

JENNY DARLING
& ASSOCIATES

16 JUL 2008

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The Hon Kevin Rudd MP
Prime Minister
PO Box 476A
Morningside QLD 4170

Dear Prime Minister,

I am writing to you in my capacity as President of the Australian Literary Agents' Association. Along with many others in the publishing community, our members were alarmed to hear that there may be a review of Australian territorial copyright by the Productivity Commission. Changing the laws to allow parallel importing would have significant damaging effects on Australian writers and on Australian culture.

Our writers hit above their weight locally and internationally. Over the past thirty years government support for both the writing of and the selling of Australian books has led to a healthy and robust publishing industry. Australian writers are now respected, and read, throughout the world for both their brilliant work and their work ethic – to make their mark internationally from such a small country is difficult, hard work and ultimately impressive.

To allow parallel importing would flood the market with cheap books. Basic economics tells us that with any cheap goods, *someone* along the line is making up the difference. In the case of books bought in to Australia under parallel importation, that someone is the Australian creator. If a bookshop chooses to sell a cheap import edition over a locally produced edition, the author can expect to have their royalty reduced by around two-thirds. Even worse, Australian books could be crowded out altogether; forced off the shelves by floods of cheap books by foreign writers.

In Australia around 14,000 books are published annually. In the United Kingdom that figure is over 210,000; in America over 180,000; in Canada 20,000; and in India and South Africa combined another 20,000.

It's worth thinking about which books – from the approximately 450,000 new titles per annum available to them - booksellers would choose to import if the market were opened. My feeling is that children's books and fiction by Australian writers are the two areas where we'd see the most importing. Children's books because one doesn't need specialist knowledge to pick a few titles out and Australian fiction because booksellers have complained about local prices *even though everyone in the industry – agents, publishers and booksellers - knows that the price of a specific book does not affect sales if the book is something consumers want.*

The thought of a whole lot of children's books coming into the country because they are cheap is particularly worrying. We are different culturally from both the UK and the USA. We have our own spelling, our own education system, our preferred style of illustration and our own way of telling stories. Our children would not necessarily inherit these if the market were opened. Our ten-dollar note features portraits of Banjo Paterson and Dame Mary Gilmore, two wonderful poets. After a few years of the open market would we have to replace these with Shel Silverstein and Pam Ayers?

The international book market is a strange one. We think it is a completely global market – like McDonalds, the same everywhere - but in fact it is very different from country to country. There are a few writers who are successful and known throughout the world and then there are many other writers who are successful, or known, only in their own country. If you look closely on the shelves of bookshops in either America or the United Kingdom you'll find there are thousands of books written by authors none of us have ever heard of. Even in the translation markets the books sold can differ a great deal. An author who sells incredibly well in Germany may not sell at all in Italy or Spain but then there are authors for whom the opposite is true. Treating all versions as equal might be fine for cheeseburgers but it does a massive disservice to Australian writers and to the thriving industry that works to deliver their books to readers.

It's also worth noting that currently in Australia about 60% of all books bought are Australian titles. This is a terrific achievement. Consumers want to buy Australian books. Books look different in different territories and Australians like the style of Australian books. For example what we call the C format, or trade paperback, is incredibly popular here, and is the publishers' and consumers' format of choice. In no other market is this format used so widely.

That the portion of sales of Australian books is so strong is one of the obvious results of the past thirty years of building a publishing industry in this country, and the current Books Alive program, funded by the Australia Council, is just one of the ways we keep consumers in touch with, and reading, Australian writers. We are incredulous that a government that generously supports Australian writers through such initiatives on the one hand, would consider completely undermining them through opening the market with the other.

As to the threat to the income of Australian writers – let's use as an example a book by an Australian author published in both Australia and the USA. Here the recommended retail price (rrp) is AUD\$22.95. **One copy of that book sold in Australia earns the writer \$2.08 per book**, with the royalty calculated on the rrp no matter what the book is sold for in the bookshop.

The rrp of the same book in the USA is US\$14.95. It is unlikely of course that this book would sell in Australia for AUD\$14.95 as the bookseller would have to cover the freight charges from the USA but the royalty would be payable as a percentage of the US net receipts as royalties on export editions are calculated on net receipts not on the rrp. Accordingly **one copy of that book sold in Australia on an export royalty would earn the writer around 74 US cents or less.**

We are constantly told books in Australia are too expensive, but how much do consumers pay for books these days? In the past ten years discounting has become the norm. Books are "loss-leaders" for many shops (because they are one of the few products that have the price printed on them). Yes, the publisher sets a recommended retail price but few books, particularly new releases, sell at that price (even though the writer is paid a royalty based on that figure) because of the current popular practice of discounting in department stores and book chains. A discount of 20% is not uncommon, sometimes more, so consumers are rarely paying the 'official' price of a book.

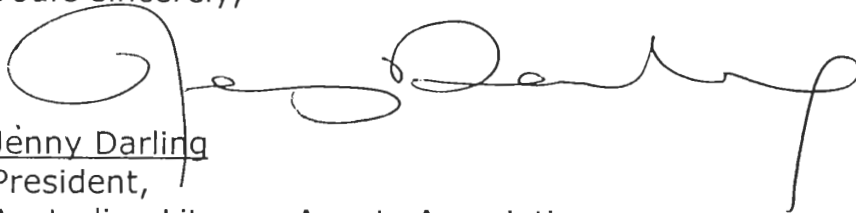
That bookselling is now global is not a decent excuse to undermine Australian writers. Customers who wanted to buy books from overseas have always been able to do so if they really wanted to. Australian bookshops could do special orders and companies such as Blackwell's in the UK have had mail order systems for many years.

What we are really talking about here is on-line selling and we are really only talking about one on-line book retailer that is supposedly taking 10-15% out of the local industry. Australian book buyers will not stop buying books online just because prices are cheaper. Being able to shop online from home is a tremendous convenience and Australian booksellers have lagged behind the world in offering this convenience to their customers. So why, when bookshops have not done as much as they could for their own customer base should writers be penalised?

At this time, as other countries are looking for ways to strengthen their territorial copyright why would Australia choose to open their market to allow others to plunder it? The British for years have propped up their market by having Australia as an export territory, do we really want to encourage this further and give the Americans the chance to do so as well? The future is in intellectual copyright and we beg you, on behalf of our clients, the copyright owners, not to open the market.

I am available for further discussion of any of these points – or related ones – at the contact addresses below.

Yours sincerely,



Jenny Darling
President,
Australian Literary Agents Association

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Cc.

The Hon. Peter Garrett, AM, MP, Minister for the Environment, Heritage and the Arts

The Hon. Wayne Swan, MP, Treasurer

Senator The Hon. Chris Evans, Leader of the Government in the Senate

The Hon. Dr Sharman Stone, MP, Shadow Minister for the Arts

The Hon. Lynne Kosky, MP, Victorian Minister for the Arts

The Hon. Frank Sartor, MP, NSW Minister for the Arts

Rod Welford MP, QLD Minister for the Arts

Juliet Rogers, President, Australian Publishers Association

Jeremy Fisher, Executive Director, Australian Society of Authors