



working title press

**9 Harriett Street
Adelaide SA 5000
Telephone 61 8 8232 0226
Publishing Design Studio Pty Ltd**

4 December 2015

I write in response to the Productivity Commission's inquiry into Australia's intellectual property (IP) arrangements, following the release of the Issues Paper on 7 October 2015.

I am the publisher of Working Title Press a very small, independent publishing house that specialises in Australian children's books and more specifically picture books. Most of my sales are within Australia and New Zealand. A small percentage of my turnover - 25% - comes from overseas rights sales of my titles to foreign publishers. Some of these rights sales are for translation rights to countries such as Korea, Brazil and China, which would not be affected by the removal of Parallel Import Restrictions. Some are for English language editions in countries such as the US, which would be affected.

As a small publisher with 35 years' experience in the Australian book industry, I am used to working within a contained local market. I like producing books with an Australian flavour that reflect the language, culture, humour, and values of Australian children today. I accept that I have to operate my business in a country with a relatively low population, and that this in turn means smaller print runs, moderate sales, and modest turnovers.

I am not alone. All independent publishers and authors and illustrators creating books in Australia accept these conditions.

What they may not accept however is the loss of hope and the lack of fairness associated with the potential removal of PIRs. Every creator strives to produce their very best work for their market, and wants to see their titles succeed in the international arena. Publishers and agents work long and hard and at considerable cost to put their authors' titles in front of overseas publishers. All of us long for that 'rare thing' - the international book.

Like any other good, intellectual copyright is a tradeable commodity. Producing and investing in a work on the part of the author and the publisher takes time and costs money. Like other producers, publishers expect to be able to sell the work in their territory and on-sell that work to other territories, without the fear of the those good being sold back at cheaper prices and lower (export) royalties. It's one thing for a producer or manufacturer to compete with a cheaper competitor. It's another to compete with your own work being sold back cheaply in to your own market.

That is the risk if the Australian Government decides to abandon PIRs and the notion of Australian territorial copyright. The end result will be further erosion of income to publishers, creators and agents and more uncertainty of demand in a fragile market.

There appears to be a view that big overseas publishers are controlling the prices of books globally by splitting up the world in to territories. But the reality is many books don't travel, and when they

do there is no such thing as one big international print run. Printruns will still have to be determined by geographical location, local demand and supply, and print prices will have to be weighed up in relation to the cost of freight, customs and quick turnaround of delivery. It is by no means obvious that an international title will be cheaper or more available when our borders are open.

More importantly, I believe, that down the track the quality and range of the books offered to the Australian public will be jeopardised. Independent publishers such as myself will be forced to compete with cheaper titles from overseas which do not reflect our culture, heritage or language. Once again this will result in less financial return, greater caution in the selection of material to be published and possibly the demise of many smaller Australian publishers.

Having been in the publishing industry since 1981, I can testify to the huge growth in the Australian publishing industry after changes to the Copyright Act in 1991. Before then 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, these companies held an inordinate sway over the range and choice of books that Australians could read – mostly theirs - when they were released – mostly later – and who could release them– usually a subsidiary of the overseas parent company.

Changes to the laws opened up the way for smaller savvy Australian companies to compete for rights to overseas titles and participate in and profit from the distribution and sales of overseas titles in their market. The laws also protected Australian publishers and creators from the prospect of Australian-created titles sold to overseas publishers and distributors, being dumped back into the Australian market. The result was a confident indigenous industry which could reinvest its profits into more Australian writing and the creation of new works.

Individual copyright law was originally established to uphold the balance between the need to reward and recognise individual creators of intellectual works for their efforts and labour for a set period or term, and the need to make the knowledge and information contained in those works available to the general public for the benefit of society as a whole. The existing Australian territorial copyright laws and the 30/90 day ruling, seek the same balance. They guarantee the rights of the creators of intellectual works are upheld and protected in all territories in which their works are sold, and similarly ensure the general public/customers are not prevented from gaining access to a work in one territory by the actions of those in another territory.

Such is the nature of global commerce these days, that the right of the customer/public to gain access to knowledge now revolves chiefly around issues of price and speed of delivery.

I believe the current laws regarding the delivery and availability of books in this market are well and truly sufficient for most of the general public's need for access. I also believe that the differences in prices of books between territories is a complex and nuanced matter, and I am not convinced that these discrepancies will be waved away by a repeal of PIRs alone.

What is certain though is that if Australian Territorial copyright is abandoned there will be no going back. And that this, coupled with the refusal of the United Kingdom and the United States' governments to set themselves free of their own territorial/import restrictions, could see a return to the pre-1991 days when Australian publishers found themselves unable to compete with their overseas counterparts and with little incentive to license their works outside Australia.

Jane Covernton
WORKING TITLE PRESS