

Blanch, Belinda

From: MARK RICHARDSON
Sent: Thursday, 2 April 2015 5:59 PM
To: Adjudication
Subject: A91472 Magazine Publishers of Australia

Categories: Submission

Dear Ms Ransom

I'm writing to you today to express my concern with regards to the MPA it's proposed trial to change the current supply model of the distribution and return of magazines to Newsagents

In my view the MPA are only interested in stopping early returns, I have been a Newsagent for over 20 years I have never "indiscriminately early returned magazines" as the MPA suggest.

The companies behind this proposed trial Gordon & Gotch and Network Services (Bauer Media) have the ability to fix supply issues as we speak but in my time in the industry they have refused to act , even ignoring their own sales data.

Quite simply Gotch and Network know what they supply to us and they know what we return ,yet month after month year after year they ignore our net sales and continue to over supply on many titles and undersupply on the most popular titles. We and many other Newsagents have the data to support my claims.

Both Gotch and Network oversupply to such an extent ,that many for Newsagents their magazine sales are less than 50% of the magazines supplied.

On paper the MPA's proposal might seem like a solution to the current situation ,but from many years of being in the industry including being a long term board member of the South Australian Newsagents Co-Operative

,I can assure you how Gotch and Network adhere to the proposed supply model for the duration of the trial is not necessarily how they will control supply in the long term, even if there is a code of conduct introduced it would be difficult and time consuming for a single Newsagent to address over supply if early returns were disallowed

I believe the ACCC needs to look at the magazine industry as a whole including the supply model which currently exists for the supermarkets with specific focus on the two majors Coles and Woolworths

Newsagents need to be able to compete on a equally with the supermarkets and at the moment I don't think that is the case. There are many occasions where we sell out of the top selling titles yet the supermarkets have ample supply .

The Australia Newsagents Federation (ANF) wrote to the ACCC supporting this proposed trial and therefore supporting the terms under which this trial is being run.

The ANF's support is ill informed I do not have accurate data as to how many Newsagents they represent , maybe that is a question the ACCC need to ask , but I am confident the ANF do not represent the majority of Newsagents rather they represent the minority .I have via the Newsagents of Australia Blog asked the ANF to explain as to why they support these proposed changes but they have refused to engage in the discussion

In Summary Gotch and Network can fix the oversupply of magazines to Newsagents immediately if they wish ,history shown they have refused to act on even their own data.

We don't not indiscriminately early return magazines , why would we ? we are in the business of making sales not returning magazines just for the sake of it , it just doesn't make sense. If some Newsagents have early returned magazines there would be only three reasons as to why ,out of sheer frustration due to over supply ,fear they would not be able to pay their next account or a lack of knowledge from being new to the industry .

Newsagents need to been able to early return magazines both now and in the future this is the only "relief valve" Newsagents have against companies who have a history of blindly supplying magazines with total disregard to their own data . As previously stated the only time they appear to keep a tight rein on supply is with the top 30 or 40 titles with those titles our supply is so tight we sometimes sell-out before the next issue is in which puts us at a big disadvantage with the major supermarkets who never seem to run out of important titles

Yours Sincerely

Mark Richardson
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