

Copyright

Why did ALIA support the repeal of the parallel importation provisions?

ALIA has supported the abolition of the parallel importation provisions of the Copyright Act since the 1980s (when the issue was referred to the Copyright Law Review Committee). Independent enquiries have generally reached the same conclusions as we have. The stance aligns with ALIA objects and values including "To promote the free flow of information and ideas in the interest of all Australians and a thriving culture, economy and democracy" <http://www.alia.org.au/governance/alia.vision.html>

What did the Productivity Commission's research find?

The Productivity Commission has concluded that parallel importation restrictions (PIRs) for books are significantly more costly than previously considered, and recommended in its final report that the restrictions be abolished after a three-year adjustment period, to be replaced with more direct forms of support for authors and publishers. Most of the costs are met by consumers, who fund these benefits in a non-transparent manner through higher book prices.

In particular, the Commission found that the bulk of the benefit of the PIRs was going to foreign authors. Analysis revealed that foreign companies and authors get approximately 50% more benefit from PIRs than Australians, amounting to a substantial leakage directly from Australian consumers overseas. Reform of the current arrangements is necessary, to place downward pressure on book prices, remove constraints on the commercial activities of booksellers and overcome the poor targeting of assistance to the cultural externalities.

Does parallel importation affect all Australians?

No. Australians with internet access and the relevant skills can buy through online bookstores such as amazon.com. Not only are the books cheaper, but they don't pay GST either. As ALIA wrote in its joint submission:

The restrictions upon parallel importation simply have the result of excluding Australians who are less 'internet savvy' from obtaining more competitively priced books, and putting Australian brick-and-mortar book sellers in a less competitive position than online UK and US bookstores. In our globalised, connected world it seems illogical to continue to maintain these importation restrictions.

How do parallel import restrictions (PIRs) on books work at present?

For a book title to qualify for protection under the PIRs, the Australian territorial rights holder must release the book in Australia within 30 days of it being published elsewhere in the world, and must maintain a capacity to resupply it within 90 days.

There are some exceptions to the restrictions

- consumers can purchase books from abroad, for example via the internet and,
- a bookseller can purchase a single copy of a book that would otherwise be PIR-protected, to fill a written customer order or to supply books to a library

Under the PIRs, if a book is published in Australia within the 30 day limit, booksellers cannot import and sell stocks of the same book from, say, the US or Asia. This enables rights holders to charge prices (or obtain royalties) in the Australian market with the certainty that they cannot be undercut by commercial quantities of imports of the same titles. Assistance from Australia's PIRs is not limited to Australian publishers and authors. The publishers who benefit from territorial protection can be Australian businesses, Australian arms of international companies or international companies operating from other countries.

What options were considered by the Productivity Commission?

The Commission had considered trying to limit PIRs to Australian authors (but found that would breach international treaties to which Australia was a party) or otherwise limit their operation, before deciding that restrictions could not be overhauled effectively to address their costs.

Instead, the Commission wants an urgent review of forms of direct support for authors and publishers, with the goal of developing forms of assistance that will achieve the same levels of cultural benefit as PIRs, but without their costs and high levels of leakage overseas. The Commission recommends that the new forms of support be put in place before the PIRs are removed.

What existing forms of support are there for Australian books?

Beyond the support provided by copyright law, the Australian Government provides financial support for Australian literature in a number of ways, they include:

- direct financial support for authors and publishers for the creation, production,
- marketing and export market development of Australian books,
- funding for campaigns to increase awareness about the importance of literacy skills and about Australian literature more specifically,
- prizes for excellence in Australian writing and publishing in a range of genres,
- financial compensation for Australian works held in public and education libraries, and
- tax concessions for private organisations and charities whose goal is to support and promote Australian writers and literature.

Doesn't extra profit from the restrictions support Australian writers?

No. Most of these profits are repatriated to other countries because most of the firms which make them are foreign companies, and most of the authors are foreign authors – something between 60–85% depending on how you count.

Doesn't the Productivity Commission have a vested interest?

No. The PC joins many organisations which are not affiliated with the book industry, and which have recommended repeal of parallel importation - the Price Surveillance Authority, the Ergas Review, the Australian Competition and Consumer Commission.



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