

To Whom It May Concern:

I am an editor at Black Inc. and the deputy online editor at *Kill Your Darlings* journal. I have previously worked at a variety of publishing organisations, including Penguin Books, the Five Mile Press and Lonely Planet. I am also a volunteer workshop facilitator at the 100 Story Building, a writing centre for children from Melbourne's inner west, and I have previously been a creative producer at the Digital Writers Festival and a panellist at the National Young Writers Festival. All of which is to say, I am highly engaged in the Australian literary community: as an editor, as a writer, and as a reader. I recently wrote an essay for *Kill Your Darlings* about the government's proposal to lift parallel importation restrictions on books. The piece was well received in the literary community, and more than one person has urged me to submit the piece to this commission, which I am now doing. I hope you will consider it as it was written: as a considered rumination on what the lifting of PIR will mean for the Australian literary community as a whole.

You can find the piece as it was originally published online here: <http://www.killyourdarlingsjournal.com/2015/12/apples-and-oranges-the-false-economy-of-the-parallel-importation-debate/>

I have also included the full text below.

Thank you for considering my submission.

Sincerely,
Samantha Forge

I try, whenever possible, to buy Australian produce. I do this both because I think it is important to support Australian farmers and because I don't believe that shipping produce halfway around the world is environmentally sustainable. Having said this, occasionally a stray Californian orange sneaks into my shopping trolley, and I have to admit that I can't tell the difference. An orange is an orange is an orange.

While there may be some economic and environmental benefits to choosing Australian-grown oranges over imported varieties, there is no cultural value in the consumption of Australian oranges. I have never seen myself reflected back at me by an orange. An orange has never challenged my cultural assumptions, nor opened a door onto a new way of seeing society.

The government's recent decision to support the **removal of parallel importation restrictions** (PIR) on books shows that it is determined to treat Australian books like oranges. This stance makes it clear that the government sees no particular cultural value in the works of Australian authors, and in the production of Australian literature. Rather, it values above all else the unit price of a book, regardless of its origin.

This is apparent in the **Harper review on competition policy**, which claims that 'parallel imports provide an alternative source of supply, which promotes competition and can provide consumers with products at lower prices.' Here, 'alternative source of supply' means international publishers – who, with a few exceptions, do not publish Australian books (except on license from Australian publishers – more on that later). The lower-priced 'products,' then, are also not Australian. By the review's own admission, the removal of PIR will flood the Australian market with books from international publishers, available at a cheaper price than Australian books. There is no doubt that this will have a detrimental effect on Australian writers, publishers and ultimately readers.

The key point is this: removing PIR will not lower the price of *Australian-originated* books. The production costs for Australian publishers – for editorial, design, printing, sales, marketing and distribution – will be the same as before (if not higher, because print runs will inevitably be smaller in response to decreased demand for locally-published books).

In the US, with their 300-million-plus population, a publisher can easily print 25,000 copies of a debut novel. By comparison, in Australia, with our population of twenty-odd million (roughly 1/15th the size of the US), a debut literary novel is generally seen as a success if it sells out a first print run of 5,000 copies. A more typical sell-through might be 2,500 copies.

The economies of scale are clear – for origination costs of \$25,000, each US book would need to bear \$1 worth of costs, versus \$5 per book (or even \$10!) for an Australian novel. Removing PIR will not level the playing field – it will tilt it in favour of international publishers.

The removal of PIR will also play havoc with the concept of territorial copyright, to the detriment of both Australian publishers and authors. Currently, Australian publishers licence the right to publish local editions of international titles. Provided the editions are available within fourteen days of the book being published internationally, booksellers who wish to stock a given title are obligated to order and sell only the Australian edition (unless the international edition is specifically requested by a customer). This provides a major revenue stream for Australian publishers, who then turn around and reinvest that profit back into Australian books.

In this way, the success of international bestsellers subsidises the publication of Australian works, making it possible for publishers to acquire the capital required to invest in Australian authors. This is true across the board in Australian publishing – Penguin Australia flourishes off the back of international authors like Jamie Oliver and Jeff Kinney (author of *Diary of a Wimpy Kid*); the exponential growth of Hachette's Australian publishing division coincided with the success of Stieg Larsson's *The Girl with the Dragon Tattoo*; Allen & Unwin has been called 'the house that Harry Potter built'. The removal of PIR will essentially mean the eradication of these international bestsellers as a revenue stream for Australian publishers.

And there is another risk presented to both authors and publishers by the removal of PIR. Many local publishers aim to offset their origination costs by licensing the publication rights of Australian books to international publishing houses. This provides an additional source of income for both Australian authors and publishers.

In the face of parallel importation, however, Australian publishers will be much more wary of licensing the English-language rights of Australian titles into markets like the UK and US, knowing that those publishers could then turn around and re-sell the same books into the Australian market with impunity, undercutting the Australian publisher's own local sales. This can only hurt Australian authors, who more often than not rely on local publishers to sell the international rights to their work.

It is not just authors and publishers who will suffer the negative effects of the lifting of PIR. While small independent booksellers can perhaps still be relied upon to purchase books from local publishers, there is no doubt that, released of any legal obligation, the large multinational companies that make up an ever-increasing share of the bookselling market will put their international buying power to good use. They will purchase their books in bulk from international publishers, print them in Asia (where costs are lower) and ship them in giant container ships alongside piles of \$5 t-shirts and flat-pack furniture.

In the short term this may result in cheaper prices for consumers, though only on certain titles that the retailer is able to commit to buying in bulk: the newest J.K. Rowling, perhaps, or the latest Pulitzer Prize-winner. These bestsellers are the same books on which our local independent booksellers depend for their profits. In the face of lower prices, against which they will be unable to compete – both because Australian suppliers will be unable to match them and because small bookstores lack the unified buying power of, for example, Wesfarmers – the profits of independent booksellers will likewise be undercut. In the face of this unassailable competition, it is likely that our independent bookstores will also begin to flounder.

If this sounds pessimistic, it is because when I look at the possible effects of the lifting of PIR, I despair. Tied in with the essential premise of the change is the transfer of profits from our own cultural producers to cultural producers in other countries – who are already at an advantage due to the greater size of their markets. How can this be anything but detrimental to our publishing industry – to writers, to publishers, to booksellers, and to readers.

'Consumers' – which the Harper review intends to have the same meaning as 'readers', but which sounds to me more like people eating oranges – may benefit in the short term, but in the long term our literary culture will be so much the poorer.