

Dear Sir/Madam,

We would like to make a submission to the Productivity Commission in regards to the issue of parallel importation of books.

We believe that the deregulation of the book industry would be very detrimental to independent bookshops. As small business owners we do not have the purchasing power of the chains and multinationals, or even the franchise stores. Therefore, we will be in no position to negotiate directly with overseas publishers in regards to bringing in quantities of books, even if we are in the position of wanting multiple copies of single titles. Also, as publishers will not be wanting to hold stock of books, because there will be no incentive to hold these books locally to protect copyright, many of our customers will find it quicker, and cheaper (due to not paying GST) to buy single copies direct from overseas.

At present, a large proportion of books we order from publishers are held locally in Australia, with only a small percentage being on an order-to-order basis from overseas. However, in the last couple of months, we have noticed a decrease in the locally held stock at some publishers, and wonder if they are preparing for the advent of deregulation. This means that our customers have to wait approximately four weeks to get their order-a difficult time-frame to justify if they are tempted to order direct from amazon or other overseas on-line book retailers.

The sale or return status of new release books is an important aspect of bookselling. Without this safeguard, many booksellers would be reluctant to take the risk of offering such a large range of titles to the public. We are happy to promote new authors and to hold stock of books that may not be listed as bestsellers, but which we believe have a valuable contribution to make to our society, because of this safeguard. We believe that if deregulation occurs, then most books will be on a firm sale basis and that this will severely impact upon the health and nature of literacy and debate in Australia. Books are an essential part in all the important discussions of our society, especially here in Australia where all of the daily media is owned by two or three multinational companies. It is essential that ordinary people are able to make informed decisions and to have the opportunity to participate in these debates. Much of this information comes from books.

We do not believe that deregulation of the book industry will result in lower prices for book buyers. The music industry was deregulated some time ago-prices of cds did not alter dramatically-what was dramatic was the abrupt closure of many small independent music shops. The retail music industry is now dominated by chains, which do not offer a wide range of music to the public. Many of our customers buy their music, on-line from overseas.

We are members of the Australian Booksellers Association, and know that their policy is to support parallel importation of books. However, at the last AGM in June 2008, the support for the motion was not unanimous, and there are many smaller bookshops who feel threatened by the impending legislation. We do believe that deregulation will benefit the chain stores such as Dymocks and Angus & Robertson, whilst having a detrimental affect on the small independent bookseller.

Here in Australia, Independents have a vital, vibrant and positive contribution to the overall book industry .We hold about 20% of the overall market, (as opposed to under 10% in both the UK and America) and our shops reflect the different needs and attitudes of our individual communities. We are involved in our local communities, and our communities are involved with us. We spend our earnings in our towns and cities and contribute in many ways to the health and well being of our communities. We firmly believe that the deregulation of the market will severely affect our ability to offer our customers the range and quality of titles

that we currently do and that this will have an adverse effect on our ability to run a viable business.

We urge you not to change the current importation legislation in regard to books.

Yours sincerely,

Sue Cole and Kerry McIlroy