

## Pfitzner, Laura

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**From:** John & Fay Fitzpatrick <johnfitzpatrick@e-newsagency.com.au>  
**Sent:** Saturday, 28 March 2015 6:23 PM  
**To:** Dennis Robertson; Reynella/Morphett Vale Newsagency; Adjudication  
**Subject:** A91472 - MPS Submission  
**Attachments:** Fill Orders.png; Subagent Returns Form.pdf

Attention Hannah Ransom,

Dear Hannah,

I have read the submission from the MPA and am very concerned with some of the allegations within that submission.

I have been a Distribution Newsagent (no retail store) in South Australian for twenty five (25) years. I have held magazine accounts with Gordon & Gotch, Bauer (formerly ACP) and IPS (formerly NDS) for the entire time I have been a Newsagent.

For the MPA to say and I quote "many Newsagents are engaging in indiscriminate early returns" *displays a total lack of understanding of the magazine distribution system in Australia.*

For your information there are essentially three (3) types of Newsagents operating in Australia.

- 1 Retail store only
- 2 Retail store with a distribution territory
- 3 Distribution territory only

Each one of the above, regardless of the *Point of Sale System*, sends sales and returns figures via an industry standard platform (XchangeIT). All major distributors receive this data from newsagents.

### ***All distributors choice to ignore this data.***

When the MPA talks about "arresting the decline in the newsagency", what it's really saying is this:

We make our money from publishers, for them we distribute and then handle any unsold copies (returns). We're really worried, our business model is broken and if the newsagent national percentage of sales slips we may have to contend with dealing with Coles etc., on very uncomfortable terms.

**BUT** they still will not use the data newsagents send them!

The majors have a financial incentive to send out as much stock as possible to as many newsagents as possible. Really, they don't care if it doesn't sell, they are paid by the publisher regardless - to distribute and handle any unsold copies.

We currently service 29 retail outlets with magazines, as we do not "**own**" the retail space within the stores we service, store owners decide when a magazine will be removed from the magazine rack and returned to us. Yes we issue a Returns form (see attached: Subagent Returns Form), with magazines needing to be returned, **BUT** store owners are able to send back at anytime a magazine, they consider as "stale stock" *within their store*. This will result in us sending back "early returns".

**I can see NO public benefit in the proposed Pilot.**

The majors have the data, they know the sales but continue on the path to oblivion.

A really simple question in all of this is - why can't Newsagents set their supply requirements, as does:

- 1 Coles
- 2 Woolworths
- 3 Coles Express P&C
- 4 Woolworths Petrol P&C
- 5 7 eleven
- 6 OTR stores
- 7 and probably many others

The simple reason is - the majors have setup separate divisions to handle non Newsagent clients, this is always their OUT clause - oh it's another division!

### **Early Returns.**

Any decision along the lines of "a Distributor will not be required to accept Early Returns from Retailers" displays such lack of understanding of the market - as I said earlier we do not **OWN** the retail space allocated to magazines. The result of this will be to **REDUCE** the number of magazine outlets. In the simplest terms, when I say to a retailer sorry the big company in Sydney said you can't early return - most likely result will be I am asked to remove all magazines and give a credit immediately and *lose the client*.

**Where's the public benefit in that? BUT, what it will do, is concentrate the hold Coles etc have on the market.**

Our business practice is to allocate one (1) extra copy of a magazine title (see attachment: Fill orders), over the average sale of the last 3 issues, to each of our subagents. If this allocation ends with say 20 copies over - then they are early returned. The major who supplied surplus to our requirements (based on our sales and returns history supplied via XchangeIT) is to blame, (but they get paid to do this - that's the rub!). As you can see from the example, we do not have sufficient stock to fill this order! So we could increase sales if they (majors) used the data! That's the silly part of all of this - if they used the data correctly they could increase sales!

If the majors used the data we send them, none of us would be wasting our time on this.

This saga really has been going on for 25 years plus.

We would be very happy to appear in person if a public hearing is held in Adelaide.

Regards

John & Fay Fitzpatrick

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John & Fay Fitzpatrick  
PO Box 1203 North Haven SA 5018  
Office: 08 8449 7671  
Mob: 0414 853 013 - after 10.30am



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Bill Orders

Title **WOMAN'S DAY**  
 Issue **?** Price **\$4.20** Return **29/3/2015**

Style  
 Standard  
 Enhanced  
 Return Surplus

Orders | History | Graph

Search Chars

Qty Received **147** Surplus **-13**  
 Home Delivery **3**

Sub No	Subagent	2/3	9/3	16/3	23/3	28/3	Avg (3)	Order
6	REGENT DELI	9	9	9	10		9	10
8	THK DELI & LOTTERIES	4	3/1	3/2	4		3	4
11	TAPEROO DELI	4/2	5/1	4/2	6		5	6
12	RED DELI	3/1	3/1	2/1	3		3	4
23	ETHELTON DELI	0/2	2	1/1	2		2	3
24	MOGAS SEMAPHORE (E)	5	3/2	5	6		5	6
30	WLS FOODLAND - MAGAZINES	53/14	58/4	62	62		61	62
52	SILVERS AUTO CENTRE (CH)	2/1	3	-3/6	3		1	2
53	ALPINE DELI (CA)	0/2	0/2	2/1	2		1	2
57	SEMAPHORE PAPERSHOP	9/3	7/5	10	12		10	11
60	FREECHOICE Store (CA)	1	0/1	2	2		1	2
61	SEMAPHORE IGA - MAGAZINES	11/1	14	9	13		12	13
62	CHEMPLUS - LARGS BAY (CM)	0/2	2	0/2	2		1	2
71	PETERHEAD CNR STORE (E)	4/1	2/3	3/1	4		3	4
73	PETERHEAD DELI (C)	2	1/1	1/1	2		1	2
156	MJ's SNACK BAR	0/2	0/2	3	2		2	3
159	GLEN'S DELI & CATERING SERV	1/1	1/1	1/1	2		1	2
162	IGA FRIENDLY - MANSFIELD PARK	0/2	1/1	2	2		2	3
165	HOT CHILLI GRILL	0/2	0/2	2	2		1	2
167	OTR - ANGLE PARK	2	2	3	3		3	4
169	MARTY'S SNACK BAR	0/1	0/1	0/2	2		1	2
170	BP TRUCKSTOP (E)	1	0/1	0/2	2		1	2
173	TIP TOP LIBERTY-WINGFIELD (E)	0/2	0/2	0/2	2		1	2
175	WESTWOOD IGA	2/2	4	1/3	4		3	2
176	UNITED 24 - PENNINGTON		0/2	0/1	1		0	0
* 200 *	CITY OF PT ADEL-ENFIELD (E) ***	2	2	2	2		2	2

\* Spec Cmn Rate

Home Del **3** Fixed **2** Variable **155** Supply **147** Surplus **-13** Total **157**

ALL ORDERS

**Address** PORTSIDE NEWSAGENCY  
PO Box 1203  
North Haven SA 5018

**Phone** 08 8449 7671  
**Mobile** 0414 853 013

**ABN** 56 109 927 914

**Email** office@portsidenews.com.au

### Subagent Returns Form

Sub 30 WLS FOODLAND - MAGAZINES  
BARTLEY TCE **Due Date** 29/3/2015  
WEST LAKES SHORE SA 5020

Rtn'd	Title	Issue	Price	Freight	Supplier
	AFL PRESEASON SOUVENIR	2015	\$9.95		GG
	AUS COUNTRY COLLECTIONS	#18.2	\$7.95		NDC
	AWW 21 DAY DIET PLANNER NAS	PLANNER	\$12.95		NDC
	AWW MINI CHEESECAKES NAS	CHCAKE	\$5.50		NDC
	AWW MINI FRENCH CLASSIC NAS	FRENCH RE ISSUE	\$5.50		NDC
	BACKYARD GDN DESIGN IDEAS	#12.6	\$8.95		NDC
	BARBIE FABULOUS BARBIE MINIS	SRS 7	\$12.95		NDC
	BEDROOM MAKEOVERS	Vol 0 / Iss 1	\$7.95		NDC
	BEST BETS 1	27/3/2015	\$6.00		IPS
	CLEO	MAR 15	\$6.95		NDC
	COMPLETE WEDDING WHITE COLLE	Vol 0 / Iss 2	\$12.95		NDC
	COUNTRY STYLE	Mar-15	\$7.99		GG
	CROSSWORDS FOR PLEASURE	Vol 0 / Iss 125	\$4.30		GG
	DELICIOUS	Mar-15	\$7.50		GG
	DONNA HAY SPECIAL NA	25/2/2015	\$7.99		GG
	EAT FIT	Vol 0 / Iss 12	\$8.50		NDC
	ELLE	MAR 15	\$8.50		NDC
	ENGLISH WOMANS WEEKLY	March 24	\$3.75		GG
	FAMOUS N/A	March 30	\$3.99		GG
	GOURMET TRAVELLR	MAR 15	\$8.95		NDC
	HELLO	March 23	\$5.95		GG
	HOMES +	MAR 15	\$4.95		NDC
	HOUSES	Vol 0 / Iss 102	\$12.95		GG
	INSIDE OUT (N)	Mar-15	\$8.20		GG
	INTERNATIONAL EXPRESS	17/03/2015	\$5.95		IPS
	IT GIRL PRESENTS ONE DIRECTION	Vol 0 / Iss 8	\$7.95		GG
	JUST CARS	Vol 0 / Iss 229	\$5.95		GG
	KITCHENS & BATHROOMS	#21.4	\$9.95		NDC
	KNEE DOWN	Vol 0 / Iss 11	\$9.95		NDC
	LOFFICIEL AUST	26/3/2015	\$8.95		GG
	LOV HDY SUDOKU	NO.119	\$4.70		NDC
	LOVATTS MEGA	NO.92	\$7.25		NDC
	LOVATTS BIG CROSSWORD	NO.265	\$6.85		NDC

**Address** PORTSIDE NEWSAGENCY**Phone** 08 8449 7671**ABN** 56 109 927 914

PO Box 1203

**Mobile** 0414 853 013

North Haven SA 5018

**Email** office@portsidenews.com.au**Subagent Returns Form****Sub****30**

WLS FOODLAND - MAGAZINES

BARTLEY TCE

**Due Date** 29/3/2015

WEST LAKES SHORE SA 5020

Rtn'd	Title	Issue	Price	Freight	Supplier
	MR WISDOMS WHOPPER (N)	Vol 0 / Iss 70	\$5.50		GG
	NEW IDEA	March 30	\$4.20		GG
	NEW IDEA JUMBO PUZZLER	Vol 0 / Iss 34	\$4.99		GG
	NW	30 MAR	\$4.99		NDC
	OK MAGAZINE	30 MAR	\$4.99		NDC
	PEOPLE'S FRIEND	24 JAN	\$3.20		NDC
	REAL PEOPLE	Vol 0 / Iss 3	\$2.99		GG
	SA ANGLER	FEB/MAR 2015	\$7.95		IPS
	SAMSUNG GLXY TAB CMPLE MNUALCOMP MN		\$17.95		NDC
	SIMP COMICS DIGEST	RESCUE	\$18.95		NDC
	TAKE 5	26 MAR	\$3.20		NDC
	THATS LIFE (N)	March 26	\$3.20		GG
	THATS LIFE PUZZLER ON THE GO	Vol 0 / Iss 75	\$3.99		GG
	THAT'S LIFE WORDSEARCH	Vol 0 / Iss 38	\$4.20		GG
	TV SOAP (N)	MAR 26	\$5.20		NDC
	TV WEEK METRO	28 MAR	\$4.80		NDC
	TV WEEK SOAP EXTRA	12 MAR	\$4.50		NDC
	VOGUE AUSTRALIA	Mar-15	\$8.50		GG
	W WATCHERS GLUTEN FREE NA'S	GLFREE	\$15.95		NDC
	W WATCHERS QUICK 6 NA'S	QUICK6	\$15.95		NDC
	WHO	March 30	\$4.99		GG
	WINNING POST 1	27/3/2015	\$5.00		IPS
	WOMAN'S DAY	30 MAR	\$4.20		NDC
	ZOO WEEKLY N/A	Vol 0 / Iss 470	\$4.95		NDC

THIS IS YOUR NEWSPAPER &amp; MAGAZINE RETURNS FORM

**Pfitzner, Laura**

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**From:** John & Fay Fitzpatrick <johnfitzpatrick@e-newsagency.com.au>  
**Sent:** Sunday, 29 March 2015 12:13 PM  
**To:** Adjudication  
**Subject:** A91472 - MPA Submission

Attention Hannah Ransom,

Dear Hannah,

Sorry for the second email - I realized after sending I had not commented on the Pilot plan (which I believe is NOT needed) of EXCLUDING Distribution newsagents.

My only comment is as follows:

How can any serious attempt at a Pilot study be conducted without a major segment (Distribution) being omitted? The recommendation of the MPA to exclude Distribution, again displays a total lack of any understanding of the magazine market in Australia.

If the Pilot is to go ahead, I suggest the ACCC *demand* that Distribution be part of the study.

Without the Distribution segment represented, the Pilot is in my view worthless.

Regards

John & Fay Fitzpatrick

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