

## **McGraw-Hill Australia Pty Ltd**

McGraw-Hill Australia is one of the leading educational publishers in the Australian Higher Education, School, Medical and Professional sectors and has had a company presence in this market for over four decades.

Approximately one-half of the content we distribute is locally developed and published material created from a significant investment in Australian learning solutions for students, teachers and professionals; the other half of our titles we import into this market, predominantly from the United States and the UK.

McGraw-Hill Australia submits to the Productivity Commission that the current regime for copyright restrictions on the parallel importation of books be maintained.

There are a number of reasons for our support of the current legislation:

### **Providing value to the educational consumer**

Within Higher Education in Australia we operate in a highly competitive, price sensitive market which offers both academics and students quality content in the teaching and learning resources they consume. Approximately fifty percent of the textbooks utilized in this market are produced locally by partnering with Australian authors, adding to the reputational capital of academic institutions within this region in what is a highly competitive global education environment.

In publishing a textbook to cater for the Australian market, we are making a significant investment in acquiring and developing local content from authors throughout Australia. This content is peer-reviewed many times and goes through a rigorous and creative development and production process, utilizing the skills of many staff members as well as publishing-dependent freelancers in design, editing, proof-reading, technical checking and in clearing permissions. There is also an increasing digital and instructional design emphasis being incorporated into the process of media-neutral content development.

In the development of a textbook, from concept to published product it can take between two and three years of continuous investment and care; researching the market, finding and working very closely with the author and the wider academic community to ensure the currency and relevancy of the material to the course. The quality of Australian authorship as well as our product is as high here as anywhere in the world, which, given the market opportunity and size, demonstrates our commitment to the consumer and emphasizes the value our customers place on localization of content to ensure the relevance of the educational experience.

Not only do we publish original Australian titles, we also locally adapt many of our US textbooks by taking them through similar development and production processes as described above. This is also true for the supplementary student and academic resource materials; adaptation to local market requirements is an important part of satisfying the need for relevant, local content.

The ability of Australian publishers to invest in our local textbook programs as described is due, in part, to market surety around the import conditions that exist under which we can also satisfy the consumer with US and UK product.

### **Price and market confidence**

As described, the other approximately fifty percent of textbooks used within the Australian Higher Education sector are imported, the majority from the United States. In general, these tend to be scientific, engineering and computing textbooks that need less localization to impart efficient contextual learning.

**The Australian Publishing Association has conducted a survey of the top forty American textbooks used in Australia and on average, Australian students pay thirty percent less for these than their counterparts in the United States. This demonstrates our sensitivity as an industry to local market conditions and the competitive forces which we bear.**

**The removal of copyright restrictions may have a bearing on how these US textbooks are imported and sold into the Australian market. Potentially lower quality versions of the textbooks could reach the market from developing countries which would impact publishers as well as the strong campus bookselling community that we support and with which we work closely to achieve customer satisfaction.**

**It is the ability to forecast with confidence the US import part of our revenues that allows us to invest in local Australian publishing activities as heavily as we do. It is this surety of activity around importation of US lists that supports our significant business overheads in this competitive market environment, allowing us to publish relevant high quality content for Australian students and academics.**

#### **The multiplier effect – the learning ‘solutions’ provider**

**Apart from the investment in Australian textbook publishing, there is another part of the story that may be impacted by a significant change in the copyright legislation.**

**Where a textbook is used as a core part of the course, we will provide a set of tools to help the academic deliver the course as well as the student learn and understand the course content. Given the academic is the expert in the content of their course, we specialize in providing digital, online supplements to improve the efficacy of the course delivery – for example, power point slides, resource manuals, assessment materials and videos as standard. These tools are designed and built by academic authors and are often peer reviewed. We find these are essential components for time-poor academics and allow this community more opportunity to pursue career-essential activities such as research. For the student community, there is often an online presence for many textbooks that provides learning and self-assessment tools.**

**All these supplementary materials represent additional investment in which there are no obvious additional revenue generation models and are supported through textbook sales, both US-adaptations and locally developed. Different market copyright conditions could lead to a decrease in investment in these significant supplementary resources.**

#### **The education revolution....partnerships**

**McGraw-Hill is an active partner in various pedagogically rich innovative technologies emerging from Australian academia. Given Australia is an early adopter and highly innovative environment we continue to work closely with our academic colleagues in trialing both local and US digital media platforms and systems that will improve the learning and teaching experience of Australian students and academics. Under the current territorial copyright conditions we can play an important part in the value chain to enhance the revolution that will take place in education; we will continue to develop excellence in content and digital solutions that have a significant positive impact on the Australian educational market.**

**At McGraw-Hill we take a very positive view of the role of the campus booksellers within the current environment. With their excellence in local customer relations we enjoy a symbiotic relationship with these booksellers and hope that through the digital evolution we can continue to support one another in satisfying the needs of our educational consumers.**

**What might removal of the copyright restrictions on the parallel importation of books mean...?**

**To conclude, we believe that there are no benefits to a major change in the current legislation. As summarized above, a change in the current copyright system regarding parallel importation can only create impediments to what is a vibrant and highly competitive local market for Australian content and innovative digital learning solutions. Neither students nor academia would benefit if restrictions were lifted and indeed our ability to locally support these customer groups may be seriously diminished. It could lead to a reduction in our investment locally and may require a downsizing of local infrastructure. It would also certainly affect our hundreds of authors as well as the myriad of freelancers which whom we partner and support through local publishing activities.**

**Investing in local authors, disseminating Australian research in textbooks for student consumption, and developing Australian intellectual property are vital to having Australia become an integral part of the knowledge economy of the 21<sup>st</sup> century. The revolution in education can and should be fueled by access to high quality Australian content and learning resources.**