31 July 2013

The Executive Director  
Australian Law Reform Commission  
Submitted online 31 July 2013

Dear Sir/ Madam,

***RE: Inquiry into Copyright and the digital economy***

Thank you for the opportunity to make a further submission to the Copyright and the Digital Economy Inquiry.

This submission complements the one we made in response to the Issues Paper of 20 August 2012, which was sent on 6 November 2012. Here, I respond to the Discussion Paper released on 5 June 2013.

For the last 25 years I have built up the Pascal Group into the largest independent educational publisher in Australia. As well as publishing thousands of educational books we have also developed world leading digital resources such as Mathletics and Readingeggs which are now used by millions of students in Australia and other countries. Please refer to Appendix A for more information about the companies in the Pascal Group.

We would not have been able to invest in new educational resources that we have unless we were getting paid fairly for the content we created. A key part of this has been getting payments for the widespread copying of our publications that happens on an industrial scale in schools.

One of the reasons that so much photocopying takes place in schools is that there is little specific funding giving to schools for them to buy textbooks, particularly in the government schools sector. We can clearly match the level of copyright payment we receive with the policies and funding devoted to text books in each state. Where there is little funding for textbooks much more photocopying takes place. If we did not receive the copyright payments, it would not be viable for us to publish many of the books we do. If governments properly funded the resourcing of schools a lot of this photocopying would not happen and we would receive minimal copyright payments.

Since this level of funding is unlikely to happen, then the existing Statutory Licence is a reasonable compromise. The schools don’t have to buy as many text resources so the publisher loses out, but then some of this loss is made up by the copyright payments. A single textbook costs upwards of $50 so the overall student payment of $17 seems like great value to schools as they get access to a wide range of resources from a huge variety of publishers and authors.

The current ALRC Copyright Report seems to me like an attempt to unfairly expropriate the work of content creators driven by an agenda to reduce costs to educational institutions and also help the non tax paying multinationals like Google hoover up more of other peoples’ content without fair compensation.

While the total amount paid by these institutions for this copying is around $100 million, this is a very small amount compared with the total budget of these institutions. The vast majority of costs in education are salaries paid to teachers. And just like a carpenter or plumber needs good tools to work with, teachers need high quality resources designed to help them better teach the latest curriculum. Commercial publishers, such as the Pascal Group, deliver these resources to educational institutions, in a timely and cost effective way, and have proven to be much better at doing so than wasteful government initiatives like the Learning Federation.

Commercial content creators, both publishers and authors, provide a wide variety of resources for educators to choose from. A lot of these choices will disappear if the recommendations to get rid of the Statutory Licence are implemented and a key Australian “smart” industry will be decimated.

Please feel free to contact me should you have any queries or wish to discuss our submission in more detail.

Yours sincerely,

Signature Matthew Sandblom.JPG

Matthew Sandblom

Chairman, Pascal Group of Companies

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**Appendix A: Pascal Group of Companies**

1. **Book and Digital Publishing Group, made up of four companies**:  
   ***Pascal Press***: Established 23 years, main business is book publishing (workbooks for Maths and English under the Excel brand, and primary textbooks for Maths and English under the Targeting brand). Also has developed a subscription-based website for test preparation, under the brand Excel Test Zone. Most content is developed in-house through our writers and publishers.  
   Excel is the No 1 brand in Australia for Mathematics and English workbooks. Targeting ranges from No 1 in Handwriting to No 2 or 3 in Maths and other English.  
   The company publishes about 700 titles, and distributes the Reading Eggs book series, including RE My First.  [www.pascalpress.com.au](http://www.pascalpress.com.au)   
     
   ***Blake Education***: Established 15 years, main business is book and CDROM publishing (teacher resource books, Interactive Whiteboard, and literacy titles such as Storylands, Sparklers, Gigglers and Go Facts). Most experienced in Australia for Direct Marketing to schools. It publishes about 2,500 titles. [www.blake.com.au](http://www.blake.com.au)   
     
   ***Blake Publishing***: Established 14 years. Initially incorporated as an IP company to develop content for the Pascal and Blake book companies, but since 2006 started expanding into technology publishing with CDROM, Reading Eggs and Reading Eggspress.  
   Launched Reading Eggs website in August 2008, and has achieved very high penetration in the Australian consumer market for early literacy content for children aged 4-6 years old. The website now has over 2 million registered users, from over 100 countries. [www.readingeggs.com.au](http://www.readingeggs.com.au)   
      
   It also developed a companion series to the website, with Activity Books, Flash and Alphabet Cards, maps and stickers under the Reading Eggs brand, and workbooks for specific skills under the Reading Eggs- My First brand, and distributed by Pascal Press.  
     
   ***Blake ELearning***: Recently incorporated (2010) to continue the digital development started by Blake Publishing for Reading Eggs and Reading Eggspress websites and to expand their global reach. Currently also developing a Maths website for early learners, Mathseeds, due in December 2013.  
   [www.readingeggs.com.au](http://www.readingeggs.com.au); [www.readingeggspress.com.au](http://www.readingeggspress.com.au)
2. **3P Learning Group**  
     
   Initially owned by the Book and Digital Publishing Group and incorporated as a separate entity in 2006.  
   It has developed a very successful Mathematics online program for children of primary and secondary school age under the brand Mathletics.  
   Mathletics has 3.4 million subscribers in about 90 countries, of which 1.5 million are in Australia. The company has offices in Australia, NZ, US, UK, Hong Kong, Singapore and Malaysia.  
   It also runs a global annual event called World Maths Day in which 2 million children participate from almost every country in the world.  
   [www.mathletics.com](http://www.mathletics.com)  and  [www.worldmathsday.com](http://www.worldmathsday.com)
3. **Video Production and Distribution Group**  
   The Video companies (***Video Education Australasia, Classroom Video, Training Point***) produce DVD and video content mostly for secondary schools and tertiary institutions, but also applicable to the corporate market. They also license video content for sale and distribution in Australia.  
   [www.vea.com.au](http://www.vea.com.au) and  [www.classroomvideo.com.au](http://www.classroomvideo.com.au)
4. **Video technology group**  
     
   Has developed and markets ***ClickView***, a server-based technology product to deliver video content to schools. It also sells and markets the video libraries produced and licensed by the Video Production and Distribution Group.  
   [www.clickview.com](http://www.clickview.com)