



**Small Business  
Development Corporation**

Our ref: D14/6759

Mr Richard Chadwick  
General Manager, Adjudication  
Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601

By email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

Dear Mr Chadwick

**Association of Magazine Publishers of Australia - Application for Authorisation  
A91472 - Submission**

Thank you for the opportunity to provide a submission to the Australian Competition and Consumer Commission's (ACCC) consultation "Magazine Publishers of Australia (MPA) Application for Authorisation A91472" (Application for Authorisation).

The Small Business Development Corporation (SBDC) is an independent statutory authority of the Western Australian Government and was established to facilitate the development and growth of small businesses in this State. For over 30 years now, the SBDC has been providing assistance to small business owners and advocacy on behalf of the sector in Western Australia.

Part 4 of the Magazine Publishers of Australia's Application for Authorisation - Exclusionary Provisions and Associated Cartel Provisions - outlines that the collective activity is seeking to optimise the supply of magazines to newsagents to more efficiently manage the magazine 'category'.

The SBDC has reviewed the Application for Authorisation and discussed it with the Australian Newsagents Federation (ANF).

In the last financial year, the SBDC received very few enquiries from small businesses operating newsagencies. As such, the SBDC is unable to provide specific insights from clients to further substantiate the nature of problems identified by the MPA. However, the SBDC's understanding of issues impacting on newsagents aligns with those outlined in the Application for Authorisation.

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The SBDC acknowledges the negative impacts of oversupplying magazines on small business newsagents including by adding to labour and freight costs. Impacts on cash flow, resulting from being charged up front for magazines and not being reimbursed until returns are processed, are also recognised.

The SBDC is supportive of a Pilot program being adopted in the first instance to test and refine the changes proposed in the Application for Authorisation to influence the supply of magazines through the newsagency distribution model. Newsagents volunteering to test the model in a Pilot program will allow proof of concept ahead of any application for a Code of Conduct to apply across the industry.

The SBDC notes and supports a campaign of education and training for distributors and newsagents being implemented to enhance the effectiveness of both the Pilot and the resulting Code for the industry. The introduction of guidelines to assist newsagents to increase magazine sales including advice on magazine and retail layouts is also welcomed by the SBDC.

It is important that the potential implications and unintended consequences of imposing the rules of the Pilot are carefully considered, especially as they relate to actions that might be taken as a result of reduced revenues for distributors from the removal of 11 million copies of magazines from the supply chain.

Overarchingly, the SBDC views this initiative as one with the potential to create fairer relationships between magazine publishers, distributors and newsagents across Australia.

As changing the magazine supply will have flow on affects for small business newsagents, the SBDC would like to be notified of the results of the Pilot program. This will allow for greater detail to be provided in the context of any further application for authorisation for a subsequent Code.

For further information on this submission please contact our Policy and Advocacy directorate at [policy@smallbusiness.wa.gov.au](mailto:policy@smallbusiness.wa.gov.au) or telephone Ms Jenni Collins, Assistant Director on 6552 3303.

Yours sincerely



David Eaton  
SMALL BUSINESS COMMISSIONER

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