEAA Media federal president Marcus Strom said the informal review was not underpinned by legislation and was more opaque in terms of the issues raised and scrutinised. The biggest media merger in Australian history deserves more than this.

“A takeover of this nature, with its implications for media diversity, editorial independence and the cloud hanging over the Fairfax portfolio of regional publications and websites, requires a more robust and transparent process than an informal merger review,” Mr Strom said.

“Nine and Fairfax should submit themselves to detailed questioning about this takeover. They should explain what their takeover will mean for all their media businesses and what it will mean for consumers, the audience who rely on the information and entertainment provided by those businesses. And they should be willing to explain what it will mean for the thousands of affected employees.”

ACCC chairman Rod Sims has already said the Commission will use its current digital platforms inquiry, examining the impact of giant foreign players Google and Facebook have had on the media, to inform its examination of the Nine takeover of Fairfax.

MEAA believes the companies should use the formal authorisation process to answer questions around issues including:

- How the approximately 7000 employees affected by the merger will be allocated across the combined organisation;
- The continuing provision of media content to regional and rural communities through print, television and radio following the merger;
- Where and whether media resources will be merged and centralised;
- How the combined reach of five television stations, approximately 170 news titles and eight radio stations will comply with section 61AB of the Broadcast Services Act 1992 (i.e. the four and five voices rule);
- How changing technology will influence the merged company's structure.

The companies must also explain how their commitment to the *Fairfax Media Charter of Editorial Independence* would operate in the merged entity given Nine CEO Hugh Marks' reluctance to make a formal written commitment to the uphold the charter.

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