26/5/16

Response to the Product Commission’s Report

To whom it may concern

Haese Mathematics Pty Ltd is a specialist publisher. We are a family-owned business. We produce Mathematics textbooks and associated software for school students and teachers worldwide. We currently employ 24 people.

Export is currently more than 70% of Haese Mathematics sales. This means export sales in excess of AUD$3 million. We export into 142 countries worldwide. We publish books suitable for the International Baccalaureate Diploma and Middle Years Programs, and the Cambridge IGCSE. Our books are only printed in English.

We are strongly opposed to the proposed change to copyright law regarding user rights of ‘fair use’.

Our Australian products for the Australian Curriculum for primary and secondary students up to and including year 10 have intense competition from multinational companies. Our Year 11 and 12 books are written specifically for the Australian Curriculum, and cover all content outlined in ACARA/WACE, making them suitable for students in SA, WA, and NT. No other publisher has written specifically for the South Australian market at this level as far as we are aware, as the numbers of books sold per year are quite small. It could be argued that we do it as a service to this state.

From the Productivity Commission Draft Report page 121, "Australia’s ‘fair use' exception should permit all uses of copyright material that do not materially reduce the incentives to create and disseminate creative works."

And yet, under the new proposal, potential fair use could be:

- A teacher copies a chapter of a book for inclusion in a set of class materials (30 copies).
- A teacher scans pages from textbooks to use in their lessons via an interactive white board.

The school only has to buy one copy of a book for teachers to photocopy from. How many teachers will now be scanning 1, 2, or 10 chapters from any number of books to use in their class? How many pages would be used on a white board?

In many schools there is a budget for purchases of books and a budget for photocopying. When the budget for buying books is exhausted, then the teachers could then presumably photocopy as much as they like under ‘fair use’.
The cost of producing books for a specialised subject area is principally the cost of producing the content. For us, in Mathematics, this is the cost of payments to authors, editing, typesetting, proof reading, artwork and diagrams, calculating and checking answers, developing software for demonstrations and customised packages for graphing, statistics, and geometry, audio preparation, recording, and processing, to accompany worked examples, writing calculator instructions, and more. All this work is done in house, by a South Australian company with South Australian employees, and our employees are highly skilled.

The fewer books we sell, the higher the prices must be to cover costs. Then we will sell fewer books still because the prices are too high. We will reach a point where it is not economical to continue to produce books for new courses.

It should also be noted that in educational books, some content is used in every book for a particular year level regardless of the course or the edition. It has been like this for years and it will continue to be like this. To allow free copying after 15 - 25 years would further erode monies to publishers. Don’t you want teachers and students to have material written specifically for current courses?

If parallel import restrictions on books are removed, this will also impact on publishers.

The result of ‘fair use’, free photocopying after 15 - 25 years, and removing Parallel Importation Rules, will affect other small educational publishers in the same way that it will affect us. It will stifle the incentive to create new work. This has already been seen in some other countries, such as Canada. It will also result in publishers not publishing at all for small markets or for new courses. Students and teachers will have to rely on sourcing their own materials from books that are not current or have come from overseas. If ‘fair use’ is allowed in schools it will take away the livelihood of publishers and their employees. That is not fair to us.

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