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Mr Peter Harris
Chairman
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

3rd June 2016

Dear Mr Harris

Re: Productivity Commission draft report into Intellectual Property Arrangements

I write with deep concern about the changes proposed by the Australian Government Productivity Commission draft report into Intellectual Property Arrangements and specifically the recommendation to lift Australia's parallel importation rules on books. The suggestion that parallel import restrictions on books are the analogue equivalent of geoblocking is unsubstantiated in the issues paper and the draft report.

The Australian Publishing industry is deeply important for our economy and our culture. It operates on a business model that manages risks and rewards, investment and return. It is underpinned by a basic commercial principle – an author grants a publisher a license to exploit a copyright in a particularly territory for a specified period. The publisher pays the author for that license and then commercialises that opportunity.

The Productivity Commission's 2008 report failed to prove that books were too expensive or that change would deliver cheaper books. Once again in 2016 the Productivity Commission appears determined to force the flawed parallel importation argument into the light again, without presenting any new evidence that supports the case for removing the remaining restrictions on parallel imports of books.

The removal of parallel importation rules would essentially dismantle the concept of territorial copyright for Australian authors and their publishers, a benefit that is still enjoyed in the United Kingdom and the United States of America. The value of international rights trading would plunge. Local print runs would shrink. Author income would plummet even further and the local industry would be fundamentally undermined. It seems absurd to place further downward pressure on this industry.

In every other major English language market the idea of abolishing the intellectual property rights of citizens has been rejected. Australia's territorial copyright regime needs to be strengthened rather than abolished.

I strongly urge the Government to dismiss these recommendations on parallel importation rules.

Yours sincerely

Margi Prideaux

