

Media Release
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Newsagents to Attend Emergency Summit

The peak body overseeing Australia's largest single group of small business retailers has been invited to attend the emergency summit of bankers and small business called by the Rudd Government for next week.

Anthony Matis, Chief Executive Officer of the Australian Newsagents' Federation (ANF), said the way in which banks do business with newsagencies is becoming an issue and is pleased ANF has been invited to contribute to this critical discussion.

"If the Federal Government really want to understand what's going on between banks and small business, newsagencies certainly have plenty to contribute. There are nearly 5000 individually owned newsagencies in Australia turning over \$6.5 BILLION a year and employing 20,000 people," Mr Matis said.

"Small Business Minister Dr Craig Emerson has said he's called the emergency summit so he can get to the bottom of the issue. We have plenty of examples of how banks have recently made it very difficult for many of our newsagencies to do business."

The credit crunch has caused a number of banks to change their policy on credit and ANF has received numerous complaints from members finding it more and more difficult to obtain credit or manage overdrafts.

Mr Matis said the newsagency channel in Australia has unique circumstances as a business model and a summit such as this needs to hear the facts.

"Newsagencies are small businesses with contractual arrangements with the country's largest publishers, and newsagencies often have to do what the publisher requires.

"If a publisher wants to run a marketing or promotional campaign at a certain time the newsagency has to fall into line. This is often at the cost to the newsagent at a time a particular business can't afford it.

"This can cause a spike in the balance sheet putting temporary pressure on overdrafts and banks are becoming less understanding." he said.

Mr Matis said he had written to Dr Emerson and also to the Treasurer Wayne Swan outlining the urgent need for the newsagency channel to take a part in this emergency summit and is pleased that ANF has now been invited to attend.

"This summit would allow us to share areas of improvement and solutions to problems in a constructive way."

The Australian newsagency system has served publishers and consumers extremely well and played a major role in making magazine sales in Australia the highest per capita in the world.

Collectively Australian newsagencies home-deliver 3 million newspapers, distribute newspapers and magazines to 25,000 retail subagents and serve 2.5 million customers face to face each day.

Newsagencies attract 83% of Australians every week!

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