



**THE NEW ZEALAND
SOCIETY OF AUTHORS**

(PEN NEW ZEALAND INC) TE PUNI KAITUHI O AOTEAROA

SUBMISSION BY
THE NEW ZEALAND SOCIETY OF AUTHORS (PEN NZ INC.)
TO THE
THE AUSTRALIAN PRODUCTIVITY COMMISSION
IN RELATION TO
THE PARALLEL IMPORATION OF BOOKS

16TH DECEMBER 2008

Parallel Importation of Books,
Productivity Commission
GPO 1428
Canberra City ACT 2601
Australia

Introduction

The New Zealand Society of Authors (PEN NZ Inc.) welcomes the opportunity to make this submission on the Australian Government's study regarding the Parallel Importation of Books.

The New Zealand Society of Authors (PEN NZ Inc)

The New Zealand Society of Authors (NZSA) was established in 1934 as the New Zealand PEN Centre and has a long history as an advocate for the professional interests of New Zealand's writers. We act on behalf of writers by promoting and protecting their rights in New Zealand and overseas.

The NZSA is a member of the Copyright Council of New Zealand where it represents the interests of authors. The NZSA is also owner, along with the Book Publishers Association of New Zealand (BPANZ) of Copyright Licensing Limited, a non-profit company, which provides licensing services for the reproduction of extracts from books, journals and periodicals in New Zealand. NZSA, of course, obtains no direct benefit from this organisation.

The Society also has representatives on the Montana NZ Book Awards and NZ Post Book Awards management committees and is represented on the boards of the Burns Fellowship and the Christchurch Arts Festival. It is also represented on the New Zealand Book Council International Writers Programme selection panel. The Society administers the Ashton Wylie Charitable Trust Awards, the Foxton Fellowship, the Lake Ohau Fellowship, the Lillian Ida Smith Award, the Copyright Licensing Ltd Research Awards and the Janet Frame Memorial Award for Literature. A member of International PEN, the NZSA works closely with sister organisations overseas on matters of freedom of expression.

The NZSA currently has 1,280 members throughout New Zealand and due to our active involvement in the Public Lending Right Bill our membership has increased of late.

Overview

The New Zealand Copyright Act was amended in 1998 to allow for the importation and public issuance (whether by sale or otherwise) of any legitimately produced work into New Zealand, regardless of its location of production or intended market.

In September 2007 the NZ Ministry of Economic Development commissioned a review by LECG to evaluate the effects of parallel importing on the creative industries in NZ, with initial focus on book publishing, sound recording, computer software and the film industries.

Findings within the book publishing sector include:

- A slowing in industry growth – a Colmar Brunton survey showed that '36% of publishers say their business is growing whilst 12% say it has declined'.
- An increase in bookstores bringing in books (mainly from the US), in particular in the educational and technical area, and particularly at tertiary level.
- Overseas publishers supplying children's remainders directly to NZ booksellers when local agents represent those titles.
- Large multi national publishers have withdrawn their distribution infrastructure in direct response to the market conditions resulting from parallel imports.
- Our local educational publishers invest highly in training and sales back-up. Parallel importers do not generate demand for their books through such activities. Local institutions are learning about books from the local publishers, and then sourcing the product directly from overseas.

The distribution infrastructure is the area that has been most affected, with obvious flow on effects. As long as parallel importing is allowed, the risk to IP and incomes is high and cannot be guaranteed.

The report suggested that 'a ban on parallel importing would provide an environment where more players would invest in people and operations in the NZ market because their ability to get the return on their investment would be more secure.'

Issues

It is clear from this September 2007 Review that a detrimental effect on the publishing industry has been experienced since the introduction of Parallel Importing in NZ. With the fast growing digital publishing sector, it is important that a stable environment be maintained wherein Intellectual Property is protected. In an open market, territorial rights cannot be guaranteed leaving the industry vulnerable.

The New Zealand Society of Authors (PEN NZ Inc.) is concerned about the effects of the introduction of parallel importing in Australia on the local publishing industry and its spin-off effects on the New Zealand industry.

Recommendations

The New Zealand Society of Authors (PEN NZ Inc.) wishes to urge the Australian Government to maintain the current provisions under the Copyright Act 1968 that restricts the parallel importation of books.

The New Zealand Society of Authors (PEN NZ Inc.) strongly supports the submission by the Australian Society of Authors.

The New Zealand Society of Authors (PEN NZ Inc.) has registered our interest in the study, and wishes to be kept informed about the progress and key dates.

Yours sincerely



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New Zealand Society of Authors (PEN NZ Inc)

Cc Australian Society of Authors