



**Australian
Competition &
Consumer
Commission**

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5 December 2014

By email

Dear Sir or Madam

**The Association of Magazine Publishers of Australia Inc application for
authorisation A91472
- interested party consultation**

The Australian Competition and Consumer Commission (the ACCC) has received an application for authorisation from the Association of Magazine Publishers of Australia Inc (MPA). The ACCC invites you to comment on the application. Attached is a summary of the authorisation process including how to make a submission to the ACCC.

The MPA seeks authorisation to enter into an agreement to undertake a pilot program to test and refine proposed changes to the current magazine distribution model. The pilot is to be conducted by magazine distributors Bauer Media Pty Ltd (through its magazine distribution division Network Services) and Gordon & Gotch (the distributors), in relation to magazine distribution to approximately 20 selected newsagents (pilot participants) for a period of 3-6 months.

Under the proposed arrangement the distributors would be required, in relation to distribution of magazines to pilot participants, to:

- cease distributing a title if the magazine title has experienced consecutive nil sales by the particular pilot participant for a period of time
- limit the number of copies of each magazine title to a certain percentage above the number of the title generally sold by the pilot participant
- in most cases not require pilot participants to provide returns of full copies of unsold magazines, but instead accept front covers, headers etc as evidence of unsold copies
- adhere to certain restrictions on the redistribution of issues which have already previously been distributed, to the distribution of new magazine titles, and to split deliveries of magazine issues during the period the issue is on sale

- restrict the period for which pilot participants are required to display magazine issues for sale to 12 weeks or less, except in certain circumstances.

The pilot is to intended to assist in the promulgation and implementation of a Distribution Code of Conduct, whose object it to optimise the supply of magazines to newsagencies generally and increasing the sustainable return on investment for newsagents, publishers and distributors.

A full copy of the application for authorisation is available on the ACCC's website <www.accc.gov.au/AuthorisationsRegister>.

Invitation to make a submission

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to the MPA's application for authorisation, please do so by **Wednesday 14 January 2015**. Submissions should be emailed to adjudication@acc.gov.au with the subject "A91472 – Association of Magazine Publishers of Australia – submission".

Submissions will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information.

27 November 2014	Lodgement of application and supporting submission.
5 December 2014	Public consultation process begins.
14 January 2015	Closing date for submissions from interested parties.
January 2015	Applicant responds to issues raised in the public consultation process.
Feb/March 2015	Draft determination.
March 2015	Public consultation on draft determination including any conference if called.
April 2015	Final determination.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the application at the draft and final determination stages. If you are able to please provide a nominated contact email address for future correspondence.

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the application.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Hannah Ransom on (02) 6243 1255 or adjudication@acc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized initial 'R' followed by a long horizontal line.

Dr Richard Chadwick
General Manager
Adjudication Branch

List of interested parties consulted

Australian Communications and Media Authority

Australian Newsagents Federation

Australian Small Business Commissioner

Eight Point Distribution

Fairfax

Gordon & Gotch

Integrated Publication Solutions

New South Wales Small Business Commissioner

Newsagents Association of NSW & ACT

Reader's Digest

Small Business Commissioner for Western Australia

South Australian Small Business Commissioner

Victorian Newsagents Association

Victorian Small Business Commissioner