



HIGH COURT OF AUSTRALIA

Public Information Officer

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RURAL PRESS LIMITED, BRIDGE PRINTING OFFICE PTY LTD, IAN LAW AND TREVOR
McAULIFFE v AUSTRALIAN COMPETITION AND CONSUMER COMMISSION,
WAIKERIE PRINTING HOUSE PTY LTD AND PAUL TAYLOR

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION v RURAL PRESS
LIMITED, BRIDGE PRINTING OFFICE PTY LTD, IAN LAW, TREVOR McAULIFFE,
WAIKERIE PRINTING HOUSE PTY LTD AND PAUL TAYLOR

The High Court of Australia today dismissed a Rural Press appeal and allowed an ACCC appeal, both relating to an arrangement on South Australian country newspaper markets that allegedly contravened the Trade Practices Act.

Rural Press subsidiary Bridge Printing published the Murray Valley Standard while Waikerie Printing published the River News, with very few newspapers sold in each other's prime circulation areas. When councils in the area were restructured in July 1997, River News extended southwards to take in the township of Mannum, making it a competitor with the Standard. Rural Press and Bridge repeatedly told River News's owners Paul and Darnley Taylor and managing editor John Pick that they would have to consider reacting commercially, perhaps by establishing a rival newspaper in the Riverland area. The Taylors eventually agreed in April 1998 to revert to a line 40km north of Mannum and Rural Press took no steps to establish a Riverland newspaper.

The ACCC alleged that an arrangement was made by which Waikerie Printing committed itself to withdrawing the River News from circulation around Mannum, and Rural Press and Bridge committed themselves not to introduce any new newspapers in competition with the Taylors. The Federal Court held that Rural Press and Bridge had contravened section 45 of the Act by entering into an arrangement which substantially lessened competition and which contained an exclusionary provision, and had contravened section 46 by taking advantage of market power for illegal purposes. The Court also found executives Mr Law and Mr McAuliffe were knowingly involved in these breaches. The Full Court of the Federal Court allowed an appeal by the Rural Press parties on the exclusionary provision and section 46 issues and dismissed the ACCC's appeal and cross-appeal on penalties.

Both the Rural Press parties and the ACCC appealed to the High Court. Rural Press argued there was insufficient evidence to find an arrangement, there was no purpose or effect of substantially lessening competition, and the two executives had insufficient knowledge to make them liable. The ACCC argued the Full Court should have upheld the findings on the exclusionary provision and section 46 breaches. The High Court unanimously held there was an arrangement of the type alleged by the ACCC and that this arrangement had the purpose and effect of substantially lessening competition in the region. The Court dismissed Rural Press's appeal, allowed the ACCC's appeal in relation to the exclusionary provision, rejected the ACCC's appeal in relation to the section 46 issue, and revised the declarations made by the Full Court of the Federal Court.

- *This statement is not intended to be a substitute for the reasons of the High Court or to be used in any later consideration of the Court's reasons.*