

## **Exploring Digital Convergence & Content Regulation in a Converged World Submission - 16 October 2015**

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1. We congratulate the government on taking a broad approach to ensuring that New Zealand law and regulation is fit for the digital age.
2. We are excited at the opportunity to engage with the government during its study of the creative sector's use of copyright and design regimes.
3. We agree with the way the paper defines convergence at the highest level.
4. The paper states that *"distribution is no longer a significant barrier for content creators"*. This is a sweeping generalization based on the notion that because distribution via the internet is seamless, this solves real and/or perceived issues with distribution.
5. Publishers and authors must generate scale in order to secure adequate financial returns from online distribution. Creating published content for online distribution has the same cost structure as creating published content for other forms of distribution. Whether the distribution channel is Amazon or bricks and mortar bookseller, both come at a price to the author and publisher.
6. We agree that *"the business models of content creators and content distributors are changing"* and highlight the challenges that this presents to New Zealand authors and publishers. None of the online book distributors have a physical presence in New Zealand and, as a tiny market, our ability to influence pricing models with these distributors is almost non-existent. They operate on a *"take it or leave it"* approach which diminishes the returns to the creators of the work being sold while lining the pockets of the distributor that often returns nothing to the New Zealand economy.

7. We are fully supportive of “the principle of reasonable access to relevant, high quality local and global content, legally, safely and cost effectively for all New Zealanders.”
8. New Zealand published content is mostly invested in and produced by local authors and publishers. Without a strong New Zealand publishing sector, supported by intellectual property law that encourages investment, the opportunity to not only tell New Zealand stories but to then sell those to a world-wide audience, will be diminished.
9. This is especially relevant in relation to publishing for the education sector in New Zealand. Teaching to the New Zealand curriculum requires access to a volume of high quality local content, most of which is created by New Zealand education resource suppliers. Many of these businesses also export their products (or licence the content into other languages), having used the local market for product development.
10. The licensing revenue generated by CLNZ for copying of published materials, is reinvested by publishers and authors into the creation of more content. It is often the case that consumers/users of copyright material are reluctant to pay for that use and yet they want more and more content in future.
11. Licensing is becoming an increasingly important revenue stream for authors and publishers as well as a meaningful form of access to content for consumers/users.
12. We note a recurring theme in the paper in relation to content creation and consumption. We highlight to you the difference between an individual’s social media post and a professional writers’ blog. Writers in New Zealand now generate their income, by necessity, from many different sources but should not be limited in how they do that by a notion that the use of any online content should be free.
13. On the matter of jurisdictional boundaries we are aware that these may be becoming less important to consumers. However, in the publishing world geographic licensing is the model that generates international revenue because it allows New Zealand authors to work with local publishers in other countries to find audiences and sell their books. Without geographic licensing new and larger audiences/book-buyers for New Zealand authors will not be found.
14. We emphasize that the New Zealand publishing industry (which currently contributes over \$300m to the New Zealand economy each year), along with other creative industries that monetize intellectual property, enable the government to diversify the economy’s reliance on primary products. These industries need a robust regulatory framework that supports their ability to generate revenue for the country and that also provides a cost-effective means of redressing unauthorized access to their content.

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