



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC TO ALLOW SOUTHERN CROSS PROPOSED ACQUISITION OF AUSTEREO

The Australian Competition and Consumer Commission today announced that it will not oppose the proposed acquisition of Austereo Group Limited by Southern Cross National Network Pty Ltd.

The ACCC reviewed the proposed acquisition under section 50 of the *Competition and Consumer Act 2010*, which prohibits mergers that would have the effect of substantially lessening competition in a market.

Southern Cross owns and operates commercial radio stations and commercial free-to-air television stations in regional Australia. Austereo operates commercial radio stations in metropolitan areas in Australia and supplies syndicated radio content to radio broadcasters in regional Australia. The merger parties are also buyers of radio content from content providers.

The merger parties' radio and television licences do not currently overlap except for the radio licences held in Brisbane and the Sunshine Coast, which allows both parties to broadcast within that region.

"A large number of parties were consulted in the ACCC's review, including competitors, content providers, advertising agencies and businesses that advertise in the Brisbane and Sunshine Coast regions," ACCC chairman Graeme Samuel said.

The ACCC found that in the Brisbane and the Sunshine Coast area there were a number of competitors for the supply of advertising opportunities and the supply of content to consumers.

The ACCC found that due to the presence of existing competitors, the proposed acquisition would not be likely to substantially lessen competition in any other markets where Southern Cross and Austereo operate. These include advertising markets across other regions of Australia and the supply and acquisition of radio broadcasting content.

The ACCC notes that in addition to its review, the Australian Communications and Media Authority will conduct a review to determine whether the proposed acquisition would breach the *Broadcasting and Services Act 1992*. Section 54 of the BSA prohibits an entity from controlling more than two radio licences in a radio licence area and certain remedies, such as divestiture of a radio licence, may be required to rectify a breach.

Media inquiries

Mr Graeme Samuel, chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Mr Brent Rebecca, media, (02) 6243 1317 or 0408 995 408

General inquiries

Infocentre: 1300 302 502

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