

19 January 2008

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

I write as a small independent publisher with 25 years experience of publishing children's books for the Australian market. This will be my third submission in that time on the issue of parallel importation of books and territorial copyright.

In the past investigations on this matter focused, appropriately, on the issue of availability of books in the marketplace. Before the 1991 changes to the Copyright Act, the laws affecting territorial copyright enabled publishing companies in larger territories, such as the US and the United Kingdom, to carve up and control the markets of smaller territories, such as Canada, Australia and New Zealand. As a result, publishing companies in the larger territories determined when it was suitable to release titles in these smaller markets - usually later - and who would release them – usually a subsidiary of the larger parent company.

At the time, the 30/90 day rule in the 1991 Copyright Act was an ingenious solution to a decades-old problem. The new rule offered protection to, and encouraged competition among, the Australian-based publishing companies.

More specifically it:

- ensured Australian consumers could obtain books at virtually the same time as anyone else in the world (and often ahead of some major territories);
- enabled indigenous publishing and distribution companies to participate in and profit from the distribution and sales of overseas titles in their market;
- opened up the way for smaller savvy companies to compete with larger Australian companies for rights to overseas titles;
- protected Australian publishers and creators from the prospect of Australian-created titles sold to overseas publishers and distributors through rights agreements, being dumped back into the Australian market.

It is no coincidence that since this legislation was implemented Australians have seen the rise of the healthy, responsive and thriving Australian publishing industry we know today

The current investigation, though broader in intent, seems primarily to have been instigated out of concern about book prices rather than availability, and

is predicated on the assumption that books in Australia are more expensive than elsewhere.

Price is a thorny issue and no doubt there are instances where this assumption can be confirmed or denied. As a small independent children's book publisher, I can testify that the prices for the picture books I produce have not increased for ten or more years and some, such as picture books for the very young, have in fact decreased to accommodate buyers' needs and sensitivities, despite the fact that the costs have increased. As with any other business, the market determines what one can expect a consumer to pay, and Australian publishers, especially children's publishers, are acutely sensitive about what money parents and schools can afford for books.

That said, Australian publishing companies must be sustainable and the cost of producing Australian literature for a recognizably small market is not cheap. Print runs are relatively small and unit costs comparatively high. In most cases it is not possible for local books to compete dollar for dollar against the imported products of much larger markets. In short, if Australians want to buy books that reflect their history, culture, geography, idiom and values, they must pay for them.

As a publisher who sells rights overseas, the lifting of the 30/90 day rules will have a serious economic impact on my business and that of my creators. The prospect of having my own Australian-originated titles imported and sold back into this market place will:

- reduce the royalties of creators, to a percentage of net receipts instead of a full royalty;
- erode sales of my books in the Australian marketplace and even, in the event of wholesale remaindering or dumping of books by overseas publishers, considerably shorten the life of Australian-originated titles in this market;
- make it difficult to anticipate and maintain (ie reduce) my current print runs for the ANZ market;
- trim back my editorial and promotional budget;
- decrease the number of new books and new writers on my list.

It is my belief that the 1991 changes to the Copyright Act got the balance more or less right. Any major changes to this legislation would in my opinion constitute what Garth Nix refers to as a surrendering of Australian publishers' and creators' rights. Nowhere else in the world are publishers and creators offering to yield up such rights. Why would we do this at the expense of our industry and its creators.

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