

Blanch, Belinda

From: Glenn Cornish <glenn@forumwestnews.com.au>
Sent: Thursday, 2 April 2015 11:04 PM
To: Adjudication
Subject: A91472 - Magazine Publishers of Australia submission

Categories: Submission

Dear Sir/Madam,

I have owned my newsagency for the last 16 years, and for every one of those years the single biggest challenge has been the struggle to bring supply of magazines into line with sales and reduce the financial burden of oversupply. Over this period my magazines sales are now half of what they were at their peak, and our absolute lack of control over our liabilities to our magazine suppliers has seen us disengage from the category and focus our efforts elsewhere in our business. For many years the ROI from our magazine category has been in the vicinity of -30%, and this is with heavy involvement in the day to day management of the category to ensure our processes are as efficient as we can make them, but we are failed by an antiquated supply regime. Obviously other aspects of our business need to "prop up" our magazine category, but what is a newsagency without magazines? Hence we persevere.

Since its earliest availability, we have fully engaged in the exchange of electronic data to facilitate what should be – and was promised to be - better supply management from the distributors, and we have invested heavily in technology and resources to make this happen. All the information necessary to facilitate fair and equitable supply of stock to newsagents from magazine distributors is already there. All invoice information comes in electronically. All sales data is electronically sent daily to all distributors, and all returns information is sent weekly.

Such a trial as is being requested is, in my view, simply another smoke screen to divert attention from the real issues, issues which could be quickly and easily solved if the data that has been available for many years was effectively utilised.

In the current supply matrix, early returns are a crucial mechanism whereby cash flow can be managed, and to remove what is in effect the only tool available to us to manage the oversupply issue would be catastrophic. This is particularly so where the supply matrix in this proposal from the MPA still allows for supply grossly in excess of our requirements for periods in excess of what is required for effective sales efficiencies.

The only scenario where removal of the ability to early return stock would work is if our charges for magazines were derived from our sales data and we were only charged for the titles we had actually sold during the month.

If the terms detailed in the proposed code of conduct were to become reality, then this would be the catalyst for our business to exit the category altogether.

Thank you for the opportunity to provide feedback on this proposal.

Regards

Glenn Cornish



Shop 102 Mandurah Forum Shopping Centre
330 Pinjarra Road
Mandurah WA 6210
p: +618 9535 1696
f: +618 9586 1095