AUSTRALIANPUBLISHERSASSOCIATION

PARALLEL IMPORTATION AND AUSTRALIAN PUBLISHING

Current situation

- **March 2015** - The Harper review recommended the government task the Productivity Commission with an 'overarching review of intellectual property' and amend laws to allow parallel imports.
- **August 2015** - The government requested the PC review 'Australia's Intellectual Property Arrangements'. Parallel Importation Rules were included in the terms of reference.
- **November 2015** - The Treasurer announced that the government supported allowing parallel imports of books, and would progress the recommendation after the PC's final report.

Hoped for benefits

Advocates hope the change will 'make local booksellers more competitive with international suppliers, promote lower prices for consumers and ensure the timely availability of titles.'

The real impact of changing the law

The Australian publishing right will be devalued. Investment in Australian works and Australian authors will be less attractive and more risky. There will be:

- fewer Australian authors and fewer Australian books published;
- less diversity of books available to Australian readers;
- jobs lost in Australian publishing, bookselling and printing;
- lower royalties for Australian authors;
- less promotion of Australian authors and trade in their rights internationally; and
- further reductions in the independent bookselling sector.

Evidence

NZ removed its authors' rights in 1998. Since then:

- prices have fallen more in Australia than in NZ;
- the range of books sold has fallen in NZ and expanded in Australia; and
- publishers have disinvested and capital has been withdrawn from NZ.

Many comments about prices are out of date, and quote a PC report that's nearly 10 years old. Australian books are now similar in price to comparable markets. Prices have fallen by a third in real terms in the last decade. Many popular titles are offered at a 35% discount by large retail chains.

Availability is no longer an issue. Australians can buy books from anywhere anytime. Publishers only keep Australian rights if they make books available quickly, and an industry agreement guarantees they deliver in less than half the time allowed under the law. Unlike cars, consumers have long been able to order books directly from overseas.

Australians care about Australian narratives – in everything from sport to history, fiction to political biography. Authors in the other main English-language markets, including US and UK, have the benefit of territorial copyright in their home market.

Conclusion

There hasn't been a calculated assessment of the trade-off. One Treasury adviser calls it just a 'war of words'. But it's not worth risking jobs, Australian narratives, and a strong creative industry for small price benefits that will advantage only a very few large retailers.

What are the Parallel Importation Rules (PIRs)?

If someone owns the rights to publish a book in Australia, section 37 of the Copyright Act 1968 prohibits other people from importing commercial quantities of that book without the copyright holder's permission.

- It's a use-it-or-lose-it right. It only applies if the title is made available in Australia quickly.
- It doesn't restrict access. Consumers can buy books from anywhere in the world. And book retailers can order single copies from anywhere in the world on behalf of a customer.
- It's the basis on which publishers invest – paying an author an advance, publishing, marketing and promoting a book. It defines an author's property right to manage their work in Australia.

What's at stake?

Publishing is the most successful creative industry in Australia. It does not depend on subsidies. It is not protected by tariffs. It is successful because it is a consumer-facing industry that is deeply engaged with its market.

- More than 7,000 new books published annually
- $2billion in revenue
- Publishers direct investment in Australian writers for trade (non-educational) books and their promotion is $120 million per annum
- More than 1,000 businesses in Australia are engaged in the publishing industry, employing over 4,000 people. Many are small businesses.
- Over 300,000 Australians attend more than 100 literary festivals annually
- Australia has the 14th largest publishing industry in the world
- Australia has the largest independent bookseller sector in the English-language market