



**SENATOR THE HON NICK SHERRY**

**MINISTER FOR SMALL BUSINESS  
MINISTER ASSISTING ON DEREGULATION AND  
PUBLIC SECTOR SUPERANNUATION  
MINISTER ASSISTING ON TOURISM**

Mr Angelo Loukakis  
Executive Director  
Australian Society of Authors  
Suite C1.06  
22-36 Mountain Street  
ULTIMO NSW 2007

- 2 AUG 2011

Dear Mr Loukakis

Thank you for your letter of 21 June 2011 to Senator the Hon Kim Carr and me concerning recent comments I made about the future of bookstores in the digital and online age.

My recent comments about retail bookstores have struck up vigorous debate across the community. The significance of the internet and online trading has grown considerably over recent years. Modern consumers are embracing online shopping more than ever before and generational change will only accelerate this. This change brings challenges, as well as opportunities for small businesses, particularly those in the retail sector.

At the heart of my comments was that businesses need to recognise and adapt to the changing marketplace to ensure that they stand out among their competitors. As you highlight in your letter, bookstores, as well as other retailers, need to be innovative and evolve their business models and service offerings to maintain a competitive edge.

As you are aware, many bookstores are already being proactive and adapting to the digital and online age. Increasingly, bookstores are building their capacity to promote and sell books online; offer books in hardcopy and digital formats; and use social media sites such as Twitter and Facebook to reach and interact with new and existing customers.

Bookstores that set themselves apart from their competitors by offering services that are not available online are already cementing their future success. Many bookstores, particularly in regional and rural areas, act as a community hub, offering personal book recommendations and reviews; book clubs; live readings; and author events. Many also contribute to local literacy programs by providing free books to schools, hospitals and other community groups.

The Government is committed to ensuring that Australia's book industry remains sustainable and thrives in the digital economy. I congratulate the work you, and the other members of Minister Carr's Book Industry Strategy Group (BISG), are undertaking to address the challenges of the increasingly digital book industry. The work of the BISG will play a key role in ensuring the future success of Australia's retail book industry.

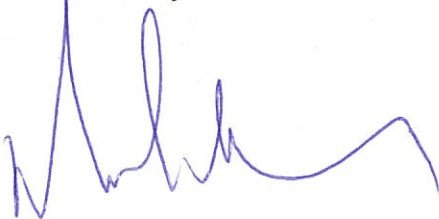
The Government is also committed to ensuring small businesses can take full advantage of the opportunities offered by the National Broadband Network (NBN) and the online environment. That is why the Government has established the Digital Enterprise Program which will provide \$12.4 million over three years to assist small and medium enterprises and not-for-profit organisations better understand how they can take advantage of the NBN and online opportunities more generally.

The [digitalbusiness.gov.au](http://digitalbusiness.gov.au) website also provides information for businesses and community groups on establishing or enhancing their online presence so that they can access the benefits of participating in the digital economy.

The Government's Small Business Support Line is another avenue that bookstore owners can use to seek advice and referral services on matters such as obtaining finance, cash flow management, retail leasing, promotion and marketing, and personal stress and hardship counselling. Support Line advisers link into the network of Business Enterprise Centres and other small business advisory services around Australia. The Support Line can be accessed on 1800 777 275 between 8am and 8pm weekdays or by email at [sbsl@innovation.gov.au](mailto:sbsl@innovation.gov.au).

Thank you for taking the time to bring your concerns to my attention.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nick Sherry', with a stylized, cursive script.

NICK SHERRY