

1 June 2009

Parallel Importation of Books Study
Productivity Commission
GPO Box 1428
Canberra
ACT 2601

Dear Sir,

Copyright Restrictions on the Parallel Importation of Books

We are pleased to make this joint submission to the Commission's Parallel Importation of Books Study.

The introduction of the 30-day rule on parallel importation of books in 1991 provided a stimulus to the Australian book printing industry.

Australian publishers are printing more of their books locally to protect themselves against the parallel importation of cheaper overseas editions.

According to the Printing Industries Association of Australia (Submission 168, page 4), the increase in local printing activity is reflected in official statistics as well as anecdotal feedback from book printers about the importance of the current parallel importation rules to their production volumes and commercial viability.

This increase in book production has led to more jobs, particularly in regional centres such as Maryborough in Victoria.

The book printing industry estimates that the abolition of the 30-day rule could result in a loss of turnover of between \$70 million and \$80 million, and the loss of between 1,400 and 1,600 jobs throughout the Australian economy, including several hundred book printing related jobs.

The impact of this loss of business would be felt not just by book printers themselves, but also by associated industries such as paper manufacturers and suppliers, suppliers of inks and other consumables, pre-press service providers, book binders and local transport companies.

The potential impact of a contraction of book printing activity in areas where this represents a large proportion of industrial activity, such as Maryborough, have already been noted in other submissions:

... if a relaxation of parallel import restrictions were to lead to decline in the number of books printed in Maryborough, this would result in a loss of jobs and could ultimately place the plant at risk. Given the economic conditions in the Maryborough region, this could have significant flow on effects on the

community, particularly in the current environment. (Victorian Government, submission 270, page 6)

These impacts are quite serious with the significant reduction in MPG's employment in Maryborough likely to translate into an increase in long term unemployed in this regional economy. It is also clear that such reductions in financial returns could bring into doubt longer-term investment viability. (McPherson's Printing, submission 168, page 3)

The PIAA estimates that in Maryborough, one quarter of the workforce is either directly employed in the industry or dependent on it.

Maryborough's Socio-economic Indexes for Areas (SEIFA) score, based on the 2006 Census data, of 868 makes it the lowest ranked area in Victoria.

We believe that the impact of a reduction in book printing in Maryborough would have a significantly adverse affect on the local economy, local employment and the health and welfare of the residents of the area.

The 30-day rule's "use-it-or-lose-it" principle also protects the copyrights of Australian writers.

By bringing out Australian editions first, Australian publishers can prevent overseas publishers, particularly those in the United States and United Kingdom, from dumping surplus overseas editions here.

Authors in the US, UK and Canada currently enjoy similar copyright protections to Australian authors. While those restrictions continue, Australian editions of books by Australian authors cannot be sold in those countries.

A unilateral removal of current Australian restrictions would allow the unrestricted import of overseas editions of their books, while authors overseas would continue to enjoy protection.

Changing the 30-day rule would mean that once the international rights to Australian books had been sold, overseas publishers could dump excess stock in Australia.

We can see no good argument why Australian authors should be disadvantaged vis-à-vis their overseas counterparts by changes to the current rules.

Most industries are becoming more and more conscious of the impact on the environment of their business practices.

In the food industry, for example, the environmental impact of shipping cheaper imports from overseas – so-called "food miles" – is starting to be questioned

There is a strong environmental case for printing more books in Australia.

As well as complying with stringent Occupational Health and Safety and environmental regulations, Australian book printers use paper from sustainable forestry. Significantly shorter transport routes mean less greenhouse gas emissions compared to books that are printed overseas and transported to Australia.

We believe that the retention of the 30-day rule, and more local book printing, is good for the environment.

The Australian book printing industry has benefited significantly from the introduction of the 30-day rule in 1991.

The industry remains an important employer in regional areas, such as central Victoria, and since it supports several other associated industries, the flow-on economic benefits are considerable.

Consequently, a change to the 30-day rule would adversely affect several regional economies, such as Maryborough's, and regional employment. At a time of general economic slowdown, the impact of a change would be even greater.

In summary, there are many reasons why we believe the 30-day rule should be retained, including the potential adverse impacts on the book printing industry, on regional economic activity, on regional jobs, on Australian authors and on the environment.

We are, therefore, opposed to any changes to the current 30-day rule on the parallel importation of books.

Yours faithfully

Steve Gibbons MP
Federal Member for Bendigo

Joe Helper
Member of the Legislative Assembly for Ripon

Councillor Chris Meddows-Taylor
Mayor, Central Goldfields Shire Council