



**Australian
Newsagents'**
FEDERATION LTD

26th of January 2016

Hon Kelly O'Dwyer MP
Assistant Treasurer
Minister for Small Business
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

By email: SBminister@treasury.gov.au

Options to strengthen the misuse of market power law

Dear Minister,

The Australian Newsagents' Federation (ANF) is the peak national body, who along with affiliated state newsagent and lottery associations, represent some 3500+ small businesses in almost every rural town, regional centre, urban and metropolitan shopping centre in Australia.

Approximately 2.4 million Australians shop at their local community newsagent or lottery agent every day. We are well known and trusted within our local communities and make a significant contribution to Australia's economy, turning over \$2.1 billion annually and employing some 20,000 people. Newsagents' are one of the largest and most trusted independent retail channels in the country.

The ANF is committed to protecting the interests of our members around Australia, in order to ensure that they continue to make a positive and sustainable contribution to the Australian community, as they have done for generations.

The newsagent industry is currently going through significant structural change caused by innovations in digital media. This change brings with it challenges for some of our traditional revenue streams and industry partners, who are after many years now engaging in reform opportunities to improve efficiency. This structural change is also creating new retail/service opportunities for our members, with e-Commerce and logistics areas expanding rapidly through new industry participants. These new partners are competing with Post and also providing a retail footprint and service delivery for large overseas online retailers.

At this particularly critical juncture in the history of our industry, suitable reform of the misuse of market power law can deliver both good public policy, and really assist small businesses like ours to be a competitive force in the market and not be subject to any exclusionary practices.



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The ANF has supported strongly the government's initiative to address necessary competition policy reforms and we support the intent of the Harper Panel consultations. We have been a committed participant in those consultations and remain actively engaged in pursuing equitable outcomes for small business from the current consultation on options to strengthen the misuse of market power law.

We encourage the government to listen carefully to the views of small business, especially when we are sometimes not as loud as big business, and to ensure that the results of this consultation allow markets to function with no one being foreclosed/locked out by those with market power, from engaging in competitive conduct.

Yours sincerely,

Ben Kearney
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Australian Newsagents' Federation
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Examples of conduct by those with market power in our industry that were provided at the roundtable in Melbourne.

Examples of conduct by those with market power in our industry that is of concern to the ANF, and which inhibits our members from being a competitive force and that they feel is damaging to the competitive process, include the following:

- 1. Magazine publishers who inhibit Newsagents from managing their magazine supply and choice of titles, when their major retailer competitors can pick the titles that sell and determine what stock they will carry. We have complained to the ACCC about this issue in the past and it is unresolved.*
- 2. When a lottery company provides preferential training, shop fit and minimum sale requirements to competitor supermarket petrol convenience sites, or where they force newsagents to promote operator only online sales in store, when this competes with the newsagents retail business. It seems that in a technical sense that as an agent we are not a competitor, which is a real surprise to us and also our customers!*
- 3. When banks close family run small businesses bank accounts, as they are AMLCTF compliant money remittance providers to the community. The bank account closures affect all accounts including spouses, mums, dads and children. However the banks are not affected and continue with their own money remittance services.*
- 4. When a state government run transport card scheme dictates that a newsagent must provide a \$2.50 top up at an extremely low commission, yet their own vending machines in the vicinity of the newsagent have higher minimum top up thresholds.*