Media Concentration: Australia

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# Australia: Summary of Results

<table>
<thead>
<tr>
<th>Industry</th>
<th>C4 (%)</th>
<th>HHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless Comms</td>
<td>100 ('97)—100 ('09)</td>
<td>5009 ('97)—3151 ('09)</td>
</tr>
<tr>
<td>Wireline Comms</td>
<td>100 ('97)—86 ('09)</td>
<td>8673 ('97)—5302 ('09)</td>
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<tr>
<td>Pay TV</td>
<td>99 ('96)—100 ('08)</td>
<td>2736 ('96)—4756 ('08)</td>
</tr>
<tr>
<td>Newspapers</td>
<td>97 ('84)—99 ('08)</td>
<td>3343 ('84)—4246 ('08)</td>
</tr>
<tr>
<td>Search Engines</td>
<td>91 ('01)—99 ('10)</td>
<td>2599 ('01)—8574 ('10)</td>
</tr>
<tr>
<td>Magazines</td>
<td>78 ('00)—93 ('08)</td>
<td>2621 ('00)—2898 ('08)</td>
</tr>
<tr>
<td>Broadcast TV</td>
<td>73 ('88)—77 ('07)</td>
<td>1372 ('88)—1566 ('07)</td>
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<tr>
<td>Broadcast Radio</td>
<td>56 ('88)—60 ('07)</td>
<td>1330 ('88)—1175 ('07)</td>
</tr>
<tr>
<td>ISPs</td>
<td>31 ('98)—67 ('08)</td>
<td>357 ('98)—2139 ('08)</td>
</tr>
<tr>
<td>Film Production</td>
<td>13 ('97)—45 ('07)</td>
<td>50 ('97)—938 ('07)</td>
</tr>
<tr>
<td>Books</td>
<td>In Progress</td>
<td>In Progress</td>
</tr>
</tbody>
</table>
Communications

- **Wireline dominated by Telstra former monopolist**
  - Second carrier (Optus) licensed in 1992
  - Open competition since 1998
  - Many new entrants

- **Wireless Telstra largest operator**
  - Before 1992 Telstra monopolist operator
  - 2 new licences (Optus and Vodafone) issued in 1992
  - Open competition since 1998
  - New entrant One.Tel failed in …..
  - Hutchison established …. but now in Joint venture with Vodafone
Broadcast TV and Radio

• Licensing controls commercial entry to industries

• Broadcast TV ownership control
  – Pre-1987: limited to 2 licences nationally
  – Main players: 3 urban & 3 regional commercial networks; ABC and SBS

• Broadcast Radio ownership limits
  – 1987: ownership of one station in any one area, 50% in any one state (prev. 4) or 16 nationally (prev. 8)
  – 1992: two stations in any one area, no other limits

• Cross media ownership rules in place from 1987
  – Repealed in 2005
Subscription TV

• **Foxtel Dominant** *(Telstra 50%, News 25%, PBL 25%)*
  – Optus *(Foxtel Reseller since 2002)*
  – Austar *(programming sharing/distribution agreement with Foxtel)*
  – Local small players *(Transact in ACT)*

• **Control of content major barrier to entry**

**ISPs & Search Engines**

• Some 400 ISPs: only 11 > 100,000 subscribers
• C4 share increase from 31% to 67% from 1998 to 2008
  – *Bigpond’s (Telstra) share* increased from 13% to 44%
• Google dominates Australian search engine Mkt
  – share of market exceeds 90%
  – rapidly displaced Yahoo and Altavista over past decade
Film and Video Production

• Over 2000 firms; most very small (<2 employees)
• Only 18 with 100+ employees accounting for:
  – 39% industry employment and 31.3% of income
  – Larger firms include in-house production of TV stations
• Industry concentration ratios based only on firms with 10+ employees
  – exclusion of smaller firms not significant for results
• Distinct increasing concentration trend primarily reflects growth of Village Roadshow
Cross Industry Interests (1)

- Largest Wireline Communications Operator
  2008 Market Share: 72%

- Largest Wireless Communications Operator
  2009 Market Share: 42%

- Largest ISP (Telstra-Bigpond)
  2008 Market Share: 44%

- 50% ownership: Foxtel
  Largest subscription TV Provider
  2008 Market Share: 44%
Cross Industry Interests (2)

News Ltd

- Largest Newspaper Publisher
  - 2008 Market Share: 58%

- Significant Magazines Publisher
  - 2008 Market Share: 14%

- 25% ownership: Foxtel
  - Largest subscription TV Provider
  - 2008 Market Share: 44%

- Significant Interests in Production of Film and TV News
Cross Industry Interests (3)

**PBL**
(Publishing and Broadcasting Ltd)

- **Largest Magazines Publisher**
  - 2008 Market Share: 44%

- **Controlling Interest Nine Television Network**
  - 2007 Broadcast TV Market Share: 14%

- **50% Ownership of Ninemsn internet gateway** (jointly owned with Microsoft)

- **25% ownership: Foxtel**
  - Largest subscription TV Provider
  - 2008 Market Share: 44%