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Should writers be paid for their e-books lent by libraries?

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4-5 minutes

When libraries lend books to the public, authors and publishers receive remuneration from the Government under the Lending Rights schemes, but this is not the case when libraries lend e-books. Is this fair?

This year, the government has distributed almost A\$22 million under these [Public Lending Rights and Educational Lending Rights Schemes](#). For each book in public library collections, creators receive \$2.11 and publishers receive \$0.52.

The amount that each claimant receives is often not very significant, with the majority of authors receiving between \$100-500 annually. Still, a previous [study](#) has revealed that this remuneration constitutes the second most important source of income for creators from their creative work.

E-books, however, are not covered by these Lending Rights schemes. This may not be a big issue at the moment, since only 3.5% of library holdings are e-books and most publishers still release books both in print and e-book formats.

But e-book lending is increasing and, according to the [Australian Library and Information Association](#), e-books are likely to reach 20% of library holdings by 2020. Also, most, if not

all, self-published titles are done so in digital format only. Such self-published titles, if lent by libraries, would not qualify for any remuneration.

For this reason, authors and publishers have been lobbying the Government to extend the Lending Rights Schemes to e-books. Although the Book Industry Collaborative Council made such proposal already in a [report](#) of 2013, nothing has happened of yet.

One of the main reasons why e-books are not covered is that e-book lending is quite different from print book lending. In case of print books, authors and publishers are arguably losing on customers and revenues when libraries loan their books for free.



Creators only receive \$2.11 and publishers receive \$0.52 for each book in public library collections. [svklimkin/Morguefile](#)

At present, in the case of e-books, many publishers chose not to sell these books to libraries. Also, publishers assume that libraries will lend e-books to many readers so they often charge libraries three or more times the price that consumers are

paying for the same e-books.

While publishers charge libraries high prices for e-books, writers complain that these amounts do not reach them. Publishing contracts often don't specify whether and how much authors receive for e-books sales or for e-lending.

How other countries deal with this question

This year, a Public Lending Rights scheme was extended to e-books in Canada, with no payments for e-books yet. A few weeks ago, the Court of Justice of the European Union has [confirmed](#) that European Lending Rights scheme applies at least to certain e-lending models.



Government support for the publishing industry is declining, but Australian literature is vital for our culture and identity. [Facundo Arrizabalaga/EPA](#)

Should Australia follow the trend? Australia's publishing industry, like the industry worldwide, has been in a decline for a number of years. Despite this, it is still our [second largest creative industry](#) and it is of no question that Australian literature

is greatly important for local culture and identity.

Government support for this industry, however, has been declining over years. In addition, the Productivity Commission [has recommended](#) that the government eliminate the restrictions on parallel imports of books. If the government acts on this, it will likely reduce the income of Australian publishers and authors.

The Commission has suggested that the government replace parallel import restrictions with some other cultural support measures. However, in the current neo-liberal climate, with constant pressure to decrease public expenditure, it is unlikely that government will create additional schemes to support local writing.

One option could be the extension of Lending Rights schemes to e-books. However, extension alone would do little if the current funds under the schemes were merely re-distributed from books to e-books. For effects to be felt, there would need to be increased funding under the schemes.