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Form GA

Commonwealth of Australia

Trade Practices Act 1974 — subsection 93AB (1)

NOTIFICATION OF COLLECTIVE BARGAINING

This form is to be completed by applicants proposing to engage in collective bargaining arrangements.

In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

Protection provided by the notification extends only to the collective bargaining arrangements described in the form.

To the Australian Competition and Consumer Commission:

Notification is hereby given under subsection 93AB (1) of the *Trade Practices Act 1974*:

- to make, or propose to make, a contract containing a provision of the kind referred to in paragraph 45 (2)(a) of the *Trade Practices Act 1974*; or
- to give effect to a provision of a contract where the provision is of the kind referred to in paragraph 45 (2)(b) of the *Trade Practices Act 1974*.
(Strike out if not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

Section A – general information

1. Applicant

- (a) Name of the applicant:
(refer to Direction 1)

..... Please see attached additional pages
.....

- (b) Description of business carried on by the applicant:
(refer to Direction 2)

..... Please see attached additional pages
.....

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- (c) Is the representative of the applicant lodging the notice a trade union, an officer of a trade union or a person acting on the direction of a trade union?
(refer to Direction 3)

..... Please see attached additional pages

- (d) Address in Australia for service of documents on the applicant:

..... Please see attached additional pages

2. Lodged on behalf of

- (a) Provide names and addresses of all persons on whose behalf the notification is lodged and who propose to participate in the collective bargaining arrangements:
(refer to Direction 4)

..... Please see attached additional pages

- (b) Provide proof of the consent of each of the persons listed at 2 (a) above agreeing to the lodgement of the notification on their behalf:
(refer to Direction 5)

..... Please see attached additional pages

- (c) Provide the following information relating to a notification:

- (i) Does this notification relate to a notification previously lodged with the Australian Competition and Consumer Commission and for which a concessional fee is claimed?

..... Please see attached additional pages

- (ii) details of the first-mentioned notification, including but not limited to:
(A) the name of the applicant; and
(B) the date the notification was said to be lodged; and
(C) if known or applicable — the registration number allocated to that collective bargaining notification.

..... Please see attached additional pages

SECTION A – general information

1. Applicant

a) Name of the applicant:

Australian Newsagents' Federation Limited on behalf of ANF members of Western Australia.

b) Description of service carried on by the applicant:

The central business of a typical newsagency is the retailing and secondary distribution of newspapers and magazines within a defined territory as the contracted agent of the newspaper publishers.

Newsagencies are also typically family businesses based in a retail shop, selling newspapers and magazines, usually also greeting cards, stationery, paperback books, cigarettes and confectionery. Many newsagents also act as a Licensed Post Office (LPO).

c) Is the representative of the applicant lodging the notice a trade union, and officer of a trade union or a person acting on the direction of a trade union?

The Australian Newsagents' Federation (ANF) is the peak industry body established to represent Newsagents across Australia.

d) Address in Australia for service of documents on the applicant:

Australian Newsagents' Federation
Level 3, 33-35 Atchison Street
St Leonards NSW 2065

2. Lodged on behalf of:

a) Provide the names and addresses of all persons on whose behalf the notification is lodged and who propose to participate in the collective bargaining arrangements:


Attached (Tab 'A') are the names, company names and contact numbers of all persons proposing to participate in the collective bargaining arrangements

b) Provide proof of the consent of each of the persons listed above agreeing to the lodgement of the notification on their behalf:

See attached opt-in forms from member newsagents. (Tab 'A')

c) Does this notification relate to a previous notification lodged with the ACCC and for which a concessional fee is claimed?

No. The ANF sought and obtained Authorisation from the ACCC to collectively negotiate with industry partners in 2004.



Don MacAskill
NATIONAL RELAY MANAGER
AUSTRALIAN NEWSAGENTS FEDERATION

Section B – collective bargaining arrangements

3. Proposed collective bargaining arrangements

- (a) Provide: the name and address of the target; the name, position and telephone contact details of an appropriate contact at the target; and a description of the business carried on by the target:
(refer to direction 6)

..... Please see attached additional pages

- (b) Provide a description of the goods or services which the participants of the collective bargaining arrangements (listed at 2 (a) above) propose to supply to or acquire from the target:

..... Please see attached additional pages

- (c) Do the participants of the proposed collective bargaining arrangements (see 2 (a) above) reasonably expect to make one or more contracts with the target about the supply to or acquisition from the target of one or more of the goods or services (listed at 3 (b) above)?
(refer to direction 7)

..... Please see attached additional pages

- (d) In relation to (c) above, provide details of the basis upon which that expectation is held including details of past contracts with the target:

..... Please see attached additional pages

- (e) Do the participants of the collective bargaining arrangements (listed at 2 (a) above) reasonably expect that contractual payments between the target and each participant will not exceed \$3 million (or any other amount prescribed by regulation) in any 12 month period, and on what basis?
(refer to direction 8)

..... Please see attached additional pages

SECTION B – collective bargaining arrangements
3. Proposed collective bargaining arrangements

a) Target:

West Australian Newspapers Pty Ltd (WAN)

50 Hasler Road
Osborne Park
WA 6017

PO Box D162
Perth
WA 6001

Contact:

Mr Ken Steinke
Managing Director and CEO
Ph. (08) 9482 3111

Description of the goods and services carried on by the target:

West Australian Newspapers Limited is the major newspaper publisher in Western Australia. It authorises the appointment of distribution-only newsagents and normal retail agencies for sale and delivery of the newspaper 'The West Australian'.

b) Description of goods or services which the participants of the collective bargaining arrangements propose to acquire from the target:

The publication of metropolitan daily (morning) newspaper 'The West Australian'.

c) Do the participants of the proposed collective bargaining arrangements reasonably expect to make one or more contracts with the target about the acquisition from the target of one or more of the services listed above:

Yes. The ANF seeks to make a new contract for retail and distribution newsagents.

d) In relation to c) above provide details of the basis upon which that expectation is held including the details of past contracts with the target:

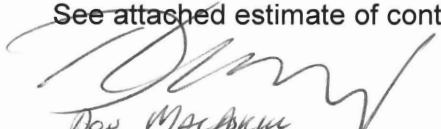
The attached contracts are not reflective of the evolution of WA Newsagents' retail or distribution-only businesses. The ANF has identified the current agreements in WA as 'take it or leave it' contracts requiring review. The ANF proposes a performance based agreement style contract to drive overall efficiency across the newsagency industry.

e) Do the participants of the proposed collective bargaining arrangements reasonably expect that contractual payments between the target and each participant will not exceed \$3 million in any 12 month period, and on what basis?

No. It is not expected that payments between the parties will exceed \$3million.

f) In relation to e) above provide an estimation of the contractual payments expected between the target and each participant in relation to the goods and services:

See attached estimate of contractual payments (Tab 'B').


Don MacBride
NATIONAL POLICY MANAGER
AUSTRALIAN NEWSAGENTS FEDERATION

- (f) In relation to (e) above provide an estimation of the contractual payments expected between the target and each participant in relation to the goods and services (listed at 2 (a) above):

.....*Please see attached additional pages*.....
.....

- (g) Provide a description of the collective bargaining arrangements proposed including, but not limited to:
- (i) the process by which participants propose to undertake collective bargaining with the target; and
 - (ii) the type of terms and conditions expected to be negotiated in collective bargaining arrangements (for example: price; non-price conditions of supply such as contract periods etc); and
 - (iii) details of any dispute resolution procedure (if any) proposed between participants throughout the collective bargaining process; and
 - (iv) details of any dispute resolution procedure (if any) proposed between participants and the target throughout the collective bargaining process; and
 - (v) details of any dispute resolution procedure (if any) proposed to deal with disputes throughout the term of contracts entered into with the target; and
 - (vi) details of proposed commencement and duration of contracts to be negotiated with the target:
(refer to direction 9)

.....*Please see attached additional pages*.....
.....

- (h) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to possible price agreements:

.....*Please see attached additional pages*.....
.....

- (i) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to a possible or proposed exclusionary provision(s), including but not limited to:
- (i) the nature of the proposed or possible exclusionary provision(s) (for example an agreement to withhold supply of the relevant goods or services to the target); and
 - (ii) the circumstances in which the collective bargaining participants would engage in the exclusionary provision(s), including but not limited to:
 - (A) details of the events that would trigger any such activity; and
 - (B) details of the process that would be followed in undertaking any such activity; and

g) Provide a description of the collective bargaining arrangements proposed:

(i) Proposed collective bargaining process:

The ANF has received WAN's verbal agreement that they are willing to participate in the collective bargaining process with the ANF. This was followed up by ANF's written correspondence outlining the previous verbal agreement and advising WAN of officially accepting the offer of negotiating in writing.

(Tab 'C')

It is anticipated the ANF will conduct extensive member forums and consultation with WAN with the view to formulating the essential elements of a new performance based contract. The timeline for the initiation of the contractual changes is ultimately flexible as negotiations are still in the early stages of development.

(ii) Terms and conditions:

The preferred approach by the ANF is toward a performance based type of agreement, an agreement between the parties that strives toward industry best practice whilst at the same time increases productivity, sales and service. If all parties worked collectively, in collaboration, then it is fair to say that all parties could significantly improve their businesses.

The fundamental element of performance based agreements is the management of key performance indicators (KPI's). It is vital that all parties decide the values and expectations at an early stage and that key performance indicator compliance will need to be at an acceptable rate, usually around 95-98%. The key performance indicator process will need to be monitored on a monthly basis by key decision makers from all parties (ideally no more than 2 from each side). Should key performance indicators not be met, then there would need to be an appropriate dispute resolution mechanism and ultimately if the breach considered serious, then termination of the agreement.

(iii) Dispute resolution process:

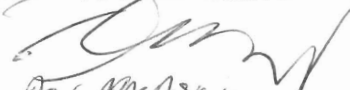
The ANF is currently developing the Newsagency Industry Code of Conduct (NICC). The primary objectives of the NICC are to encourage fair play and open communication between industry participants as a means of avoiding disputes; and provide a simple, non legalistic dispute resolution mechanism for industry participants in the event of a dispute.

(vi) Proposed length of contract:

The negotiated agreement would initially cover a period of 2 years which would allow for sufficient time for adequate monitoring and evaluation. If both parties agree on the satisfactory completion of the 2 year period then the ANF will look to extend the terms of the agreement.

h) Identify any of the proposed collective arrangements which relate to possible price agreements:

The ANF has sponsored significant cost bench marking studies of newspaper deliveries to ascertain the true costs associated in conducting the delivery service. As


Don MacAskill
National Policy Manager
Australian Newsagent Federation

- (C) details of any proposed period of notice to be given to the target prior to the commencement of such activity; and
- (D) details of any dispute resolution procedure to be applied or offered to the target prior to the commencement of such activity:
(refer to direction 10)

.....
Please see attached additional pages
.....

Section C – public detriments

4. Market definition

Provide a description of the market(s) in which the goods or services described at 3 (b) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(refer to direction 11)

.....
Please see attached additional pages
.....

5. Public detriments

- (a) What will be the likely effect of the notified conduct on the prices of the goods or services described at 3 (b) above and the prices of goods or services in other affected markets? In answering this question please provide facts and information to support the claims made:

.....
Please see attached additional pages
.....

- (b) What other detriments may result from the notified conduct? In answering this question please provide facts and information to support the claims made:

.....
Please see attached additional pages
.....

a result the information will be shared with WAN to find a common ground on any potential price increases, if required.

Performance based agreements drive efficiency, reduce cost and ultimately reflect better profits. The ANF negotiation is not focused on price issues alone but rather on enhancing industry efficiency and innovation.

SECTION C – public detriments

4. Market definition:

Provide a description of the market in which the goods or services are supplied or acquired, and other affected markets:

The newsagent:

The system for the supply of newspapers to the final consumer distinctively relies on the specialised local newsagency. Specialised newsagencies and general stores alike can be appointed by newspaper publishers as newsagents within a designated territory and receive newspapers directly delivered to them by publishers. The newsagencies typically undertake both retail sale and further local distribution of the newspapers by supplying other retail outlets (subagents) in their territory and by arranging direct home delivery.

Operation of a newsagency is demanding on the small business owner/ operator and his family because of the long retail hours intrinsic to running an early morning home delivery service in conjunction with a retail shop displaying a wide range of items. The newsagents' day will commonly begin at 3.30 to 4.00am when the first deliveries of newspapers are expected and the shop will commonly close around 6.00 or 6.15pm. Staffing of the business for seven days each week typically requires employed staff as well as direct involvement by the agent and the agent's family.

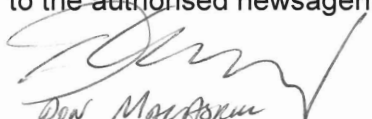
The Newsagent's income from the sale of newspapers is derived from commissions, almost always at 25% of the cover price. When sales are made through the newsagent's subagents the commission is usually split 50-50 so that the newsagent receives 12 ½ %. These rates of commission are customary and are stipulated by the publisher.

Subagents:

The issue of territorial monopoly has remained central to the newsagency market structure throughout Australia. Subagents are typically small stores who obtain their supplies from and share the commission with a local newsagent. Some subagents sell newspapers only after the local newsagent has closed. Subagents are not authorised to deliver publications and therefore can not offer as a substitute service for newspaper home delivery.

The supplier:

West Australian Newspapers Limited is the only major newspaper publisher in Western Australia and is responsible for adequate and timely supply of publications to the authorised newsagent in each specified territory.


Don MacArthur
National Policy Manager
Australian Newspapers Federation

The consumer:

Home delivery customers are the final purchasers of newspapers who are required to obtain their subscription needs from one newsagent according to a territory. A fee is paid to the supplying newsagent.

5. Public detriments:

a) What will be the likely effect of the notified conduct on the prices of services and the prices of services in other affected markets?

The ANF does not see the notified conduct impacting negatively on the existing markets but rather enhancing the market through better efficiencies and greater innovation.

b) What other detriments may result from the notified conduct?

The ANF has identified the following reasons as to why and how public detriment from the proposed bargaining agreements is absent:

Voluntary participation by the target business:

The relationship between WAN and its newsagents has deteriorated progressively since the introduction of the current contract. This state of affairs has now been acknowledged by both parties. This represents a mutual inclination to adapt the industry to suit all parties equitably and enhance public satisfaction.

Limited coverage of the bargaining group:

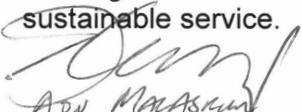
The ANF is aware that negotiations for new contracts will take time and consideration on behalf of both parties and so has geographically directed the bargaining notification to Western Australia and its major newspaper publisher WAN.

Unlikelihood of future collective bargaining:

Newsagents' viability is essential to WAN's business. It is therefore in WAN's interest to promote an equitable system and review the current contracts. The ANF feels that contractual changes are well overdue given the pricing structure of the contracts were set ten years ago immediately after market deregulation. There is a strong resolve among newsagents to redress the inequities of past agreements and they are reassured of an amicable outcome by WAN's support of the collective bargaining process.

Nil effect to new market entries:

The commission price shift has effectively disadvantaged Newsagents and limited their capacity to adapt to cost increases for running their business. This has directly impacted the saleability of the newsagency (goodwill) and placed severe uncertainty over the newspaper delivery service. The high rate of attrition for distribution only newsagents currently stands at 23% and shows little prospect of changing. Collective negotiation would address Newsagents' below standard commission rates and determination to change home delivery fees. Rather than continue to impede the efficiency of the newsagency channel, an updated commission standard for newsagents would only encourage new entries into the market and help maintain a sustainable service.


Bob MacAskill
National Policy Manager
Australian Newspaper Federation

Section D – public benefits

6. Public benefit claims

- (a) Provide details of the public benefits resulting or likely to result from the proposed arrangement. In answering this question please provide facts and information to support the claims made:

..... Please see attached additional pages
.....

Section E - authority

7. Contact details

- (a) Name, contact telephone number and address of person authorised by the notifying parties to provide additional information in relation to this application:

..... Don MacAskill, Level 3, 33-35 Atchinson Street
..... ST. LEONARDS NSW 2265. (or) 8425 9600
.....

(refer to direction 12)

Dated..... 14/9/2007

Signed by/on behalf of the applicant

.....
(Signature)

.....
(Full Name)

.....
(Organisation)

.....
(Position in Organisation)

Absence of collective boycott:

The ANF's collective bargaining notification is based on the voluntary participation of both WAN and our member newsagents. The ANF applauds this process as it allows for more buying and selling power without compromising the individuality or integrity of the small business. More importantly, the target business has the opportunity to work with WA newsagents to achieve durable outcomes.

The ANF is lodging this notification as the basis for innovation and change for the newsagency industry and WAN's inclination to make serious contractual changes regarding newspaper deliveries. The ANF sees no need to consider collective boycott as a provision of this notification.

As the collective boycott offers the only other reasonable opportunity to facilitate change however, the ANF reserves the right to use this provision should collective negotiations fail.

SECTION D – public benefit

6. public benefit claims:

Provide details of the public benefit resulting or likely to result from the proposed arrangement:

CONTRACTS:

The ANF has identified the need to manage the expectations of Western Australian Newsagents. The ANF would emphasise that the negotiated agreement be based on the long term, for this will provide some certainty and also facilitate better reviews and planning. The overall aim of negotiating performance based agreements is to reduce cost, streamline business and enhance the channel across the board.

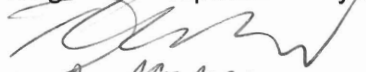
Key Performance Indicators (KPI's):

The fundamental element of performance based agreements is to reduce cost across all aspects of our businesses and demonstrate this through the achievement of agreed key performance indicators. Typically, key performance indicators are usually around the areas of cost reduction, delivery or organizational processes, safety and quality.

Subagents:

The Subagent position has tended to attract much of the ACCC's previous concerns and work. The inclusion of KPI's into newspaper delivery contracts would create greater accountability on behalf of both Newsagents and WAN and improve the overall serviceability of the agreement. This benefit will flow on to other newspaper retailers in the distribution channel like subagents who are contractually limited and have historically been subject to inadequate supply of product with insufficient forms of redress.

KPI's would mean that the territorial agent and dependent subagents can manage a more meaningful relationship facilitating the cost-effective supply of newspapers. As subagents often continue trading outside traditional newsagency hours, the public will have the capacity to consistently access their newspaper and the retailers will no longer be incapacitated by unsound distribution practices.


Don McAslan
National Policy Manager
Australian Newsagents Federation

Newsagency Industry Code of Conduct (NICC):

The ANF is pursuing the development of a Newsagency Industry Code of Conduct (NICC) which will endeavour to promote fair and equitable trading practices across the newsagency channel. The ANF believes this to be an essential supportive mechanism for the collective bargaining process and incremental for the genuine and sustainable partnership between WAN and WA Newsagents. This will inevitably ensure consistent quality customer service throughout the industry.

The NICC promotes that all industry participants, industry associations and signatories support the existence of internal dispute resolution procedures in a genuine effort to resolve disputes. Retailers and suppliers are encouraged to participate in the mediation process in a spirit of goodwill.

The Code is intended to guide the conduct of industry participants but does not constitute a contract between them. The emphasis on internal dispute resolution will reduce legal and administrative costs for both individual Newsagents and the collective group.

EFFICIENCIES:

Fees:

The proposed commission increase from the current 18 -19% to the standard 25% per paper (received by newsagents nationally) would at the least provide WA agents with a greater means by which they can meet the increasing costs of running their business. Redirecting costs through performance based agreements will sharpen the rate of 25% to potentially greater profits. The home delivery fee set in 1997 of \$0.25 has not been reviewed since the advent of the split Saturday edition in 2007.

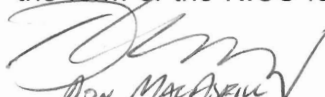
The ANF's collective bargaining provisions endeavour to alleviate some of the pressures exerted over newsagents as a result of their delivery contracts with WAN. The newsagency system is deprived of market incentives which are crucial to healthy competition and providing efficient customer service. Instead the channel is driven by the newspaper publisher's rules and regulations and newsagents have continually found themselves economically disadvantaged and concerned about the viability of their business.

The ANF's improved contractual conditions will reinstate the certainty for Newsagents to invest in and improve their business which will extend to the consumer level in the form of a consistent and reliable service.

Late deliveries:

The introduction of new printing presses at WAN has resulted in persistent and chronically late deliveries of newspapers to delivery agents. Despite deregulation, the publisher has retained effective control over the newsagent's standard of performance of this service as agents attempt to complete deliveries in a manner which is both safe and meets customer expectation. The incidence of late deliveries however has resulted in lost subscribers and abusive phone calls. The home delivery obligation is also the underlying reason for an agent's long working hours.

Collective negotiations between the ANF and WAN would broaden the communication channels between industry partners and create a secure platform in the form of the NICC for settling problems and for ironing out inconsistencies of the


Don MacKenzie
National Policy Manager
AUSTRALIAN NEWSAGENTS FEDERATION

current contractual system. The instance of late deliveries has been identified by WA newsagents as being the greatest impediment to conducting an efficient delivery service. The NICC promotes a highly accountable system for the delivery channel and will address late deliveries as contributing significantly to customer dissatisfaction.

Home delivery market:

The determination of the newsagent home delivery fee that can be passed on to customers has been made by WAN on an ad hoc and sporadic basis. The inconsistency of this approach has disadvantaged newsagents by not allowing customer fee increases to follow the increases in associated costs for providing the delivery service. As the control of costs is crucial to the achievement of a pleasing personal income for the newsagent, relying on WAN as a third party to make these decisions leaves newsagents out of control of their business.

The ANF has obtained conclusive evidence as to the true costs involved in conducting a newspaper delivery service. The benchmarking study has provided comprehensive figures which the industry can now use to formulate future distribution arrangements between industry partners. The ANF has taken a proactive step in acquiring this study and hopes that it will contribute to the coordination of contractual efficiency for newspaper deliveries and secure a beneficial service to the public.

The ANF believes that there is no public benefit in a service being sold at a price that doesn't cover the cost of providing it. Any benefit to the customer in the way of a low price is offset by the detriment to others who have to bear the loss involved – in this case it is the newsagents and their delivery customers. The collective bargaining process will allow WA Newsagents to have an input into their new contract terms and conditions.

OH&S issues:

The advent of the split edition necessitates the delivery round being thrown twice. Apart from doubling the costs associated with the delivery the split paper demands agents to start earlier contributing to their demanding work hours and potential sleep deprivation. The pressure of performing efficiently and on time for early rounds is further jeopardised by WAN's persistent late delivery of publications.


The Nery report is an ergonomic assessment of the manual handling of newspapers by newsagents. Commissioned by the ANF, the resulting report was published in July 2006. The report emphasises an obligation for the manufacturers of the newspapers to provide a product that is safe to handle by the members of the ANF.

WAN's Saturday edition has consistently exceeded 1kg, a weight clearly above the Nery recommendation of 600g throw weight. The ANF highlights this as a prevalent OH&S issue which has added to newsagents' ill will and dissatisfaction with the distribution system.

INFORMATION FLOWS:

Country businesses:

The viability of the Western Australian newsagency system is in jeopardy and country businesses are suffering two-fold. Business owners can no longer rely on their delivery service to make an adequate and sustainable profit as their small scale


Don MacArthur
NATIONAL POLICY MANAGER
AUSTRALIAN NEWSPAPER FEDERATION

territories limit their ability to accommodate change and acquire new resources. As a result many agents have reached the point of resigning from the distribution contracts and becoming sub-agents for the West Australian.

In the metropolitan area there are agents who would like to do likewise but because of the financial investment and on-going commitments involved in the small business, it is not an option without considerable pain. With a retraction in newsagency services and outlets the inability to conduct newspaper home delivery services will become a reality and the costs for the consumer will inevitably rise.

The possible advent of a Third Party Distributor (TPD) would dramatically contribute to the rise in costs. It is safe to say that no TPD would deliver as the rate currently received by newsagents. To accommodate for the higher fee for delivery by the TPD, WAN in this case, would be forced to increase the cover price of the publication to compensate which would ultimately be passed on to the consumer

The ANF's collective bargaining provisions will provide the newspaper distribution industry with the platform for true and comprehensive consumer penetration. The introduction of KPI's will increase the capacity of the system to efficiently target readership and differing demographic markets whilst encouraging the survival of local country newsagents. These businesses are of substantial benefit to the distribution channel and integral to the populations of remote areas. They need to be made sustainable and kept viable.

MARKET DYNAMICS:

WAN Monopoly:

The WA newspaper distribution channel is controlled by WAN. The ability to stimulate competitive market practices in this environment is hindered by this monopoly. The proposed contractual review with KPI's and the NICC would assist in making this system effective.

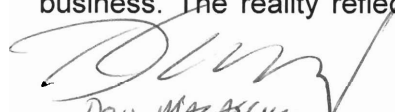
While the WAN monopoly minimises the need to respond to other market forces and publishing businesses within WAN ranks, it inevitably restricts business' ability to respond to market evolution should it wish to do so. This muted competitive environment has allowed WAN to operate and serve their own interests unchecked - much to the detriment of the local newsagent and the greater community.

Rationalisation:

Since the introduction of the contracts in the 1990s WAN have changed the commission rates from a percentage of cover price to a cents per paper fee which has effectively decreased as a percentage of cover price to 18% for Saturday and 19% for weekly papers. The issue of late deliveries has further restricted newsagents' efficient delivery operations and alongside the damaging commission rates, has stifled any feeling of autonomy and good will for the agent. This discontent has reflected in the attitudes of other newspaper retailers such as the subagent and disadvantaged local subscribers who are at the tail end of an inefficient system.

Business viability:

The market value of a newsagency derives primarily from the goodwill of the business. The reality reflects that neither the commissions nor home delivery fees



Don Macaskill
NATIONAL POLICY MANAGER
AUSTRALIAN NEWSAGENTS FEDERATION

have adjusted to accommodate the economic demands for fuel, labour and materials such as plastics (for wrapping papers).

The current delivery agent demographic in WA is heavily biased toward the mid 50's age group who view themselves as being trapped in an unprofitable business and having few alternative career options. Owners are concerned that their businesses are no longer viable or saleable and many have expressed grave concerns of what the future may hold. In the extreme, there have been newsagents committing suicide as they feel trapped and helpless in businesses they cannot sell without paying significant financial consequences.

SECTION E – authority

7. Contact details

a) Name, address and contact number of authorised person of the notifying parties to provide additional information in relation to this application:

Dated 14th September 2007.

Signed on behalf of the applicant


(Signature)

Donald Kenneth Macaskill
(Full Name)

Australian Newsagents Federation Limited
(Organisation)

National Policy Manager.
(Position in Organisation)

DIRECTIONS

1. Where the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
2. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which notification is given.
3. A collective bargaining notification can not be lodged by a trade union or a trade union representative.
4. Where the applicant will be a participant in the collective bargaining arrangements (rather than a representative of participants) the name of the applicant must also be included. Where those persons are corporations, list the corporation's name and address.
5. The applicant, in lodging a notification on behalf of others, must obtain their consent to do so and provide proof of that consent.
6. Where the target is a corporation, provide the corporate name.
7. The collective bargaining notification process is only available to parties that reasonably expect to make one or more contracts with the target about the supply or acquisition of goods or services the subject of the notification.
8. The value of the contract to be collectively negotiated between the target and each participant is not to exceed \$3 million (or such other amount as is prescribed by the regulations) per participant in any twelve month period.
9. To the extent that the collective bargaining arrangements have been reduced to writing, provide a true copy of the arrangement. To the extent that the collective bargaining arrangements have not been reduced to writing, provide a full and correct description of the key terms that have not been reduced to writing.
10. In simple terms an exclusionary provision exists where the proposed contract, arrangement or understanding is made by businesses (at least two of whom are competitors) for the purpose of preventing, restricting or limiting the supply of services to particular persons or classes of persons by all or any of the parties to the contract, arrangement or understanding.

In the context of collective bargaining, an exclusionary provision(s) may include contracts, arrangements or understandings (whether currently in existence or to be made or arrived at during the term of the notification) between collective bargaining participants to limit or restrict their dealings with the target including contracts arrangements or understandings to:

- (a) withhold the supply of goods or services from the target; or
- (b) refuse or decline to acquire the goods or services of the target;

whether such conduct was *absolute*, *limited* or subject to certain terms or conditions. This is sometimes referred to as a collective boycott.

11. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
12. The notification must be signed by a person authorised by the applicant to do so.