SUBMISSION BY MATTHEW REILLY TO THE PRODUCTIVITY COMMISSION ISSUES PAPER: COPYRIGHT RESTRICTIONS ON THE PARALLEL IMPORTATION OF BOOKS

MY BACKGROUND

My name is Matthew Reilly and I am an Australian author.

I am also a member of the Commonwealth Government's Public Lending Right (PLR) Committee, as a representative of Australian authors. Over the last ten years, I have sold nearly 4 million novels around the world. My novels are published in over twenty territories.

MY SUBMISSION

I would like to express in the strongest possible terms my belief that <u>the</u> removal of protective parallel importation provisions will be disastrous for <u>Australian authors</u>, <u>Australian publishers and</u>, <u>most of all</u>, the <u>Australian reading public</u>.

Right now in Australia we have a remarkably vibrant publishing culture through which new Australian authors (like me) are regularly discovered. Australian authors are then published at a world-class level by local companies who employ talented local editors and support staff.

It is my belief that if the parallel importation provisions (hereafter "the PI provisions") are removed, the flourishing Australian book publishing industry will be reduced to little more than a collection of distribution warehouses for overseas English-language publishers in the US and UK.

SOME RELEVANT ISSUES

Is cheaper really better?

I am aware that those who argue *in favour* of removing the PI provisions claim that "books will be cheaper" and yes, books could indeed be made cheaper by a dollar or two if the PI provisions are removed. However, in my opinion, <u>the adverse effects on authors</u>, on our superb literary culture, and on our <u>publishing industry do not justify such a modest saving by consumers</u>.

Cheaper does not necessarily equal better. Sure, books might indeed be cheaper if the PI provisions are removed, but then, the question must be asked, what *kinds* of books will Australians be reading in such a world?

Put simply, you get what you pay for. <u>Variety and breadth of choice is the lifeblood of readers and the book industry</u>—removing the PI provisions will, to my mind, unduly upset the balance between diversity and choice of books in favour of a reduction in their price. The big name authors will remain; smaller local authors will gradually disappear; diversity will be lost. Frozen

meals and McDonald's are cheaper than fresh produce but are they better for you? No. Crude appeals to price should not be given undue weight.

Exchange rates also cannot be ignored. A bookseller might well say in a time when the Australian dollar is strong that books will be cheaper. But when our dollar is weak, it's very possible those same booksellers will *raise* prices. And by then, we will have thrown open the gates to the kingdom—local publishing will have been crippled—and yet prices will be back where they started. Timeo Danaos et dona ferentes.

The loss of Australian's (outstanding) publishing industry

I am not worried about myself. I am worried for Australian publishers and for other Australian authors.

First, publishers. I am published around the world <u>but nowhere am I</u> published better than I am here in Australia.

Australia's publishers are world class. It would be a shame to see them relegated to the role of "distributors" for US and UK publishing houses which, in the current marketplace, they outperform.

(I have heard arguments put forth that New Zealand is a shining example of a country that successfully "opened up" its book market. I do not agree with that assessment. I have done book tours in New Zealand. Publishing there is a weak distribution-from-a-warehouse operation. New Zealand is an example of what *not* to do.)

Second, authors. I was "discovered" by an Australian publisher who then passed my work on to overseas publishing houses. I became an international bestselling author because Australia had a strong publishing industry actively looking for authors. New Australian authors need a strong Australian publishing industry because it invests time and money seeking them out; and then it provides them with a gateway to the world.

If US and UK English-language publishers come to dominate the Australian book scene, Australian authors will have to impress London and New York-based executives, who may not find Australian topics relevant and publishable. Aussie authors will lose the key avenue of being discovered. The days of finding the new Tim Winton or the next Matthew Reilly in Australia may become a thing of the past.

The influx of cheap and nasty remainder copies

If the removal of the PI provisions results in the influx into Australia of cheap US and UK remainder copies of my work, then this will be tantamount to legalising copyright piracy. I see no royalties from remainder copies sold. If

¹ A bookseller in Sydney was recently discovered selling UK paperback remainder copies of my novel *Hover Car Racer* in breach of Australian copyright laws. After a complaint from my Australian publisher, this was stopped. I see no royalties from such sales; and my Australian publisher's significant investment in acquiring the rights to my novels – an investment designed to last for years – is completely undercut. It is piracy.

Australian booksellers are allowed to sell US and UK remainder copies of my books here in Australia, I do not see a cent from their sale. In a modern Western economy that is predicated on the sanctity of intellectual property protection, this is unacceptable. Why would we *willingly* disadvantage ourselves?

CONCLUSION

The current PI provisions strike an equitable balance between protecting our publishing industry and providing quality books at a reasonable price. Yes, the idea of cheaper books sounds good, but not if you get them at the cost of a world-class local industry.

As someone who has seen the world's publishers up close, I can honestly say that every Australian should be proud of their book publishing industry. It performs at a level well above its US and UK rivals. It would be a shame to willingly sacrifice such an industry to those very rivals for the sake of a dollar or two at the cash register.

In the end, you really do get what you pay for.

Matthew Reilly

Representative of Australian Authors on the PLR/ELR Committee Author of *Ice Station, Contest, Temple, Area 7, Scarecrow, Hell Island, Hover Car Racer, Seven Ancient Wonders, The Six Sacred Stones, The Five Greatest Warriors*