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Sent: Monday, 30 March 2015 10:35 AM
To: Adjudication
Subject: A91472 – magazine publishers of Aust submission

Follow Up Flag: Forwarded to HR & DH - 30/3
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Categories: Submission

I make this submission on behalf of Sandown Distribution Services in Springvale Victoria.

The ACCC proposes to authorise a trial which does nothing to address the anti competitive behaviour enshrined in the rules, processes and systems for distributing magazines to newsagents. The trial does nothing to get newsagents closer to fair supply, to the controls over supply that supermarkets, petrol outlets and convenience outlets have in relation to magazine supply.

In proposing to authorise the trial, the ACCC is tacitly approving a continuation of behaviour which blocks newsagents from stocking magazines on terms which are fair.

The ACCC ought to hold public hearings into the proposed trial.

These are not new complaints for the ACCC. Newsagents have complained for years, providing examples of gross over supply in terms of volume and titles of poor selling titles, as well as gross under supply of high selling volumes.

Unless newsagents are given control over the magazine titles they stock they will remain at a commercial disadvantage. This, in turn would place our customers at a disadvantage.

This review also proposes to disallow the ability for newsagents to early return magazines. This is the only mechanism which newsagents have to manage their cash flow in relation to magazines. Without early returns, many newsagents will find that their business operates on a cash flow neutral or negative basis when it comes to magazines, putting their business at risk of defaulting on their magazine accounts, and can then lead to bankruptcy.

The magazine companies also send us non-magazine products, something not allowed for in the supply agreement. These are products we can often source from other suppliers who provide far superior trading terms.

In 1999 the ACCC oversaw the deregulation of the distribution of newspapers and magazines in Australia. At no time since has there been a review of the impact of deregulation. I call on the ACCC to consider such a review. While the ACCC could argue that such a review is outside its remit, I say it is within its remit given its direct involvement in deregulation which left newsagents competitively worse off.

I would like to point out that the submission provided by the Australian Newsagents Federation does not have the support of many hundreds if not thousands of newsagents across Australia. In fact the Australian Newsagents Federation represents less than half of newsagents in Australia.

Thanking you,

Dean O'Bree
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