

Intellectual Property Arrangements
Productivity Commission Draft Report
April 2016

Submission from Fiona Hazard
June 2016

My name is Fiona Hazard and I'm the Publishing Director at Hachette Australia. I have worked in publishing for 25 years in a variety of roles, primarily on the Editorial side of the business. I am passionate about the industry I work in, my job, reading, and more broadly the opportunities that a published authors' work affords to readers - whether they be educative, inspiring, informative, challenging or pure escapism.

There has been much disruption in this industry, like many others, over the years and at every turn we have adapted and responded to the market, giving readers variation in formats and price points, including early last year audio editions, and ensuring that the books they want are available when they want. Readers can already, and do, order copies from the UK and US online if they are unable to access the book that they require. Now though the industry is threatened for reasons which I find hard to comprehend.

Having worked closely with authors for much of my career I know exactly how much time, skill, research and dedication authors must invest in their intellectual property to create a work that can be published commercially. Generally they are not richly rewarded for the work that they do, with the exception of a handful of bestselling authors. To now propose devaluing their work so demonstrably would be incredibly damaging for authors and the publishing industry and would leave Australian readers exposed to a reversal of the cultural richness we have worked hard to create. Through the words of Australian authors, ably published by Australian publishers, over the last few decades we have grown an industry that has been able to share Australia stories, told in Australian voices, with Australian readers.

I disagree with the Productivity Commission's recommendations on the following grounds:

1. *Reduction in copyright for only 15 to 25 years after creation.* The Government has already stated that this cannot happen under international trade agreements. Why then was it even included in the report?
2. *A move to a US style 'fair use' policy.* We know already from the experience of the Canadian education publishing sector that this has resulted in a diminished industry making it difficult for them to create their own, Canadian focused text books. Do we want our children to study from content created overseas? And how will Australia be represented in these texts?
3. *Territorial copyright* – the current system ensures that the investment an author and their publisher makes in their work is controlled by territory. This gives publishers a level of certainty over the investment they can afford to make in the work, eg they can ascertain how many they think they will sell, although there are no guarantees that the book will sell to the levels they hope. It also ensures that the author knows exactly what format, and at what income, the royalties on their intellectual property will be calculated on. To enable other formats to be shipped here from other English-speaking countries would overthrow those certainties, leaving us only able to guess at what we might sell. Sales of these foreign editions would damage not just the publisher but also the author as their earnings are diminished by cheaper editions. You might think that not many Australian authors will be affected by this because they are not published overseas but this is not the case. Australian authors are highly regarded and are published in the UK and US. Copies of their books will be imported here. They may not have been as successful in those other territories and those publishers may look to offload their books even more cheaply – is it then appropriate to diminish the value of a high-performing author here and curtail their earnings just because they were not as valued overseas? Would we encourage that in any other industry?
4. *Government subsidies* – surely it's not progressive to suggest that a publishing ecosystem that currently operates without subsidies should be altered so that it is subsidised? The level of investment that the Australian publishing industry currently supplies is over \$120 million dollars. Is Government really going to invest that money? And what happens if subsequently that money is required elsewhere?
5. *Jobs* - Australian book publishing and allied industries currently provide over 24,000 jobs across all aspects of the business – publishers, editors, designers, IT specialists,

printers, distributors, agents and booksellers. The people employed in these industries are innovative and creative and put Australia on the world stage in terms of the value of the content and intellectual property that they support. With the recommendations the Productivity Commission has suggested many of those jobs will head overseas – and the investment in our people and our culture will be at risk. It will be another area of brain drain for this country.

6. *Price* - The commission's objective is to provide Australian consumers with more affordable books. There is no solid data to suggest that the removal of territorial copyright will provide this. The report relies heavily on data from a 2009 productivity report. Since 2008 Australian book prices have fallen by 25% in real terms. Conversely – in open markets such as New Zealand and Hong Kong book prices are higher than they are elsewhere – in some cases significantly higher than they are in Australia.
7. *Speed-to-market* - The Australian Booksellers Association (ABA) believe that in an open market the speed with which books are available in Australia will suffer and prices will not go down. Some booksellers feel that prices will actually increase. The publishing and bookselling industry has already worked together successfully to improve speed-to-market with most books now available within 14 days of publication anywhere in the English-speaking world. Working together we are best placed to continue improving the book offering to Australian readers, without government interference.

Australian authors come from diverse backgrounds and disciplines. Their stories are the cultural fabric of the country that we live it. They share our stories, educate us about the issues we need to be aware of, make us challenge our thinking, inspire us, and, finally, are starting to represent the multicultural land that we are. Do we really want to jeopardise that?