

MEDIA RELEASE



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Bauer, Pacific Magazines deal raises preliminary competition concerns

The ACCC has raised preliminary competition concerns about the proposed sale of Pacific Magazines (ASX: SWM) to Bauer Media, in a deal that would combine Australia's two biggest magazine publishers.

The ACCC is particularly concerned about the impact of the proposed acquisition on some key weekly magazine titles. Bauer's *Woman's Day* competes closely with *New Idea*, owned by Pacific Magazines, and Bauer's *Take 5* magazine competes strongly with Pacific Magazines' *That's Life*.

"Pacific Magazines and Bauer are the only magazine publishers in certain categories, and their titles appear to compete head-to-head on content and cover price," ACCC Chair Rod Sims said.

"We are acutely aware of the dramatic decline in magazine revenue, both in terms of lost advertising and reduced sales. The trends in the media sector were considered closely in our [Digital Platform Inquiry final report](#) published in July. Many magazines titles have closed over recent years, and more titles will close irrespective of this deal."

"However, competition within markets has an important role to play to protect consumers, even in declining markets," Mr Sims said.

"The key Bauer and Pacific Magazine titles remain profitable, and in some cases average more than one million readers per issue."

"If Bauer bought Pacific Magazines, Bauer would remove its closest competitor in certain segments. Our preliminary view is that this would allow Bauer to reduce the effort put into content production and the range of content, or to increase prices."

"While there is free online content available that resembles the content in these magazines, many consumers still value the physical format of magazines, the packaging together of stories, puzzles, prizes and other content, and the style of the articles produced by each magazine," Mr Sims said.

"Our preliminary view is that many readers have a strong preference for print magazines in the key weekly categories."

The ACCC is also continuing to consider the impact of the proposed acquisition on content acquisition including photographs.

The ACCC has published a statement of issues outlining its preliminary concerns. It invites submissions from interested parties by 14 February 2020. The ACCC's final decision is scheduled for 2 April 2020.

Further information is available at [Bauer Media Pty Limited - Pacific Magazines Pty Ltd](#).

Background

Bauer publishes magazines (print and digital versions) and also publishes content online.

Bauer is part of the Bauer Media Group, which is based in Hamburg, Germany. Bauer Media Group is a privately-owned international media company publishing over 600 magazine titles globally.

Pacific Magazines is a publisher of content in magazines (print and digital versions) and online.

Pacific Magazines is a wholly-owned subsidiary of ASX-listed Seven West Media Limited. Seven West Media is a national media provider across television, magazine and newspaper publishing and online platforms.

Seven Group Holdings Limited, an Australian diversified operating and investment group, has a 41 per cent shareholding in Seven West Media.

Bauer's and Pacific Magazines' titles in content categories that overlap are as follows:

Bauer	Pacific Magazines
“Women’s interest”	
Australian Women’s Weekly	New Idea
Woman’s Day	New Idea Royals
It’s Your Day	
Real life	
Take 5	That’s Life!
Take 5 Monthly	That’s Life! Monthly
Home & Garden	
Belle	Better Homes & Gardens
Country Style	Home Beautiful
Australian House & Garden	
Inside Out	
Real Living	
Celebrity	
NW	Who
OK!	
Fashion & Lifestyle	
Elle	InStyle
Harper’s Bazaar	Marie Claire
Health & fitness	
Good Health	Women’s Health
	Men’s Health

Puzzles	
Take 5 Pocket Puzzler	Better Homes & Gardens Puzzle Book
Take 5 Mega Puzzler	Better Homes & Gardens Code Cracker
Woman's Day Super Puzzler	Better Homes & Gardens Sudoku Book
Australian Women's Weekly Puzzle Book	New Idea Jumbo Puzzler
NW Trivia & Puzzles	New Idea Mr Wisdom's Whopper
	Family Circle Puzzle Book
	That's Life! Bumper Puzzle Book
	That's Life! Puzzler on the Go
	That's Life! Crack the Code
	That's Life! Wordsearch
	Mr Wisdom Presents Australia's Own Sudoku
Food	
Australian Gourmet Traveller	Family Circle
Australian Women's Weekly Food	
Parenting	
The Bounty Pregnancy Booklet	Practical Parenting website
The Bounty Baby Care Booklet	

Readership of key titles in the "women's interest" and real life categories is as follows:

Title (publisher)	Average print readership per issue
"Women's interest"	
Woman's Day (Bauer)	982,000
New Idea (Pacific Magazines)	1,404,000
Real life	
Take 5 (Bauer)	469,000
That's Life (Pacific Magazines)	751,000

Source: Enhanced Media Metrics Australia (July 2018 – June 2019). Print readership represents the average number of readers aged 14+ per issue over a period of 12 months

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