

Mr Gary Banks
Chair, Productivity Commission
GPO Box 1428
Canberra,

I write as a taxpayer concerned with the constant diminution of Australian-based industries and creativity under the seemingly relentless lessening of protections to individuals and companies resident in the country and with significant reliance upon internal sales of their product. I am also an author and so a beneficiary of the current conditions and protections.

I have read and, I believe, largely understood the current Act and note the public debate about potential changes broadly mooted to the Act in relation to what are known as the ParaHel Importation provisions.

Please note me as an interested party and put me on your contact list so I may be provided with any pro forma documentation that you may issue in response to the inquiry.

Point of view / comments

- I am concerned that the review follows procedures similar to those followed by the Easter Islanders. The process proposed led to their own extinction and to all that currently remains of their society - an island of monuments of larger and larger stone faces of no value or relevance to any future society.
- The choice of Ms Sylvan as chair gives some credence to this view, given her history and contributions in regard to copyright issues both nationally and internationally. Her biases are publicly stated over several years for all to read. I do not for one moment belittle her highly praiseworthy achievements in other arenas. I am, however, led to wonder whether she will publicly state her biased approach to this task given her Behavioral Economics perspective. The economic neoclassicist "expansion of choice argument" put by those wishing to knock down current Australian copyright/publishing protections poses a conundrum for her and your panel.
- I note that in your reference material, you refer (page 14) to operation of "these provisions potentially resulting in higher prices and less availability" of books published in Australia. I would ask that, just as you request parties interested in supporting the current Act to justify and provide supporting evidence of their opinions, you also ask the parties who propose the alternate view to justify and provide supporting evidence for the changes that they propose.
- I believe it is improper of you to tout the negative view on the debate before it has been completed.

- I ask you to take great care in liberally applying the provisions of any international treaty to which Australia may have agreed to in different times and which were driven by nations seeking unreasonable competitive advantage over smaller economies such as ours.
- Before blindly accepting that a weakening of the current, relatively low grade~ protections will advantage Australian consumers~ I ask you to examine earlier examples of removal of tariffs and find one example of benefit to the Australian consumer which arose simply from any such reduction.
- I refer you to the authoritative report by Price WaterhouseCoopers for the Australian Copyright Council. Ignore their findings at your peril. Even a cursory examination shows that the size of the industry in the context of the national economy (approx 10%), the number of people employed (in excess of 800,000), the contribution to exports (over 4%) (and I could go on), are significant. This is a powerful set of data for your committee to examine in considering what tampering with the Act might lead to.
- The ABA's Malcolm Neil has made observations that are emotive and unsubstantiated and he should be called on to provide data to support such claims. You should not accept his broadsides at face value. He is a significantly biased party; his history is with back-listed books and obscure publications, mostly written outside Australia and sourced directly from overseas.
- Listen instead to the views of an Australian iconic publisher, employer, literary agent and editor in Henry Rosenbloom at Scribe. He has for years lived daily with the intricacies of the Australian publishing and copyright-protected industry in all its complexities and levels. His experience is not merely at retailing, as is the case for Neil (whatever his credential may now be).
- As an inquiry you should remember expansion of competition itself is not the end game - benefit to the consumers is. Unless it can be clearly demonstrated that the consumer (which includes those employed in the associated industries) is benefited, leave well enough alone. There is no proof whatever that books will become cheaper as a result of the removal of these protections. Booksellers must first pass on any cost savings~ and they do not demonstrate, at this time, any sign of doing so. Currently they regularly increase the retail of books above recommended retail prices.
- Amendments to the current provisions will weaken competition and not improve it. As noted above, I ask that you examine previous tariff reduction decisions, looking for the outcome a few years down the line, when the governments that introduced them have shuffled off stage left.

Summary

I can see no amendment to the current provisions providing any advantage to any fragment of the Australian publishing industry as a result of reducing current time-based levels of protection. What I see are transparent increases in the opportunities for offshore-based ventures to capitalise on any weakening of the current provisions of the Act in relation to copyright protection for Australian-produced books.

Should you alter the current provisions of parallel importation, authors with royalty streams flowing under license agreements entered into here will see them disappear (e.g. overseas publishing of an edition authored and published in Australia will have no protection. Such books can be dumped back into our market **if** they are overproduced or underselling in their overseas territories. Such dumping will have a powerfully negative effect on what is generally a sound Australian market for such books. At worst case, all current publishing contracts would need protection should you propose removal of the present limit on parallel importation under which all current agreements are drafted and agreed.

Publishing **may** be a modest section of the national business base (10%), but it has arms that reach down to and into most levels of business and societal income and productivity. It employs directly and indirectly around 830,000 people whose livelihoods you will affect and may put at jeopardy should you tamper with the existing system.

Yours sincerely

Ian Horrocks

16 December 2008