

LITTLE HARE

19 January 2009

The Commissioner
Parallel Importation of Books
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Sir

I wish to make a submission to the Commission regarding the review of the copyright laws in Australia pertaining to the Parallel Importation of Books.

Background information

Little Hare Books Pty Ltd (LHB) is an 100% Australian owned company publishing children's books in Australia, New Zealand, the United Kingdom and the United States, we also license editions to other publishers to create foreign language editions. We publish around 50 new titles a year including illustrated books and fiction titles. Ninety percent of the authors and illustrators that we publish are Australian. We do not publish books created by companies overseas. LHB employs six full time staff and uses the services of a number of freelance Australian editors and designers. We print books in Australia and overseas.

The issue from our perspective

The market in Australia for children's books is small but well balanced. The strength of the independent book retailers is critical to LHB as these booksellers are the largest supporters of Australian authors and illustrators. Any changes in the copyright laws that upsets the balance in the market resulting in the weakening of these independent stores would affect our ability to publish Australian authors in the manner that we now do.

We believe the removal of the 30 day or 90 day rule for trade books, and opening the market for Parallel Importation would result in the larger book chains, DDS's and online retailers sourcing cheaper books from overseas and undermining the ability of the independent book sellers to compete. This would be detrimental to our business, resulting in us publishing fewer specialist children's books that are often award winning and have cultural benefits to Australians.

Other issues associated with an open market.

Pricing has often been quoted as a reason to open the market. I closely watch the retail price of children's books in the English language markets and I do not see a large difference in retail pricing, except when the Australian dollar gets very strong against the US dollar as it did last year. At average exchange rates, prices are quite similar once tax has been removed from the price.

LITTLE HARE BOOKS PTY LTD

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The retailers set the prices in Australia, publishers only recommend a price. Some retailers sell at over the recommended price, others discount. It is a competitive market and consumers can shop around.

Book clubs and other non-traditional book suppliers will, we believe, source editions of books from overseas and import these if permitted. This will result in the larger clubs and direct marketing companies acquiring books from the cheapest supplier (usually the US publisher of a book), therefore removing an important source of revenue for the Australian publishers.

Overstocks (remainders) are an issue for most publishers. Australia could easily become a dumping ground for cheap unwanted books from the UK and US reducing the amount of shelf space in bookstores for Australian titles, and devaluing the perceived value of Australian books in the eye of the consumer

Recommendation

We strongly recommend to the commission that there is no change to the parallel importation of books under the copyright act.

Yours truly,

R J Hare
Managing Director