

**SUBMISSION BY MICHAELA ANDREYEV OF EAST STREET PUBLICATIONS
TO THE PRODUCTIVITY COMMISSION ISSUES PAPER - COPYRIGHT
RESTRICTIONS ON THE PARALLEL IMPORTATION OF BOOKS**

East Street Publications is a small independently owned South Australian publisher, producing about 10 books per year.

There are many forces that make it practically impossible to survive in this industry. For example, we make large financial investments in a book months in advance of any financial return. Then there is the sale-or-return arrangement with booksellers who may return to us those books which they do not sell. The list of challenges goes on and on.

So what will the result be for East Street should the decision be made to remove the parallel importation provisions?

East will completely cease “buying” rights to overseas books from overseas publishers for the Australian market; an end to a revenue stream.

Why would we pay for rights that cannot be enforced and, in our company’s own experience, *will* be violated? We already have to fight American publishers to desist from selling those books in the Australian market for which they themselves have sold us rights. They *will* dump here. Our market *will* become an extension of theirs.

Furthermore, small Australian publishers won’t be deciding what they think would appeal to the Australian reader and publishing it locally with all the production and publicity support that we give to our books; an American will be making that decision based primarily on how the book performed in the USA. I’m betting the Australian reader will miss out entirely on some good books and be flooded with some very ordinary ones.

East Street makes good money from selling rights to their books to overseas publishers but should we keep selling those rights to overseas publishers when it means we can no longer count on our market being our own?

It won’t only be “overstocks” that they ship to us. For example, what is to stop them from augmenting the cost of their initial print run by adding a few thousand for the Australian market?

In the late 1990s I was the International Sales Manager of one of the UK’s leading publishers and I had to fight hard to allow the Australian sister company to do their own local print runs. The UK desperately wanted the Australian numbers included in their own print runs. They will be delighted to hear of the changes.

Furthermore, should we keep selling those rights to overseas publishers when we can’t guarantee our authors are paid the appropriate royalty for an Australian sale? It is feasible that a book sold in Australia will attract the lower “export” or “remainder”.

One has always had to have the head of an accountant and the heart of a gambler to survive in this industry. Should you decide to remove another of the straws that holds us up the result will be that we won’t be in a position to continue taking the necessary risks.

Finally, what of the Australian book buyer? Will they get cheaper books? Some books may be cheaper some of the time but, considering the role of booksellers, exchange rates and other factors affecting price, there is *no* guarantee of wholesale improvement.

The saddest of facts to consider is that as a result of the proposed change many great books simply won't exist any more.

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