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To: Jill Irvine
Parallel Importation of Books Study,
Productivity Commission

RE: Parallel Importation of Books Study, Productivity Commission

In accordance with the arguments expressed in my detailed original submission on this issue, I remain opposed to the draft recommendations of the Productivity Commission.

The recommendations appear to fly in the face of all arguments I put forward. They would be unworkable and destructive in operation, and are not based on hard, verifiable evidence. I now offer some examples of international market activity in educational publishing to illustrate this.

Within the last month I have experienced attempts within Asian markets to undermine the costly and necessary efforts of my contractual distributor in Brunei to present my Australian products and gain sales. The attempt to circumvent the distributor involved parties placing orders through a bogus office in the Middle East in order to supply Brunei. Had they been successful, I would have lost a distributor who works hard to present and explain our sophisticated products to the centralised Brunei authorities. We already have people seeking to circumvent legitimate business arrangements and costs even where territorial copyright is in place. If successful, it would have resulted in my loss of effective future representation.

The Productivity Commission cites New Zealand as an example of a market with parallel importation. However, it fails to acknowledge the existence of a New Zealand Government owned publishing entity which produces subsidised products against which I have to compete not only in New Zealand, but in Australia and the rest of the world. New Zealand is consequently a very small market for me because the government entity provides books to schools under terms that are impossible to effectively compete with. This is not an honest comparison of circumstances.

The Productivity Commission's central recommendation — limiting the life of Australian territorial copyright to only 12 months — pretends to retain territorial contract while setting up conditions that would undermine and cripple it and do great harm to all involved in the Australian book industry, including consumers. My projects in educational publishing take years of development time to produce and incur significant risk considering the competition I have from numerous multinational entities. Such publishing projects do not recoup their costs in 12 months. They often take several years to break even – and some projects fail to ever achieve that. My product prices are already held firmly in check by the competitive nature of the industry. The Commission's recommended measure makes a nonsense of the nature of the industry in which I operate and makes the financial risk I must undertake and my export activity untenable.

I had taken for granted that any outcome from the deliberations of the Productivity Commission would be based on a rationale that was supported by an accurate view of how the publishing industry works internationally and nationally. The draft recommendations give me cause to question this assumption.

I remain opposed to any form of removal or erosion of the current territorial copyright regime.

Yours faithfully

Rodney Martin
Managing Director/Publisher