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From: Andrew Matt <newsworx@icloud.com>
Sent: Friday, 20 March 2015 3:37 PM
To: Adjudication
Subject: A91472 Magazine publishers of Australia submission

Categories: Submission

Hannah Ransom

I am a independent Newsagent with over twenty years experience.I wish to note my concerns in relation to the pilot to test and refine proposed changes to the magazine distribution arrangements.

1. ANF (Australian Newsagents Federation) is not representative of my Newsagency 2. A pilot of 20 "Selected" newsagents could hardly be representative of some 4,500 independently owned and operated Newsagencies. Not to mention the ten's of thousands of sub-agents,supermarkets and service stations .

The MPA's would have us abide by a minimum sales efficiency rules.For example:

A title with a distribution per issue of less than 30,000 copies can have a sell through of just 55%,leaving the newsagent to pay for and accept the other non selling 45%.The newsagent would be refunded the non sellers in later monthly statements.The MPA's get paid to distribute each copy whether it is sold or Not.This is a huge incentive for the MPA's to dump not only the over supply of material but multiple issues before the newsagent get reimbursed .As there is thousands of different worldwide titles available ,the newsagent would be forced to accept,pay for and store anything the MPA's distribute to us.This proposed new arrangements seek to impose someone else's business plan on the thousands of individually owned and operated Newsagencies regardless of any commercial viability of the newsagent.For Example.

I currently have about 1080 individual magazine pockets about four times that of my nearest competitor Woolworth supermarket.The magazines take up some 46 metres square @ \$█████ per metre for rent costing \$█████ pa. My last years sales were \$183,933 with a gross profit of \$47,084 (25.60% GP). This doesn't even include any Labour and returns costs.I currently early return and base my stock holding on real sales not over supply.Under the new arrangements I would be receiving many thousand of more magazines which based on real point of sale data I can not sell.How and where could I display these tiles .My losses would be huge.

The MPA's already receive my sales figures daily through a system called Xchange it and the result is they choose to ignore the actual sales figures and simply dump non commercial amounts of product on us.Don't be fooled by this pilot study,the MPA's simply want an officially sanctioned agreement so the dumping can continue.

We Now live in a digital age.

There has been significant structural change within the Industry.You can buy a magazine anywhere.You do not need a Newsagent.You can even click a mouse or use an App to buy your favourite magazine and bypass our declining channel.There is more range and more product available to consumer than at anytime before .Australians have one of the world highest uptake of mobile devices in the world.So choice is everywhere .Comsumers decided how and by what means they will purchase a magazine.Publishers and MPA'S simply have to adapted to change or cease to exist.The new arrangements simply want newsagents to continue to bankroll existing cartels with outdated business models.

I will make one further observation ,if the proposed changes are so good for the Newsagent why do the biggest retailers of magazines in Australia Coles and Woolworths decline to take part in any such changes.I can tell you why,it is simply not commercial for them to do so.

Regards

Andrew Matt

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