

Submission

Books Kinokuniya

Books Kinokuniya is Australia's largest physical bookstore and is owned by one of the largest bookstore chains in the world. With over 300,000 titles in stock, we are distinguished by our ability to obtain books from all round the world, appealing to Sydney's multicultural demographic. As a retailer, Books Kinokuniya is the largest importer of books in Australia.

The current copyright restriction on the parallel importation of books prevents Books Kinokuniya from being competitive, and inhibits future store investment. Current regulations relate directly to such issues as international competition, unfavourable terms-of-trade and extra human resources costs. Modifying the restrictions on parallel importing would favour Books Kinokuniya's growth, reduce the cost of books for our customers, and give Australians timely access to international titles, while retaining all the advantages of bricks-and-mortar stores.

Our Position on the 30-Day Rule

Local publishers argue that current restrictions nurture local talent and protect Australian culture. The reality is that as more and more Australian readers shop online rather than in bricks-and-mortar stores - due to the uncompetitive nature of the latter - fewer and fewer of these customers encounter Australian writing. Online booksellers - such as Amazon - do not abide by Australian copyright restrictions or taxation regulations, and would neither invest in Australia nor make a profit by importing Australian titles into their home countries only to export them back to Australia. Local booksellers, however, also sell books by non-Australian authors, and it is this aspect of retail which is damaged by current regulation.

The internet enables customers to discover in an instant when their favorite international authors have released new books. These customers can choose to wait for the local publisher to make these books available from a local bookstore, or import the book themselves via an international retailer's website. ***Almost always, the book can be bought more quickly and cheaply from the internet seller, and current regulations prevent local bookstores from matching their online competitors.***

The law makes the local bookseller dependent upon the local publisher. It does not

make the customer dependent upon the local bookseller, and the result is the loss of custom for Australian booksellers.

We work closely with all Australian publishers and have excellent relationships with most of them. However, we are obliged by law to buy even from those local publishers who may be inefficient importers. Many titles fall out of the current 30-day rule, and Books Kinokuniya chooses to fill this void by importing the titles directly from the publishers overseas. Investigating whether or not a given title falls within the 30-day rule is time-consuming, and Books Kinokuniya would like to have the option of supporting an efficient, pro-active publisher, rather than being forced to support an inefficient publisher.

More often than not, local publishers choose to take their lead from U.K publishers. Even with the falling dollar, U.S editions are less expensive than local editions. One top-selling title in Australia has a RRP of \$24.95 and is sold in the U.S at USD \$10.99. Books Kinokuniya sells the book for \$14.95, at the same profit-margin as buying locally.

Our Position on the 90-Day Rule

The 90-day rule is extremely restrictive. Consumers can import a title from overseas within 3 days, but Australian publishers may take up to 90 days to deliver a book to a bookstore. This restriction is detrimental to business and serves only to drive more customers to overseas internet bookstores.

Summary

Books Kinokuniya would like the commission to modify the current copyright restrictions, allowing local retailers to grow, and to pass on the benefits of efficiency and savings. Our preference is for the protection of copyright on Australian authors and simultaneous international releases, rewarding efficient publishers and enabling Books Kinokuniya to compete directly with international internet retailers.

Yours faithfully,

Steve Jones
General Manager
Kinokuniya Bookstores of Australia