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Article for *Copyright World*

The impact of photocopying and collecting society distributions on the Australian publishing industry

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Most Australian publishers view the remuneration they receive from photocopying licence schemes as important to their businesses and account for it in their revenue projections. This is one of the findings in a report commissioned by Copyright Agency Limited (CAL). Australia's copyright collecting society representing authors and publishers.

The report looks at the impacts of photocopying on Australian book publishers, their concerns with and preparations for online publishing, and the effects, equitability and workability of CAL's distributions to publishers.

CAL was set up in 1974 to administer the reproduction of its members' works. It was subsequently appointed by the Commonwealth Attorney-General to administer the statutory licences allowing the use of works by educational institutions and governments in return for the payment of equitable remuneration. It also offers reproduction licences on behalf of its members to corporations, local councils and other organisations. Since its inception, CAL has distributed over AUD\$180 million. CAL has reciprocal arrangements in place for the collection and distribution of remuneration with equivalent foreign societies, including the UK's Copyright Licensing Agency.

The report, entitled *Impacts of CAL's Distributions*, was prepared by consultants AMR Interactive and is based on detailed interviews with senior management in a selection of publishing houses which are members of CAL. It is available from CAL's website at www.copyright.com.au.

Impacts of photocopying

Educational publishers are the most affected by the photocopying of their material, and there appears to be a direct link between the use by educational institutions of course packs (collections of photocopied material) and a decrease in revenue from sales of publications.

More than one third of publishers overall reported photocopying as having a significant impact on their business. However another third (generally trade and professional publishers) said it had quite a small impact.

CAL's distributions

About three quarters of publishers include CAL distributions in their revenue projection and said there would be a significant negative impact if CAL ceased to exist. Most publishers who said they only receive "small" distributions nevertheless characterised them as "significant" to their business.

There were reservations expressed about the fairness of CAL's distributions by about two thirds of the publishers. Complaints about distribution centred on the sampling system adopted by CAL, which tends to result in significant fluctuations in revenue collected as it does not measure actual copying, but involves the extrapolation of data collected in sample surveys of copying.

Online publishing

It appears that most publishers are concerned about the protection of their material online and many perceive current copyright law to be inadequate. (Under Australian copyright law educational institutions, libraries and government are able to make and communicate digital copies of material in certain circumstances. In some cases they can even make use of circumvention devices and services to get around technological protection measures that publishers have put in place.)

The other factor holding many publishers back from distributing online is the lack of viable business options and of significant revenue potential.

In spite of these reservations, about 50% of the publishers interviewed had implemented some form of online delivery or licensing (including free website material complementary to hard copy publications). Almost all of the other publishers are looking to move into some form of online business in the near future.

CAL's response

At the time of writing CAL was finalising its response to the report. The response will be published on its website at www.copyright.com.au.

CAL is also planning to commission a report into the experiences of authors in relation to the same issues.