I believe the Productivity Commission has failed to take into account important aspects of the writing/publishing industry in Australia. Its recommendations also suggest a misunderstanding of the role played by Australian books in our society. In making the following comments I’m drawing on my background as an internationally published author with over thirty years’ experience.

**Books cannot be compared with secondhand cars or other material commodities because they are of unique cultural value.**

Stories about a place – a country and a people – help strengthen a sense of national identity. As Australians we need to be able to see our own world reflected, interpreted and explored through writing.

The truth of this is particularly clear to me, because I was born and spent my childhood in East Africa. Every book I read during my primary school years contained stories about English children living in England. I didn’t even expect to see the life I knew reflected in literature. At the age of ten I moved with my family to Tasmania. Not long after arriving I read the novel *Tangara* by Tasmanian author Nan Chauncy. I was deeply touched by the experience of reading a story set in the place where my own childhood was now being played out. It helped me connect with my new home.

At that time (the early 70’s) Australian books filled only a small portion of the nation’s bookshelves. Most of the stories on offer were imported from Britain or America. But the situation has changed greatly since then. We now take for granted a wide array of Australian books in our shops, schools and homes. But this situation only exists because Australian publishers and authors have done such a great job of building our cultural capital.

**We should not be going backwards.**

I’m not going to outline all the reasons why the changes proposed by the Productivity Commission are a threat to the Australian book industry, and to authors, since organizations such as the Australian Publisher’s Association are well placed to present the facts and figures. Among other things, the APA has pointed out that evidence from New Zealand shows exactly what could happen if Parallel Import Restrictions were to be abandoned. But to show clearly and simply how vital Parallel Import Restrictions are, I point to ‘the Harry Potter example’.

**Harry Potter and the shared purse.**

The Australian publisher Allen & Unwin was clever enough to identify the potential of British author J K Rowling’s debut novel *Harry Potter and the Philosopher’s Stone*. The company acquired the Australian rights to the work. What happened next is the stuff of publishing legend. Because Parallel Import Restrictions were in place, Australian booksellers stocked only the Allen & Unwin edition and the mega sales that ensued benefited an Australian, rather than British or American, publisher. This case history is an excellent example of what is at stake with the issues at hand, because Allen & Unwin produces a lot of books that are marginally commercially viable – books of Australian history, for example. The publisher is also one of the main collaborators in the Vogel Literary Awards, which play a key role in propelling the careers of emerging authors (eg Tim Winton and Kate Grenville). The company can only afford to do all this because they have bestsellers – like the Harry Potter books – to subsidise the less lucrative yet culturally valuable works. Every publisher would have a story to tell of how big titles from overseas – as well as the Australian bestsellers – underpin their business model in this way.

**The end of ‘sale or return’?**

In Australia, the large booksellers enter into ‘sale or return’ deals with publishers. When my novels are released here, booksellers are happy to punt on taking in piles of stock, safe in the knowledge that they can return what they don't sell, after three months. This is important as no one has yet worked out how to predict which books will ‘take off’. They certainly can’t ‘walk off the shelves’ unless there is a good supply of stock on hand to sell on demand. I can’t see how this ‘sale or return’ strategy would work without Parallel Import Restrictions in place to underpin the close alliance between booksellers and publishers in this country. I doubt that ‘sale or return’ deals could be viable for overseas distributors.

**Fewer Australian authors would be published in UK and USA.**

I fear that without Parallel Import Restrictions in place, an Australian publisher who holds world rights to a title might be unwilling to on-sell rights to other English language publishers. Why would they, since those overseas books could be imported and compete with their own edition?

This would have a bad outcome for new authors. I never sell world rights to a publisher; I only sell one territory at a time, so the above scenario could not affect me. But a new author doesn’t have the bargaining power to insist on this arrangement and typically signs over all rights.

**We can’t rely on overseas publishers to publish Australian stories.**

While I have had great success with European markets I have not yet been published in the UK or USA. Literary agents will tell you how difficult it is to break into those markets, and how parochial their interests often are (with exceptions, of course). If there were not a solid publishing sector here in Australia, I would never have become an internationally successful author. If the publishing industry contracts here as a result of the changes under discussion, it’s hard to see any other outcome than a decrease in the number of Australians who have the chance to become published authors.

**We can’t look to self-publishing to maintain a supply of quality Australian books.**

Self-publishing is an exciting new option for many writers. But there are huge issues surrounding editing, quality, distribution and marketing that mean it is nowhere near becoming a viable alternative to a professional commercial publishing industry.

**Australian books and authors perform the role of cultural ambassadors to the world.**

I’ve written eleven books, all but one of which have been published internationally. Six are for adults and five for children. My largest readership – by a large margin – is in Europe, where my books are read in translation.

One of my children’s books, *The Boy and the Whale*, is set on Flinders Island in Tasmania. It has been published in Korean, Spanish, French, Dutch, German, Danish and Japanese. In Germany the book has achieved the status of a children’s classic, and is still selling strongly 26 years after it was first published in that country. I regularly receive letters from German schoolchildren asking questions about whales, about life in Tasmania, and about me, as an Australian author. The story of a boy who rescues a beached whale was a bestseller in Japan, which is interesting considering our conflict with that nation over whaling in the Southern Ocean. Shared stories help bring nations together.

My young adult novel *The Blue Chameleon* is set in Australian Antarctic Territory. To research the book I travelled down there as a guest of the Australian Antarctic Division. Berths on their expedition ships are in short supply but that organization fully understands the need to project to the world Australia’s cultural as well as scientific ties with its territory there. The book was translated into French, German, Dutch and Swedish. Here at home the novel won a NSW State Literary Award and was on the Victorian high school curriculum. Reading stories about our place in Antarctica is valuable to Australians as well.

These days I write adult novels. I’ve sold over two million books in France and Germany. *The Stone Angel* tells the story of a Tasmanian crayfishing family; others, like *The Rain Queen* and *The Perfect Wife* are set in Tanzania (my first homeland) and reflect the multicultural nature of Australian writing. It’s not an extravagant claim to say that my books are ambassadors for this country.

Most nations take steps to protect and project their identity through supporting creative products. It’s one of the reasons why the Australian government has invested so heavily in the film and television industry. If we don’t have our stories told we become consumers of other peoples’ stories and our sense of identity and confidence about our place in the world suffers. This is true for adults as well as children. The publishing industry has flourished very largely without subsidies from the taxpayer. It should be applauded and respected by our government.

**Overseas success begins at home.**

Most of my readers are overseas, but that doesn’t mean I don’t need an Australian publisher and the support of booksellers in my own country. I rely on my Australian publisher for editorial, professional, and even personal support during the long task of creating a manuscript. My Australian readers are the ones I interact with and draw inspiration from. It is also extremely rare for an author to be published first in a country where they don't live. My novels could not have achieved the success they have overseas if they had not been first published here at home.

**Authors still make money from books 15 to 25 years after the work was created.**

The Productivity Commission suggests that the term of copyright be drastically reduced to as little as 15 to 25 years after a work was created. Only a couple of months ago I signed a new contract for a book that I wrote in 1989 (27 years ago). It was for Chinese translations rights, and the offer came through because this territory is just now opening up as a new market. Last year I also signed two renewal contracts for German translations of novels I wrote 16 and 14 years ago respectively. I also signed a new German contract, with a new publisher, for a children’s book I wrote 29 years ago. I work full-time as an author and am the breadwinner for my family. I need access to all the income from my work that I can get, yet the recommendations of the Productivity Commission would rob me of the right to own the work I did when I was young. If this were reasonable, then property portfolios and other investments of time and money should have an expiry date as well.

**‘Out of print’ doesn’t mean what it used to.**

There was a time when books had a fairly short lifespan. After an initial flurry of sales, interest would die down and within a few years the books would be remaindered and become unavailable. When a book was out of print for more than three months, typically the author would ask for the rights to revert from the publisher to them. It was unusual for any other form of publication to then occur. This was of concern s the public was then denied access to the work. But this scenario is outdated. Authors are finding that it is easy and cheap for them to make ebooks available via the same online sellers, like Amazon.com, as ‘in print’ titles. Or they can self-publish, perhaps via ‘print-on-demand’. The landscape has changed completely. Books now have a limitless life. It is disconcerting to realize that the Productivity Commission doesn’t seem to be aware of this. This is one of the reasons I’m wondering if they had access to the right experts.

**It matters if professional authors lose part of their income.**

People outside the industry might assume that novelists can easily work part time at their career and have a ‘day job’ as well. While many writers have no choice but to do this, it is not a desirable scenario. In order to build my readership, in Australia and globally, I must publish a new book approximately every two years. My readers expect substantial works, based on a great deal of research, much of it original. Once a novel is in production with a publisher long periods of intense work, night and day, are needed to meet the tight schedules. Then, the author must be available to work full-time on promotional tours etc. I simply wouldn’t be able to meet these goals while holding down another job. I would have to publish less frequently (which would make me commercially unviable) or lower the quality of my work (which would produce the same outcome in the end). I work extremely hard – and consider it a privilege. But the changes proposed by the Productivity Commission would reduce my income and make my situation unviable.

**Now is not the time to tamper with our industry.**

The book industry is facing the effects of digital disruption that are being felt around the globe in almost every field of life. We need to adapt to new ways of delivering and marketing our books in order to capitalize on different opportunities and avoid being left behind. We have to be nimble and creative. This is a huge challenge for authors, publishers and booksellers. Many of us are still taking baby steps, feeling our way into unknown territory. We desperately do not need to have further disruption caused by our government at such a crucial time. We need as much certainty and stability as possible in the face of so many unknowns.

**Australian authors and publishers should be able to work on a level playing field with their major competitors overseas.**

Writers can live and work anywhere, and this is important to people who are based in regional areas (such as Tasmania, where I live). We make an important contribution to education – by visiting schools, mentoring young writers and by creating stories that inspire an imaginative connection with our own world. We might be disadvantaged by not being able to mix personally with our readers in urban centres here and around the world, however we can overcome that by the use of social media and with the support of our publishers. It’s not easy, though. We cannot expect to overcome the tyranny of distance if we also have to overcome legal changes made by the government that disadvantage us on the world stage.

**You can’t have a vibrant writing culture without a vibrant publishing industry that is responsive to the ever-changing interests of the consumer.**

Some might be tempted to suggest that a book culture can be maintained in Australia by giving grants and other payments to selected authors. This is very flawed thinking. Such an approach would result in a government-determined, stagnant culture that would be vulnerable to external control. Inevitably the gatekeepers would be tempted to replicate what they recognize. We could have a literary landscape peopled by Winton or Flanagan or Mem Fox lookalikes. (They are all wonderful Australian authors, but that is not the point.) Its parameters could be limited by the criteria of ‘literary merit’, as declared by the powers that be – presumably arts bureaucrats and consultants. But as a culture we need much more than that. We need a space for writers who want to do what has not yet even been imagined. The whole gamut of storytelling is valuable - from crime fiction, to romance, to political thrillers and picture books, nonfiction, biographies, and more.

That’s exactly what we’ve got now.

Australian publishing is a huge success story that has been carefully built up over generations. I think most Australians would be alarmed if they understood what is now being proposed. Fortunately, I believe most politicians will share this view, too.

Thank you for reading my submission.

Katherine Scholes