

January 2009

## **Submission to the Productivity Commission Study- Copyright Restrictions on the Parallel Importation of Books**

Oxford University Press Australia celebrated its Centenary in Australia in 2008. We are the longest-serving Australian educational publisher. Oxford University Press is a department of the University of Oxford. It exists to further the University's objective of excellence in research, scholarship, and education by publishing worldwide. The International Division of Oxford University Press, to which Oxford University Press Australia (OUPA) belongs, has a specific remit to meet this objective by catering to the needs of local education communities.

OUPA invests heavily in the development of local teaching and learning materials to meet the needs of Australian school and higher education students. OUPA has authorial, editorial, design, sales and marketing personnel along with sophisticated distribution facilities to support the local and imported higher education markets. Particularly in higher education there is synergy with the publishing from our UK and USA affiliates allowing us to efficiently market and distribute OUP titles whether published here or abroad. We are committed to making all OUP products available to our customers well within the expectations of the 30/90 day rule.

The current 30/90 day rule allows us the security of investment we need to properly support imported titles for the local market. In higher education there are some disciplines in which students and lecturers are best served by imported books e.g. biochemistry, international politics, British History, International Baccalaureate. An "open market" will compromise our ability to predict stock requirements and therefore reduce our capacity and incentive to employ local people in authoring supplements and selling, marketing, warehousing and administering imported books. An "open market" will potentially reduce the choice and service that publishers are motivated to offer Australian customers as it presents the possibility that we will put in the work and costs to win sales of overseas published product only to see the book sourced from elsewhere (with no guarantee that the students will see lower prices).

A distinctive feature of the higher education market is the provision of highly sophisticated support or ancillary materials provided free of charge to students and instructors. Lecturers, particularly those with large introductory level classes, rely on these materials to help them cope with the workload implicit in teaching upwards of 1,000 students in a single course. These materials are expensive to develop and to host or distribute. Publishers can only invest in these resources on the guarantee of on going sales of the related textbook. Removal of copyright restrictions on the parallel importation of books will take away such guarantees.

One example of value-adding by OUPA is Baylis, *Globalization of World Politics* 4e. This is a leading textbook in international relations providing “intellectual breadth and richness, and rigorous organization and clarity”. It is popular with lecturers and students alike. OUPA imports this book from OUP UK and sells some thousands of copies per year. To add local relevance we publish and package a book of Pacific region cases studies at no additional cost to students, giving them the best of both worlds, in terms of content, quality and local relevance. We could not afford to offer local content and support materials if the guarantee of supply was taken away.

Education and Higher Education book supply chain is efficient, and it works for booksellers, lecturers and students. Australia’s largest campus bookshop operator (University Co-op Bookshop), figures show that 99% of all titles ordered were supplied prior to the start of semester in 2008. Supply, pricing, return rights, customer support are all predictable and reliable under the current system.

The 30/90 day rule serves the customer and the industry well. It provides educational publishers with a level of predictability to hold sensibly priced imported stock in local warehouses which is received by sea freight (therefore reducing costs and green house emissions). Under an “open market” arrangement we face with the possibility that resellers may cherry pick key textbooks to import whilst relying on us to supply the more obscure titles. The potential to compromise our economy of scale and our capacity to generate a surplus to reinvest into local publishing including the development of ebooks is clear.

We urge the commission to recommend the maintenance of the status quo thereby retaining a successful system that provides the education sector with high quality products, both local and imported, in a timely manner and protects Australian jobs by providing security and predictability.