News Corp – acquisition of 20% of National Distribution Services

MN-35014

Phase 1 Determination

Acquisition may be put into effect

9 June 2026

1. Determination

Notified acquisition	News Corp Australia Pty Ltd (**News Corp**)'s proposed acquisition (through its subsidiary, News Pty Ltd) of a 20% interest in National Distribution Services Pty Ltd (**NDS**) and a call option to acquire the remaining shares in NDS in limited circumstances (the **Acquisition**).
Determination	The Australian Competition and Consumer Commission has determined under section 51ABZE(1) of the *Competition and Consumer Act 2010* (Cth) that the Acquisition may be put into effect.
Parties to the Acquisition	The acquirer, News Corp, is an Australian media company with interests across digital media, magazines, newspapers, audio production, marketing and publishing. It is indirectly wholly owned by News Corporation, which is headquartered in the United States and listed on the Nasdaq and ASX. Through its Australian subsidiaries, News Corp currently contracts with a range of suppliers, including NDS, to distribute its print media publications across Australia to retailers and home delivery subscribers. News Corp also arranges for its suppliers to distribute certain third-party publishers' print media on a shared carriage basis. The target, NDS, is an Australian distribution and logistics company which supplies services to a range of publishers in Australia, including News Corp. NDS operates a distribution network covering Victoria, New South Wales, South Australia, Tasmania, Queensland and Darwin.
Reasons for determination	The reasons for the ACCC's determination are set out in section 2.

2. Statement of reasons

2.1. When making a determination in Phase 1, the Australian Competition and Consumer Commission (**ACCC**) undertakes a competition assessment and considers whether it is appropriate for an acquisition to be approved or subject to further assessment in Phase 2 in accordance with section 51ABZJ of the *Competition and Consumer Act 2010* (Cth) (the **Act**). In doing so, the ACCC must have regard to the object of the Act and all relevant matters, including the interests of consumers.

2.2. For more information about the ACCC's approach to considering notified acquisitions, see the ACCC's merger assessment guidelines and interim merger process guidelines.

2.3. For the reasons given below, the ACCC has determined that the Acquisition may be put into effect.

Relationship between the parties

2.4. Based on the material before it, the ACCC finds that News Corp and NDS (together, the **Parties**) primarily interact through a vertical relationship, given that NDS supplies News Corp with distribution services for its print media. While they may in theory presently compete for some publisher customers (via News Corp's shared carriage

arrangements), the ACCC has formed the view based on information provided by the Parties that they are unlikely to do so in the future with or without the Acquisition.

2.5. In addition to acquiring a 20% interest in NDS through the proposed Acquisition, News Corp has announced that it intends to partner with NDS to create a new business, Reach Plus, that will streamline large-scale deliveries of its publications to regional areas of Australia. The ACCC understands that any spare capacity in Reach Plus's newspaper trucks will be sold to other businesses that wish to distribute their printed products in country areas.[1]

Industry background

2.6. The distribution of print media such as newspapers and magazines generally encompasses linehaul distribution, (i.e. delivering the print media from various printing sites to 'hubs' for subsequent distribution) and secondary distribution, (whereby the print media is delivered from these hubs or directly from printing sites to retailers or end customers).

2.7. There has been a general trend of declining print media readership in Australia. This has prompted publishers to identify efficiencies to address reduced demand and rising costs associated with producing and distributing print publications. Many of these publishers have sought to reduce their distribution costs in various ways, such as by outsourcing distribution to specialist distribution service providers that lower costs by combining delivery runs (as opposed to the traditional model where secondary distribution was often performed by newsagents).

2.8. Similarly, in response to commercial and economic challenges facing the publishing industry, many traditional suppliers of distribution services for print media (such as newsagents) have exited the industry in recent years.

Competition assessment

2.9. The ACCC has considered the effects of the Acquisition by comparing the likely future state of competition if the Acquisition proceeds against the continuation of the current state of competition (being the likely future state of competition if the Acquisition does not proceed).

Relevant areas of competition

2.10. The ACCC considered whether the Acquisition is likely to substantially lessen competition by providing News Corp with:

- the ability and incentive to successfully foreclose rival print media publishers by limiting their access to NDS's distribution services and/or
- the ability and incentive to foreclose NDS's print media distribution rivals by limiting their access to sufficient distribution volumes of print media.

2.11. The ACCC's assessment regarding each of these points is discussed further below.

[1] James Madden, 'News looks to share load in regional communities', *The Australian*, 4 May 2026.

2.12. In addition, the ACCC initially considered other possible theories of harm, including potential unilateral horizontal effects in the supply of distribution services to print media publishers. This theory was considered and dismissed as it was not supported by the material before the ACCC.

2.13. In conducting its analysis, the ACCC had regard to information and documents provided by the Parties and information provided by third parties.

2.14. For the purposes of its assessment, the ACCC did not consider it necessary to form a concluded view on the precise geographic scope of the relevant markets.

Vertical effects – foreclosure of rival print media publishers by limiting their access to or raising the price of distribution services

2.15. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of print media publication services by enabling News Corp to foreclose its rival print media publishers through limiting their access to or increasing the price of distribution services. This is because the ACCC's assessment is that it is unlikely News Corp would have the incentive to fully or partially foreclose rival print media publishers in this way.

2.16. Based on market feedback and information provided by the Parties, the ACCC makes the following findings:

- News Corp may have the ability to foreclose rival print media publishers in certain metropolitan and regional areas through limiting rivals' access to or increasing the price of NDS's distribution services in those areas.
    - In certain metropolitan and regional areas of Australia, where NDS has extensive scale and scope in the supply of print newspaper distribution services, rival distribution service providers appear to offer weak competitive alternatives.
    - For some print media publishers, there are few or no genuine alternative suppliers to NDS for some or all of their distribution needs, and self-supply of distribution services is not economically feasible.
    - News Corp, via its influence over NDS, appears likely to have the ability to limit its rivals' access to NDS' distribution services through raising NDS' prices or refusing to supply distribution services to rivals.
- However, News Corp would be unlikely to have the incentive to fully or partially foreclose rival print media publishers in this way, because:
    - The profitability of such a foreclosure strategy would require a material number of consumers to switch away from rival print publications to News Corp's own print media rather than simply switching from the rival's print media to the rival's digital media.
    - Scale and scope efficiencies, which are very important to the ongoing viability of the NDS business, would only likely be achieved by continuing to supply distribution services to rival publishers, and to the extent that any foreclosure reduced NDS's volumes below efficient levels it would likely raise NewsCorp's own costs as well as those of its rival publishers.

2.17. The ACCC also notes that News Corp currently provides printing services to rival new media publishers across Australia. The ACCC considers it unlikely that News Corp would have the incentive to foreclose rival news media publishers from access to distribution services given it apparently does not have the incentive to foreclose rival news media publishers' access to printing services, despite an absence of printing options available to rival news media publishers. This is because the margins that would be lost to News Corp, via NDS, from foreclosing rivals' access to news media print distribution post-Acquisition would necessarily involve the loss of margins to News Corp from printing rivals' publications as well as the margins lost from distributing rivals' publications. The combined effect of these lost margins on News Corp must be higher than the margins which would have been lost had News Corp adopted a strategy of foreclosing rivals' access to printing services. Accordingly, taking into account the continued provision of printing services to News Corp's rival news media publishers, it appears unlikely News Corp would have the incentive, via NDS, to foreclose rival news media publishers' access to distribution services post-Acquisition.

Vertical effects – foreclosure of rival distribution service suppliers by limiting their access to sufficient distribution volumes of print media

2.18. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of print media distribution services by limiting NDS's rivals' access to sufficient distribution volumes of print media.

2.19. This is because, based on information and documents provided by the Parties, the ACCC finds, that under both a future with and a future without the Acquisition, it is likely that News Corp would be incentivised to improve the efficiency of its print media distribution model over time by consolidating its demand to a smaller number of distribution contractors than it currently uses.

2.20. While the ACCC recognises that NDS's rival distribution service providers may face reduced demand over time, the ACCC considers that any reduction in competition that results from this reduced demand is not due to the Acquisition.

3. Applications for review

3.1. A notifying party, or other person who has been allowed to do so by the Australian Competition Tribunal, may apply for review if they are dissatisfied with the determination. Pursuant to section 100C of the Act, applications for review of the determination are to be made to the Australian Competition Tribunal before the end of 14 calendar days after this statement of reasons was included on the ACCC's Acquisitions Register. To confirm whether there has been any application for review, please contact the Australian Competition Tribunal.

Determination made by a division of the Commission constituted by a direction issued pursuant to section 19 of the Act