

Response to *Intellectual Property Arrangements, PC Draft Report, 2016.*

I am a literacy and language teacher, Australian trade-published children's author and small publisher. As a consumer I buy a great many books by Australian authors. My concerns with the *Intellectual Property Arrangements, Productivity Commission Draft Report, April 2016* are the detrimental effects proposed copyright changes and the lifting of Parallel Import Restrictions on books will have on child literacy in Australia and the current, flourishing Australian book industry (which receives no government subsidies).

Identity and Self are key areas of the Australian National Curriculum in the junior school years. It is vital that our students grow up with a strong sense of self and identity as Australians. Australian-authored books, which display Australian content with Australian spelling and reflect our social and cultural values and indigenous beliefs are one of the few resources still available to them. Young people are already bombarded with more than enough popular overseas culture and language without taking away the only resource that truly reflects who they are – Aussie books.

Therefore, I respond to the Productivity Commission's *Intellectual Property Arrangements, Draft Report, April 2016* with the following observations:

- **Books will not be cheaper.** There is no guarantee that any 'saving' will be passed on to the consumer. The price of books in New Zealand has not dropped as a result of the removal of PIRs, whereas the choice of local content there has narrowed. In 2009, the NZ Society of Authors and the Book Publishers Assn of NZ sent their own submissions to the Productivity Commission in Australia against the lifting of the PIRs. Here are the points they made:
  - "Lifting PIRs has had a detrimental effect in NZ."
  - "The consumer has not benefitted from lower prices in the shops."
  - "Retailers actively increase the selling prices of books above the RRP."
  - "The chains are also limiting the range of titles they offer."
  - "A number of large multinational publishers withdrew their distribution infrastructure."
  - "Resulting in reduced employment within the industry."
  - "Local authors receive reduced royalties or no royalties at all on re-imported overseas editions of their works."
  - "Overseas publishers supply remainders (especially children's books) directly to NZ booksellers when local publishers represent those titles."
- **The publishing industry in Australia will collapse as it did in NZ,** where many publishers have closed their doors. Smaller publishing houses will close due to the strong competition of foreign-edition, remaindered books being dumped in Australia. Larger publishing houses will lose their autonomy and become subsidiaries of their mother company overseas, creating a situation where Australian readers will

revert to solely becoming consumers of other cultures' literature, as we were in the 60s and 70s. Likewise, profits will head overseas.

- **This will result in job losses in the publishing, printing, writing and illustrating industries**, which could mean we end up paying more for books not less, due to the lack of competition. Sending jobs off shore is not desirable and hardly makes sense. Unproven benefits for consumers do not outweigh job losses in a thriving book industry that does not rely on government handouts.
- **Publishers will reduce their annual output of Australian titles.** Australian publishers invest time and money in the production of Australian books. Lifting the PIRs and changes to copyright will undermine their investment as foreign editions of their publications flood our market. This will force the publisher to produce fewer Australian books, take fewer risks with new authors and be less likely to re-print books by current authors. With little opportunity for new Australian voices to break into the market, new talent will be overlooked, the old will wane or re-invent itself to suit the international market, and Australian content and flavour will be lost.
- **Income for authors will fall substantially.** Most children's authors earn little more than \$11,000 per year. At present, the 8-10% royalty they receive barely helps them make ends meet. If foreign editions of Australian books encroach on the market (as will happen should PIRs be dropped), authors will receive zero for these remaindered books and have even less chance of selling the Australian-published copies, further reducing their income. Receiving zero in royalties is unfair.
- **Very few Australian writers are the beneficiaries of government grants and literary prizes** – such a small percentage (about 1%) that I do not even know anyone who has received one. Receiving a one-off grant is no recompense for loss of copyright and PIRs. What's more, the Australia Council for the Arts is still reeling after massive funding cuts. I do not believe, therefore, that arts funding to sustain Australian literature and our unique voices will be forthcoming.
- **Australian children need books that reflect their world**, their culture, their history. As a child in the 60s and 70s I grew up on a diet of UK and USA literature for children. At ten years old I wrote my first story and set it in the USA, because I believed that nothing exciting could possibly happen in my own country to a kid like me. I do not want that for my children and grandchildren. I want them to have a strong Australian identity, voice and sense of self in all its many variations.
- **Children's books have a long and successful commercial life** – far longer than the five years cited here: *From the IP Draft 2016. p.114*  
“...literary works provide returns for between 1.4 and 5 years on average. Three quarters of original titles are retired after a year and by 2 years, 90 per cent of originals are out of print.”

- **The removal of PIRs will greatly disadvantage the children’s book industry.** The *IP Draft* does not address this. Because of the higher investment required by the publisher, fewer picture books will be published here. With the competition of remaindered, foreign-edition books being dumped here (as is the problem in NZ), publishers will be less inclined to invest in picture books and especially new authors. Australian schools and early-childhood centres rely on the Australian picture book for the reinforcing of our children’s idea of self, identity and their place in the Australian world around them. Can you imagine a world without *‘Possum Magic’*?
- **Literacy – Foreign-edition books will end up replacing Australian children’s literature** for all of the reasons cited above. These books will have foreign spelling (americanized, gray, color); Australian words replaced to suit the foreign market (such as sidewalk for footpath, Mom for Mum, faucet for tap); and even whole passages changed or left out. (I know of a foreign edition of an Australian children’s book where footie was changed to gridiron.) Australian children learning to read will be confused when their parents buy them the foreign editions. Often, the socio-economic group most struggling with literacy will also be the group most likely to buy these foreign-edition books, thereby disadvantaging them even more.
- **Humour – In children’s books especially, humour is unique to a particular culture**, a particular country. Books edited for the overseas market will change our humour simply because their readers will not understand the joke. These foreign-edition books will then be dumped here in Australia and sold back to us.
- **Consumer choice will narrow drastically** as a result of the removal of PIRs. With fewer publishers and independent booksellers, book choice will be limited to what the multinational booksellers decide to offer us. Quality in publishing will be like a fine wine no one can afford.
- **Independent booksellers will cease to exist** – As small businesses, independent booksellers do not have the buying power to compete with the multinational booksellers and will not be able to access as easily foreign-edition books. This includes the cost of freight, sourcing, etc. This will result in the loss and closure of many, if not all, in the future. And it is the independent bookseller who offers real choice to consumers by supporting Australian authors.

*From the IP Draft 2016. 4.2 p.101 “as in all entrepreneurial endeavours, a return cannot be guaranteed. Many small business operators in other industries work very hard, but make negative returns and may ultimately exit the market.”*

- **My investment in my future is my writing.** Small business owners (of which I am a sole trader) do work very hard and often for negative returns (as do I), but the example above is a poor analogy. Small business operators (like a fish and chip business) and intellectual copyright ownership are hardly the same. The fish and chip business may be competing with other traders in their vicinity. As a book creator, who may

lose copyright after 15-25 years, I will be competing in a global market without the resources or legal funding to fight for what is mine in the courts. Is it the *IP Draft 2016*'s intention that Australian authors exit the market in droves? If I owned a concrete investment, would it be ok for another person to simply take it from me 15-25 years later without asking or paying me?

*From the IP Draft 2016.4.1 p.99 "...more book titles are available to consumers than ever before — in Australia, the number of titles grew by 77 per cent between 2008 and 2013."*

- **Book sales are up.** The above quote is hardly an indication to me that consumers are not buying books due to pricing concerns in Australia. (Since the mid 90s, the price of a paperback has not risen.) Our successful book industry – number 17 in the world – is testament to consumer satisfaction.
- **E-books by Australian authors are cheap and accessible.** Losing copyright to these works after 15-25 years, makes no sense, as the commercial life of e-books is ongoing, with renewed interest in an author's backlist shown by consumers each time a new book is released. An author's backlist is their bread and butter.
- **A book may first be published 15-25 years after its first creation.** Novels take up to 10 years to write. From creation of a first word/paragraph/draft plus 15-25 years copyright does not allow for how long it takes to write a book (up to 10 years) to how long it may take to publish it (up to 5 years). How then is that a fair amount of time (zero) for the creator to recoup investment?

In conclusion, I reject the *Intellectual Property Arrangements, Productivity Commission's Draft Report, April 2016* and its recommendations to lift the Parallel Importation Restrictions on books and changes to the copyright law in Australia.

In anticipation that you will make the decision you know in your heart and minds to be the one to benefit Australians and their children the most, I thank you for the time you have taken to read my response.

Yours faithfully

Angela Sunde

Author / Illustrator / Teacher / Publisher