

Trade Practices Review

I, Emmanuel Sourrys of Corbett Street West End in the state of Queensland being a Newsagent, make the following submission – that the A.C.C.C. has failed in the purpose for which it was created, and has abrogated its responsibility in the following manner.

1. The refusal by the A.C.C.C. to acknowledge that deregulation has achieved its purpose in the retailing of magazines and periodicals.
2. The A.C.C.C. has by its actions assisted the publishers, through fear and threats to exercise excessive control over the retailing of magazines and periodicals.
3. The A.C.C.C. by its actions has caused many small communities to lose the ability to purchase magazine and periodicals enjoyed by most Australians.
4. That refusal by the A.C.C.C. to acknowledge or recognize the damage it does to industry, and does not concede that in the reversal of its decisions it has made errors of judgment.
5. The A.C.C.C. actions have encouraged the publishers not to allow any criticism of the A.C.C.C. on the deregulation and refusal to grant authorization to Newsagents.
6. That the A.C.C.C. is inconsistent in granting authorizations.
7. That the A.C.C.C. does not have the ability to foresee circumstances that will arise out of its decisions.
8. The A.C.C.C. has shown bias against Newsagents by refusing to grant authorizations and by continuous threats of massive fines in order to render any group representing Newsagent to be ineffective in negotiations with the publishers.
9. By its refusal to grant authorization, the A.C.C.C. has disadvantaged Newsagents financially.
10. The A.C.C.C. in its decisions concerning Newsagents has helped large companies, deemed big business, contrary to the purpose of its formation.
11. It is the proposal of this submission that because of the above transgressions that the A.C.C.C.
  - (a) Be stripped of its powers in the granting of authorizations
  - (b) The A.C.C.C. be required to compensate any group which is disadvantaged by its actions.

1. The Industry has radically altered in the past few years and is totally deregulated. Direct supply of product has been granted to Woolworths, Coles, Target and various Service Stations and convenience stores.

These companies are allowed to negotiate as a group, a role denied to Newsagents.

We draw your attention to part vii (b)

2. The publishers have used their position of strength assisted by ACCC actions to impose new policies such as positioning of magazines & posters and to force Newsagents to acquire new display stands at considerable expense.

The display stand insisted upon by Queensland Newspapers will cost \$3000.

Commercial sense would dictate collective negotiation on the above.

The ACCC would impose fines if this action was taken. Part vii (b)

3. We include a copy of the Courier-Mail dated July 8. The action of the publisher will deprive many small communities of the fundamental right to purchase magazines & periodicals.

Alternative arrangements of supply as a sub-agent and transport costs would add at least 50% to the cost of marked price. We submit that if Newsagents were allowed to negotiate collectively the decision could be reversed, or alternative arrangements made. However the threats made by the ACCC have made this impossible. Part vii (f)

4. The ACCC has made reversals in the dairy and grape growing industries. This occurred only after rural and political pressure. During the time it took for the reversal to be implemented, considerable damage was done to the industries and individuals. The reasons for the reversals must have existed when the original decision was made. This would suggest the ACCC is flawed in its judgements.

We also contend that the ACCC decisions are made subject to political considerations and not on the merits of the particular case.

5. At a time when the ACCC is under scrutiny in the media, letters to the editors of newspapers criticizing the ACCC for its refusal to grant authorization are not published.

A promised interview on this matter by a journalist of a major newspaper never materialized. This suggests it is in the interest of publishers to block any discussion on the merits of authorization.

We contend the ACCC by its actions has led to Newsagents being disadvantaged in bringing their grievances before the public.

# Women's weekly magazine delivery

Catriona Mathewson

COUNTRY Queenslanders are fuming over plans to cut supplies of magazines such as *Women's Weekly* and *Woman's Day* to hundreds of rural newsagents.

Last week, Kerry Packer's ACP publishing delivered a brief letter to rural newsagents around the country informing them direct delivery of the company's magazines would cease on July 14.

Low sales have apparently made delivery unviable for the media giant, but it means remote shops will have to import popular ACP magazines from larger newsagents.

This will reportedly cut profit margins by at least 50 per cent and, in some cases, transport costs could eclipse potential profits.

Some readers have branded ACP hypocrites because its magazines regularly carry sympathetic stories about battlers in the bush.

Queensland Newsagents Federation head Ken Murphy said ACP should expect a "huge backlash" from country people, who saw it as yet another betrayal at the hands of big business.

The ban could affect between 120 and 400 newsagents around the country, although ACP had so far refused to discuss the issue, he said.

"In some rural areas the adjoining newsagency is some hundreds of kilometres away," Mr Murphy said.

"The advice is coming out of Sydney and they are telling these newsagents to just go and get their magazines from the nearest (unaffected) newsagent. And they have to say, 'Do you realise that place is 400km from me?'"

Mr Murphy begged ACP to reconsider, saying it was an extreme measure to take without consultation.

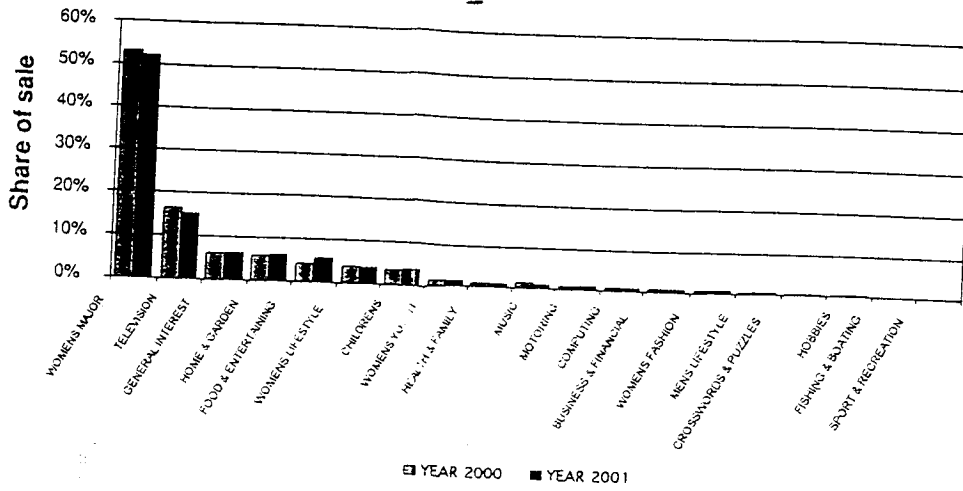
Greg Schlencker, the proprietor of a newsagency at Wowan, 120km southwest of Rockhampton, said his customers had been roundly shocked by the move.

"Most of them say, 'You've got to be joking. They can't do that!'"

"To a lot of people that buy them, the people out on the properties, that's their link with the world. They sit down and read the *Woman's Day* or the *Women's Weekly*."

### Total Australian Supermarkets Sales Share of sale by category

52% of all supermarket sales are from the weekly sector.



Source: AC Nielsen

