



**Submission by QNF to ACCC on interested parties.
comments on Application A9117.**

The following are Applicants comments on the submissions from interested parties.

Universal Magazines

The Applicant has amended the Application to take out Universal.

NDD-

NDD seems to think that the Code being developed between three magazine distributors will replace the need for the authorisation. That so called Code is a potential breach of the TPA. Newsagents groups, other than ANF, are not being consulted. The Code process is actually an example of collective bargaining, albeit limited.

As the detail of the Code has not been made public, consideration of this is not possible at this time. If a quality code is eventually agreed then it could form a valuable input as part of negotiations under the authorisation not a replacement for the authorisation.

NDD appears not to want to deal with regional groups of newsagents. That is the way the industry is structured and that attitude indicates why there are on going issues between newsagents and magazine distributors. In fact ANF has minority representation in some States.

WA Newsagents.Association.

This group is part of ANF but does not have its own members. It is a commercial operation.

The Association appears to be concerned about patch arguments in relation to the composition of bargaining groups. The Applicant has asked for the authorisation to extend beyond QNF, VANA, NANA members where newsagents opt into bargaining groups convened by QNF, VANA and NANA. The reason for that is that there is competition amongst newsagency associations in relation to stances on some issues and newsagents at time choose to be part of different groups. That was highlighted by the Bill Express issue- a matter that the ACCC has taken to Court. In that instance

QNF and NANA took a very different attitude to ANF and many ANF members joined the NANA convened class action.

Tasmanian Newsagents Association

Like WA Association this organisation is part of ANF and does not have members of its own.

Its points are the same as WA.

Gordon & Gotch.

Neither supports nor opposes the Application. Nor does it mention the Code that NDD mentioned in its submission.

Nationwide News

Is concerned that Condition 2- re opt in remains. Applicant is of the view that that is not necessary for the members of regionally based associations but would be for any non members who wish to join the regionally based member group.

ACP

1. ACP does not support the Application as it does not want to collectively bargain on a regional basis. It wants national policies.

The Applicants notes that and observes that that ACP approach has led to inconsistent results with the one fits all attitude of ACP. An attitude that may lead to unconscionable or unfair conduct.

Apparently ACP wishes to dictate national terms to a national association.

This is consistent with the experience of the past 5 years but does not alter the position that the Applicant and NANA and VANA wish to seek to collectively negotiate with ACP.

2. ACP objects to QNF, NANA and VANA can have non members as part of their bargaining groups. As indicated this would be on an opt in basis.

Apart what has been said earlier about this point, it needs to be said that many newsagents are not a members of any association and hence should be able to be able to be part of collective bargaining groups on some issues.

3. The Applicant totally rejects assertion that newsagents have countervailing market power to the magazine distributors. However it is happy to discuss this issue with

ACP on behalf of its members and anyone else who wishes to join a collective bargaining group.

4. The Applicant notes the comments about collective boycott. The Applicant points out that the ACP attitude to collective bargaining is what leads to calls for a collective boycott.

Fairfax Media.

The Applicant does not see how the Applicant can lead to inflexibilities in distribution systems. In fact rigidities and inflexibility appear to be the hall mark of the publishers. Fairfax appears to object to regional collective bargaining groups. They want totally centralised policies that do not take note of any regional or functional differences, especially in regional Australia. CDB centric appears to be the culture.

It would appear to the Applicant that collective bargaining is part of the de regulation process. Does Fairfax see de regulation as being dictation by the publishers?

As to the scope of the Application, the Applicant contends that there is little difference since 2004 and any difference reflect market place changes. Fairfax wants to build in rigidities.

As to public benefit, it would appear that collective negotiations of the issues that will lead to the survival of home delivery is a public benefit. The Applicant does not see collective bargaining leading to higher cover prices for Fairfax.

As to other areas of negotiation that the publishers might suggest the Applicant would be happy to consider.

The Applicant notes the comments on boycott. It appears that it is acceptable for it to boycott bargaining.