

I ACKNOWLEDGE:

The Productivity Commission's comprehensive analysis of the complexities of the book industry in Australia and its appreciation of the critical role that books play in the cultural profile of this country – their "considerable cultural value".

I AGREE:

With the Commission's recognition that the 90 day resupply rule has become outdated and has been overtaken by changes in technology, transportation and the local competitive (online) environment. I believe 30 days to be appropriate.

With the Commission's finding that the dearth of up-to-date industry analysis leaves room for a great deal of uncertainty about the ramifications of radical legislative change. I believe that quantitative research should be a primary focus for action and that any major reform should only proceed after conclusive evidence as to the potential costs and benefits to the consumer and to the domestic economy are brought to bear.

With the Commission's acknowledgement that the Australian book industry is thriving under the current legislation and its recommendation to proceed into legislative change with extreme caution.

I NOTE:

That the Commission has concluded that the price difference between the local and overseas market is effectively zero if the average exchange rates for the last ten years are used and that even if there were to be fluctuations in price that there would be little, if any, increase in book sales and little if, any effect, on literacy rates.

I DIFFER:

I believe that the Commission has not given sufficient weight to the potential costs to both the Australian economy and Australian culture and identity of their predicted contraction in the independent bookselling sector. While the Commission suggests such contraction would occur as a result of removing PIRs altogether I would contend that the introduction of a 12 month PIR would have the same effect. The Commission appears to me to have assumed a clear division between "front list" and "back list". Such a clear division does not exist for independent booksellers who regularly have books which were published more than 12 months before on their top 20 lists.

Fundamentally the proposed "12 month" rule can only benefit large chain retailers and overseas suppliers. It can only harm independent booksellers and the Australian economy through loss of jobs in Australian suppliers.

DOES IT MATTER IF INDEPENDENT BOOKSELLERS GO DOWN THE DRAIN?

Yes.

Firstly, Australian books consistently make up 50% or more of the top 50 titles being sold through independent retailers, compared with 20% or less among the top 50 titles being sold by retailers in other parts of the market.

Therefore any significant reduction in the number of independent booksellers would inevitably lead to publishers reducing their local publishing programmes and Australians would thus be limited in their opportunity to explore their culture.

May I note that visiting overseas authors often comment on how much better the quality of bookselling is here than in the UK or in the USA because of the strength of independent bookselling in Australia.

Secondly, there are significant dangers involved when chain stores dominate a market.

In the US and UK book markets greater emphasis on publishing and pricing for the discount and supermarket end of the books market has seen the collapse of the independent sector as more and more independent booksellers have been forced to close. I seriously question whether this is a sustainable publishing model which best serves the consumer. In the UK one major book wholesaler and their primary retail partner has recently collapsed. In the US one of the major retail chains is said to be floundering and is currently propped up by publishers who fear the ramifications of its demise. With a marginalised independent sector to fall back on these markets would now seem to be placed in a precarious position. A similar situation here would not be to the advantage of Australian consumers.

Summing up:

I support the introduction of a 30 day resupply rule.

I oppose the introduction of a 12 month PIR.

Philip Bray.