

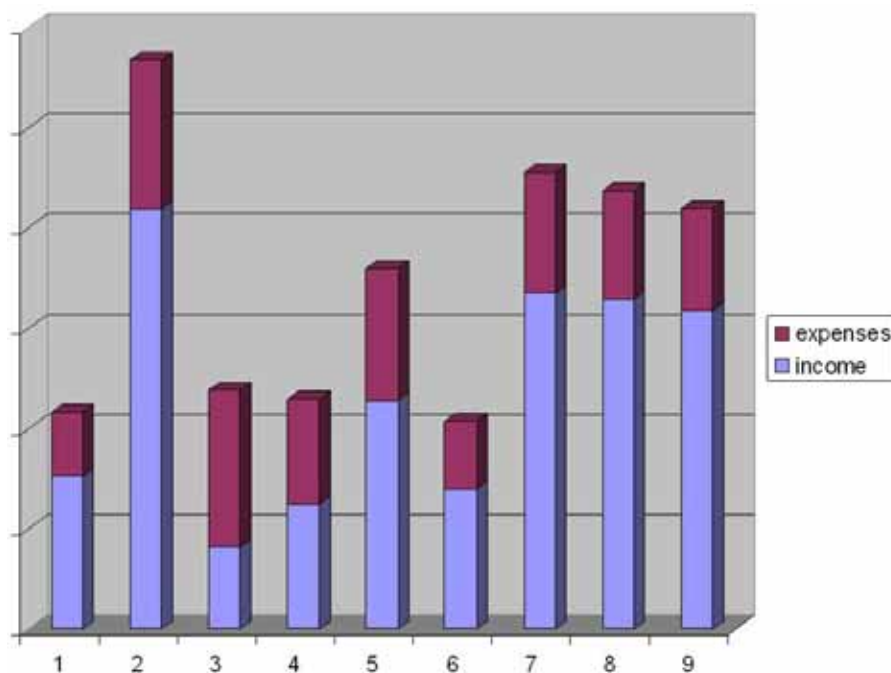
Parallel Importation of Books  
 Productivity Commission  
 GPO Box 1428  
 Canberra City ACT 2601

December 15, 2008

There has been a lot of discussion and information disseminated regarding the effect that a reform of the current parallel import provisions might have on the Australian publishing industry. The broad consensus seems to be that it will be devastating. Rather than reiterate any of those points, I have decided to take the opportunity to show just how devastating such changes would be to me, personally.

I write full-time and earn no (or very little) income from any other source. Like any other business-owner, I have expenses to pay. For a seminar I conducted recently with relatively new writers I compiled several charts of my gross income (this data is GST-inclusive and not offered in confidence). The graph below shows two things:

- (1) the variability of my income over the last decade;
- (2) the significant proportion expenses consume.

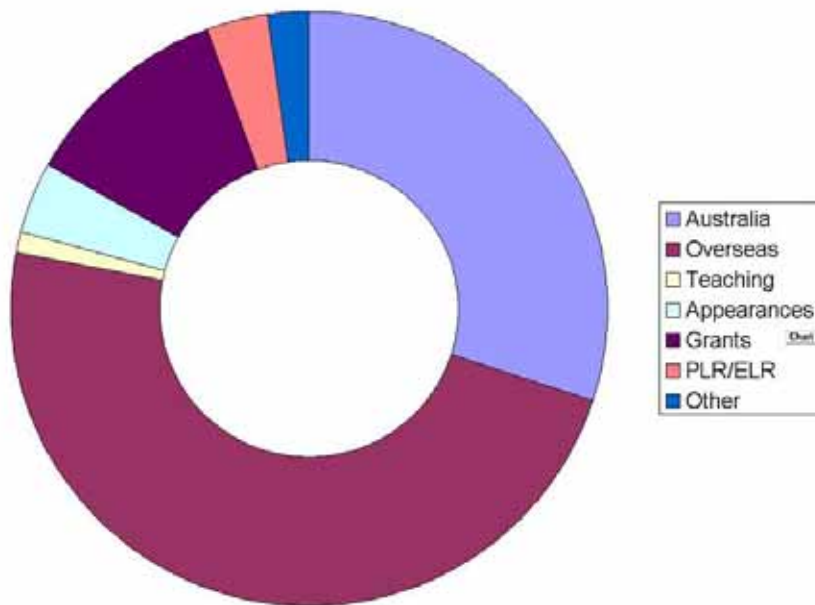


Note how in lean years expenses can consume up to 50% of my gross income. I may be the sole employee in my business--the business of writing--but I have to maintain an office; I have to travel to meet with editors and attend conferences; I have equipment to replace and maintain, and materials to restock. These expenses are ongoing, as they are for any business.

Like other primary producers, writers such as myself are incredibly vulnerable to changes in the market, such as interest rates and regulation. The recent collapse in the Australian dollar, for instance, will have an upward effect on my projected income--but that in itself does not guarantee that my income will rise. Market forces dictate

how many of my books sell, both to readers and to editors. The current slump will inevitably have a downward effect on income from overseas and local sales. Any relaxation of parallel importation regulations will only have a negative effect on the latter.

The pie graph below shows my earnings from various sources over the last few years. It demonstrates the significant proportion of my income (approximately 30%) that comes from Australian sales.



No plausible analysis of the industry suggests that my overseas income will rise to the same degree as my local income will fall, so it seems reasonable to assume that this proportion of my projected income will be significantly reduced, perhaps even erased altogether.

Combining the two graphs, therefore, shows quite clearly that, were I to lose my Australian income for this (or any other) reason, I simply would not be able to run a viable business. Certainly not in lean years--and I am regarded as a wildly successful author by Australian standards, with numerous titles, awards, and no less than four *New York Times* bestsellers behind me.

For a lot of local authors, who may be struggling to break out in the US or elsewhere, that risk is even greater. If they can't survive in such a climate, how will newer voices ever emerge? No amount of compensation for the industry or individuals will make up for that shortfall.

Please bear this in mind as any changes to the current system are considered.

Yours sincerely,

Sean Williams