

Intellectual Property Arrangements  
Productivity Commission Draft Report

2<sup>nd</sup> June

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I work for an independently managed Australian subsidiary of an international publishing house, and I'm deeply concerned by plans to repeal the current Parallel Importation Restrictions.

I feel this change would not only have a negative impact on my own life and livelihood, but also that of the other 4,000 people directly and 20,000 indirectly employed by the 1,000 (many of them small Australian), businesses currently involved in the publishing industry. This industry generates over \$2 billion in revenue, with Australian publishers investing \$120 million per year to publish more than 7,000 new Australian titles. It's a self-supporting and dynamic industry, which does not depend on any government subsidy.

We currently have the 14<sup>th</sup> largest publishing industry worldwide, and more independent bookshops than anywhere else in the English language market, this is a vibrant and local market, and that is not the case in many other countries worldwide. Does the government really want to jeopardize this position and devalue the Australian publishing industry in this way? Removing PIS's will also impact negatively on the Australian economy, if Australian publishers lose revenue as more and more books are bought in from overseas then they will be forced to make job cuts. That means that any profits from book sales will be made overseas as opposed to in and to the benefit of Australia, whilst the likely staff cuts will mean less people spending money in the Australian economy, which instead of generating more economic growth will weaken the local economy. Removing PIR's will also make investment in Australian authors far harder to sustain. Australian audiences need and deserve their own Australian stories. Removing the restrictions will mean Australian audiences will be reading fewer books about themselves and it would be a huge blow to Australian education and Australian culture.

Another negative impact of this would be that Australian rights would be worth less, with authors receiving smaller advances and lower royalties. Most authors writing produces far less than the minimum wage. The average Australian author currently earns just \$13,000 per year for their work. Who will be able to afford to be a writer?

Since New Zealand repealed PIR's in 2008 their industry has shrunk, the range of books reduced dramatically, the volume of print book sales has fallen, and also the average selling price has decreased by 14%. In that same period the average selling price in Australia has dropped by 25%. So cheaper books have not been a result of lifting PIR's at all.

The APA has been joined by the Australian Society of Authors and the Australian Print Industries Association, the Copyright Agency and the Copyright Council in condemning the recommendations of the report.