

HUMANITIES DEPARTMENT

March 14, 1985

The Treasurer,
Mr. Paul Keating
Parliament House,
CANBERRA 2600

Dear Sir,

I wish to make the following formal submission to the Taxation Summit Conference. My submission concerns the effect of any form of VAT or sales tax on book magazine publication in Australia. The submission is based on some 15 years of experience in small magazine and book publishing as well as on conversations with publishers, book sellers and editors from both major and minor enterprises. I have also commissioned research on this matter and propositions I am arguing are based on the results of this research to this date. This research is not however yet in its final form. I would therefore welcome the opportunity to forward it at a later date as an appendix to this submission.

The book trade in Australia has an annual turnover of the order of \$600,000,000. Approximately half of this represents Australian publications. These figures are however probably understated, as the products of many small publishers of journals and poetry are not included in them as it does not go through normal trade channels.

The value of publication and distribution of books however cannot be reduced to purely economic measures. It is through such dissemination of ideas that formed public opinion is developed. This not only develops in society a capacity to respond to technological and social change; it makes progressive change itself possible.

It must further be emphasised that the generation of ideas within the Australian community is a necessary condition of us maintaining a society of social and intellectual autonomy.

The economic and cultural contributions of publishing and the book trade to Australia would be jeopardised by any form of VAT or sales tax. Even a very low level would impose on small and part-time businesses and on individual authors a cost of collection which they would not be able to sustain. The nature of the industry is such that it depends on a great

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number of very small enterprises. However, even the large enterprises carry an enormous variety of stock, much of it published for small runs. This overhead would make small runs by large as well as small publishers impossible.

I leave aside the detrimental effect such a tax would have on education and on knowledge as I am sure that others will make formed and eloquent submissions on this matter. My worry is that the economists will merely see this and its companions as examples of special pleading. However it is equally a case for special pleading to assume that economic imperatives take priority over all others. This fallacy characterised the report of the IAC into publishing in Australia. I trust it will not characterise your Summit.

Yours sincerely,

J.D. McLaren (Dr)
Editor
Australian Book Review