

25 July 2007

Mr Ken Steinke
Managing Director
West Australian Newspapers Pty Ltd
PO Box D162
PERTH WA 6001

COPY

Dear Mr Steinke,

I write with regard to recent discussions between the Australian Newsagents' Federation (ANF) and Western Australian Newspapers Pty Ltd (WAN) concerning newspaper delivery contracts.

On 13 July 2007 ANF WA Director Peter Allpike and ANF WA Branch Manager Neville Roediger met with you and your associate to discuss issues surrounding the current retail and delivery newspaper contracts.

The following issues were raised and discussed:

- ***Late delivery of papers***

The introduction of new printing presses at WAN has resulted in persistent and chronically late deliveries of newspapers to delivery agents. This has resulted in significant levels of stress and additional costs for agents as they attempt to complete deliveries in a manner which is both safe and viable and meets customer expectation. Chronic late deliveries have resulted in lost subscribers and abusive customer calls – both of which severely impact on the Newsagent's wellbeing.

- ***Home deliveries***

The determination of the home delivery fee that can be passed on to customers has been made 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 agents. Relying on WAN as a third party to make these decisions leaves newsagents out of control of their business.

- ***Viability of delivery businesses***

Newsagents' costs have increased significantly. The reality reflects that neither the commissions nor home delivery fees have adjusted to accommodate the economic demands for fuel, labour and materials such as plastics. Newsagents are concerned that their businesses are no longer viable or saleable.

The current delivery agent demographic in Western Australia 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.

- ***Country businesses***

The viability of newspaper delivery businesses is deteriorating far more rapidly in country areas. Business owners can no longer rely on their delivery service to make an adequate and sustainable profit as their small scale territories limit their ability to accommodate change and acquire new



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resources. As a result many agents have been forced to detach themselves and their businesses from the WAN contracts and resort to sub-agent status.

- **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.

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

- **Contracts**

The ANF has identified the need to manage the expectations of Western Australian Newsagents. 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 cash-flow.

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.

- **Key Performance Indicators (KPI)**

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.

After some brief discussion of these issues, both parties agreed that it would be most appropriate to pursue a collective negotiation to facilitate the development of a new performance based agreement between WAN and Newsagents to deliver newspapers.

The ANF would like to formally invite WAN to participate in a collective negotiation with the ANF and respectfully requests that the WAN responds formally in writing by 10 August 2007.

Should the WAN's response be favourable to our requests the ANF will commence preparation of the appropriate documents for lodgement with the ACCC.

Any further enquiries regarding this matter, please telephone Don MacAskill, National Policy Manager (02) 8425 9600

Yours sincerely

Rayma Creswell
Chief Executive Officer
Australian Newsagents' Federation



13th August 2007

Mr Don MacAskill
National Policy manager
Australian Newsagents' Federation
Level 3, 33 – 35 Atchison Street
St Leonards NSW 2065.

Dear Don,

Value of Business Transactions with WA Newspaper Holdings Pty Ltd.

It is my estimation that the value of gross sales by the largest Distribution Newsagent in Western Australia would be approximately \$1.4 M per annum.

The average annual sales for the industry would be approximately \$500 K per annum.

Yours faithfully



Neville Roediger
ANF – WA Branch



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ABN 14 008 295 038

NAME	NEWSAGENCY	PHONE
Adam Heiduk	AJ's newspaper deliveries	08 9525 1322
Ian Williams	Albany News Delivery	08 9841 1500
Keith Ballard	Ballards' Lottery Centre & Newsagency	08 9527 1307
Ron Hoogenkamp	Burswood News	0408 884 447
Cameron Sims	Corfield News	0419 884 860
Ivor Ebsary	Corrigan Newsagency	08 9063 2081
Peter Dalton	Dalton City News	08 9586 3450
Chris Bechard & Leanna Keenan	Dongara News and Video	08 9927 1046
Reg Leaver	Dianella Newspower News	08 9276 4860
Denis Short	Eastern Paper Deliveries	08 9591 2914
Glenn Cornish	Forum West News & Lotteries	08 9535 1696
Ann Freeman	Herne Hill Village Lottery Centre	08 92964427
Michael Bailey	M&K Bailey Joondalup	08 9305 4565
Michael Bailey	M&K Bailey Edgewater	08 9305 4565
Cathy Fletcher	Landsdale Forum News	0413 675 010
Leonie Kerr	Mandurah City Lottery Centre & Newsagency	08 9535 8101
Shaun Morton	Merredin Newsagency	08 9041 1161
Drew Wilkinson	Mullaloo Delivery Round	08 9403 4341
Geoff Hunt	Mundaring Delivery Round	0427 956 699
Graeme Molony	Mosman Heights Delivery Round	08 9310 9899
Graham Robertson	Nextra Carine Glades Newsagency	08 9447 4880
Susan Dovey	Nextra Wellington News	08 9721 2998
Chris Shackleton	Padbury Duncraig Delivery News	08 9243 5800
Brian Slee	Parmelia Delivery Round	08 9592 1981
Robert & Margaret Stasilowsky	Peninsular City News Delivery Round	08 9313 5414
C.N Gadeke	QE2 Hospital Delivery Round	08 9206 0398
C.N Gadeke	Woodvale News Service	08 9206 0398
Peter Reuben	Reubins Newsagency	08 9734 2093
Joe Taranto	Scarboro Super Deli	08 9341 1042
Dean Scott	Subiaco Square Newsagency	08 9381 6466
R.W & B.A Brown	Swan View Delivery Round	08 9255 1928
Graham & Maree Kilmurray	Subiaco Newspaper Delivery Service	08 9315 5939
Dorothy Harris	Waroon News	08 9733 1365
K&J French	Western Suburbs Delivery Newsagency	08 9387 1855
Terry Prendergast	Cloverdale News Delivery	08 9228 3987
Kristy Middlemass	Ellenbrook News & Lottery Centre	08 9296 7888
Leslie Stanley Jackson	Forrestfield News Delivery Round	08 9272 8626
Leonard & Sandra Lush	Gully View Newsagency	08 9359 2388
Hamish Cameron	NewsXpress Albany	08 9842 8044

Colin Doyle	Leeming Lottery Centre & Newsagency	08 9310 1066
Robert Collings	Medina News	08 9419 2410
M.J & I.M Murphy	Midland Newspaper Deliveries	08 6278 1000
Geoff Tozer	Nedlands Newspaper Delivery	0428 841 234
Geoff Walters	P&G News Service	0419 247 003
Tracey Richmond	Woodlake News	08 9296 7488
Paul Juhaniak	Medina Calista News Round	08 9414 6624
Tom Heitman	Hamersley News	08 9243 5512
Cheryl Raynor	Halls Head Central Lottery & News	08 9586 9900
Ken Clarke & Roy McNamara	Leap News Delivery	08 9316 8041 or 0415 158 707
P Williams	Safety Bay Newspaper Deliveries	08 9527 6918
Paul Oliver	North Mandurah News Delivery	0428 481 050
Angelo Logindice	Donnybrook Newsagency	08 9731 1059
Lorraine Lewis	Inglewood Newsagency & Lotteries Centre	0400 941 617
Greg McMahon	Burrendah News	08 9457 1733
Craig Saunders	Lesmurdie Newspaper Delivery Round	08 9359 0743
Scott Calvery	Seahaven Newsagency	08 9593 1772
Helen Ross & Nigel Rogers	Lakeland News	08 9417 3181
Trevor Lacy	Hyatt Centre News	08 9325 4542
Andrew Orr	Mount Barker Newsagency	08 9851 3311
R.C Gibbons	Cunderdin Newsagency	08 9635 1030
Peter Greaney	Bicton News Delivery	08 9310 1400
Robin Reid	Greenwood Lottery & News	08 9447 7930
Peter Muddle	Wembley Downs City Beach Delivery Round	08 9244 8333
Gerard Roussilhes	Mullaloo News & Lotteries	08 9307 5547
Shane Danaher	West Coast News	08 9245 6375
Julie Porter & Brian Cherry	Morley News Delivery	08 9379 2188
Anton & Gay Janiec	Bentley Delivery Round	08 9450 2076
Earl Willis	E & L Willis	08 9246 9349
Tod & Amanda Stephens	Riverside News Delivery	08 9582 2972
Michael & Giau Sokil	North Perth Menora News Delivery	08 9275 5258 or 0400 500 669
Kevin Whitehurst	Walcott News Delivery	08 9272 3313
James Geldort	Armadale City News	08 9399 1007
Janet & Larry Carter	Thornlie News Delivery	08 9397 0888
Andrew Wagner	NewsXpress Margaret River	08 9757 2023
Wayne & Michael Von Dyk	South Coast News	08 9524 9876
Garry & Jenny Jackson	G & J.N Jackson Newspaper Delivery Round	08 9447 0997
Peter & Judy Dinka	Innaloo/Gwelup News Round	08 9246 4336
Aaron Soltoggio	Melville News Deliveries	08 9330 9966
Andrew Gannon	Kewdale News Delivery Round	08 9455 5817

Rob & Ken Dreghorn	Nightview Nominees	08 9310 1743
Chris & Eileen Harmer	Harmer News	08 9306 3394
June Brown	Stratton Park News	08 9250 7991
Julie & Rocklyn Tennent	Pemberton Post & News	08 9776 1034
Douglas Shaw	Estuary News Delivery	0418 954 732
Derek Hood	Warwick Delivery Round - Midnight News	08 9408 1597
Philip Martin	Duncraig Delivery Round – Midnight News	08 9309 3933
Gail & Tony Hilton	Belmont/Redcliffe News Round	08 9279 6247
Ron Ligman	Armada News Deliveries	08 9493 2106
Ainslie Duke	Boyup Brook IGA	08 9765 1204
Peter Pywell	Gosnells Huntingdale Delivery	08 9321 8144
Bernie Smith	Kingsley Newspaper Delivery	08 9402 0805
Michael Worner	Renrow Newspaper & Magazine Delivery	08 9304 3875
Philip Grey	Coral Bay News & Gifts	08 9942 5995
Tony Petrik	Sound News	0408 123 950
Gordon Diableby	Nookanburra News & Lotto	08 9446 6566
Elizabeth Baltyn	Shamrock Newsagency	08 9325 3928
John Dalton	Broadway News	08 9386 7486
Dennis McGee	Trigg Newspaper Delivery	08 9307 1367
Peter Allpike	Carramar Newsagency	08 9377 1744
Alison Benson	Joondanna Delivery Round	08 9446 5461
Geoff Pages Oliver	MBK News Pty Ltd	08 9309 5459
Gloria MacDonald	Vasse General Store	08 9755 4004
John Stone	G.J Lottery Centre & News	08 9921 6322
Phillip Hartill	Booragoon Papers	08 9330 6052
Stirling Dawkins	KMW News Delivery	08 9354 2535
Glenn Major	Ocean Keys Newsagency	08 9407 8700
Chris Re	Alance Newspaper Delivery	08 9405 4984
Ian May	Doric Street Newsagency	08 9341 2652
J.W Preshaw	J.W & J Preshaw	08 9279 5647
Lionel Robert Lee	Applecross/Mt Pleasant News Delivery	08 9316 9692
Gary Wansbrough	Napoleon St Newsagency	08 9384 0301
Teck Yong	T.H News Delivery	08 9275 9983
Darryl Bray	Tuart Hill Yokine Delivery Round	08 9349 2673
John Heelas	Eaton/Australind Newspaper Distributors	08 9725 8092
Ross McLachlan & Teresa Borwick	Bayswater Embleton	08 9271 9009
Brad Jaques	Doubleview Karrinyup Newspaper Delivery	08 9409 2729
MJ & SM Eaton	MJ & SM Eaton Newsagents	08 9276 8832
Praful Majelthia	Heathridge News	08 9401 9611
Allan Price	West Busselton	08 9754 4222
Greg Bowater	Winthrop Newpower Newsagency	08 9310 5876
Leeland Sharpe	Exmouth Newsagency	08 9949 1382
Nicole Clulow	Mandurah Newspaper &	08 9581 5222

	Magazine Delivery	
Gary Sharp	Scarborough Beach Newspaper Delivery Round	08 9206 4557
K.D & A Edwards	Como News	08 9368 6566
Darryl McCart	Lesmurdie Newsagency	08 9291 6395
Natalie Richardson	Hillarys News Round	0413 260 088
Mark Morrell	Rockingham City News	08 9527 3303
Ernest John Males	Richmond News	08 9339 2145
Bruce Lissington	Newsaction Lottery Centre	08 9204 2255
J & D.E Riwaldi	Maylands Newspaper & Magazine Delivery	08 9379 3397
Jenny & Paul McGee	J.E.M MGee Newsagents – Kelmslott & Gosnells Delivery Rounds	08 9390 6771
Trevor & Julie Bateman	Morawa News & Gifts	08 9971 1090
Piero Geurra	South Terrace Newsagency	08 9335 1853
Julie & Terry Elkes	Bentley Centre News & Lotto	08 9458 3373
Mervyn Hopkins	Beechboro Delivery Round	08 9379 0442
Sam Drabble	South Perth Newspaper & Magazine Delivery	08 9444 7770
Martin & Michelle Bradley	Darlington Newspaper Delivery Round	
Jacqueline M Young	Bateman Bullcreek Newspaper Delivery Round	08 9256 1574 or 0438 659 901
Patrick Gerard Moccoy	Beaumaris News	08 9300 4420
Neville Walter	Attadale News	08 9494 1642
Gail Paterson	Mukinbudin Newsagency	08 9047 1003
Josephine Tan	Hollywood Newsagency	08 9386 1179
Douglas Shaw	Starlight News Delivery	0418 954 732
Ned Vulin	Hampton Rd Lottery Centre & News	08 9335 4926
Marshall Willan	Northbridge News	08 9227 1418
Craig Smith	Canningvale/Lynwood/Ferndale News Delivery	0419 834 886 or 08 9417 3604
Drew Shaw	Inner City News	08 9272 2997
Mark Dennis	Crosslands Newsagency	08 9721 5938
Rob Flannery	Sun City Newsagency	08 9561 1197
Richard Hatch	Forest Lakes Newsagency	08 9493 1924