



Magazine prices up again

Cover prices of major magazines continue to rise much faster than inflation, according to the Communications Law Centre's latest survey.

Although new titles are regularly launched in the already crowded market, the fact that most titles emerge from the dominant Packer and Murdoch stables might explain why prices seem impervious to such 'competition'.

As the accompanying table shows, all 13 magazines in our sample increased their prices between April 1994, when we first surveyed them, and last July. A hypothetical reader of all 13 would have paid \$45.25, or 158 per cent more than for the same magazines in 1984. The Consumer Prices Index rose only 77.7 per cent over the same period.

We have found no reports in the mainstream press of the figures in last month's *Communications Update* which showed that in the same 1984-95 period the prices of newspapers also grew by:

Metropolitan dailies (Mon-Fri) 155 per cent

Metropolitan dailies (Sat) 209 per cent

Metropolitan Sundays 118 per cent

If anyone noticed any newspaper that actually shared the data with its readers, please let us know. We would be happy to acknowledge a paper that overcame the conflict of interest and recognised that there is a story in the fact that an industry that enjoys enormous market power, and sells about 20 million units a week of a staple product serving a democratic function, appears to be immune from the scrutiny that regulators and even its own journalists routinely apply to the pricing policies of many other industries.

Doubtless, if the publishers felt the need to mount a defence of price

increases they would cite the worldwide increase in the cost of newsprint. Rupert Murdoch draws attention to it in his chief executive's review in the 1995 News Corporation annual report (page 6).

It is true that newsprint prices have risen steeply recently. But this cannot explain the high base from which the cover prices of Australia's major newspapers and magazines have been climbing still further. Indeed, one of the reasons why the new Australian Competition and Consumer Commission should conduct a thorough and open inquiry into cover prices is to clarify the exact effect of newsprint costs in the setting of cover prices.

The American journalism scholar, Professor Phil Meyer, reports that in the US, newsprint costs are 'neither

disastrous nor unpredictable' (*Columbia Journalism Review*, July-August 1995). Using inflation-adjusted dollars, Meyer shows that the cost of newsprint in the second quarter of 1995 was \$US650 per long ton, certainly a steep jump from the 1992 low of around \$US450, but still far short even of the previous decade's peak of \$778 in 1988, and well under the record of \$US837 set in 1977.

We acknowledge that the newsprint market is complex, international and cyclical and that US data may not translate to Australia. Nevertheless, in the absence of more detail and scrutiny, newsprint costs alone cannot justify the consistent steep rises in cover prices, particularly since 1990, as distinct from merely excuse what appears on its face to be simple abuse of market power. □

Paul Chadwick

Cover prices of 13 selected major magazines

Title	1984	1990	1994	1995	% rise 84-95
Women's Weekly	1.60	2.75	3.30	3.50	118%
Woman's Day	0.80	1.70	2.30	2.40	200%
New Idea	0.70	1.50	2.20	2.40	242%
TV Week	0.80	1.40	2.00	2.20	175%
Reader's Digest	1.80	3.25	3.95	4.20	133%
Family Circle	1.10	2.00	2.90	3.20	190%
Cleo	1.85	3.25	4.50	4.60	148%
Cosmopolitan	2.00	3.25	4.50	4.60	130%
Better Homes & Gardens	1.35	2.00	3.20	3.60	166%
People	1.00	1.90	2.50	2.60	160%
Australian House & Garden	2.00	3.50	4.20	4.40	120%
Bulletin	1.50	2.50	3.30	3.60	140%
BRW	1.00	3.00	3.75	3.95	295%
TOTALS	17.50	32.00	42.60	45.25	158%

The prices for every year from 1984 to 1994 appear in the comprehensive survey published in *CU* issue 98 in April 1994. The magazines selected are intended to represent a cross-section of popular titles and categories. The selection was made before the price data was gathered. The categories were varied on purpose, but because of that variety the average cover price of this particular selection may give a misleading impression of the average price of all magazines and so has not been shown. Average prices for all metropolitan daily and Sunday newspapers from 1984, 1990, 1994 and 1995 were given in last month's *CU* issue 115, page 11. 1995 prices as at 24 July. Prices research: Bruce Shearer