



16 April 2009

Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioners,

Re: Copyright restrictions on the parallel importation of books. (PIRs)

The Australian Manufacturing Workers Union (AMWU) has made a submission to this inquiry and attended the Melbourne round table session. We wish to make some further comments based on the Discussion Draft and the round table.

The AMWU has made its position clear regarding the retention of PIRs so the publishing and printing industry will not be decimated. We are concerned with various elements of the Discussion Draft, (Draft) particularly the assumption that prices of books will fall. Appendix D, outlining price comparisons was delayed from the Draft. This is obviously a crucial piece of evidence and its delay is regrettable. The Commission itself however, cautions in Appendix D:

"that price comparisons of this type are unable to provide a precise indication of the effects of the PIRs on book prices in Australia"

We have taken particular notice of the submission of Henry Rosenbloom of *Scribe Publications* where he gives specific examples of book pricing using a formula where the Australian versions would retail for less. The Draft is inconclusive on the matter of whether or not book process will fall if PIRs are removed. There are many other variables around pricing which make a comparison exercise difficult. In this regard, we note the submission of *Penguin Australia* where they point out, on pages 7 and 8 of that submission the flaws in a pricing exercise put forward by *Dymocks* Board member Bob Carr.

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The AMWU's primary concern regarding job losses in the printing industry has been ventilated in our submission. We draw the Commission's attention to the submission of *Allen and Unwin* where they predict a closure on one of the two main printing facilities being McPherson's and Griffin Press. The ACCC rejected a merger of these two companies based on any such merger leading to less competition and higher prices. The AMWU's analysis and experience with the industry supports this conclusion.

The 90 day re supply rule, according to estimates made by Printing Industries Association of Australia, accounts for about 38% of the print market. To take out 38% of print work means that most likely two of the major printers would close, leaving only one. McPherson's and Griffin have the capability for long print runs, with Ligare's capability up to around 15,000.

The situation would then be that the one survivor, during the 12 month PIR period, would have a monopoly, with the re supply being 'dumped' copies from overseas. The Melbourne round table discussed the notion of extending the 12 months PIR as recommended in the Draft to 2 years. Given the abolition for the re supply rule, this would have the same devastating impact as outlined above, being the closure of two print companies.

The AMWU whilst obviously greatly concerned for our members and potential job losses of our members is equally concerned about the potential loss of income for Australian authors should PIRs be removed. We support the notion of protection for works of authors from the unrestricted copying of their works without any payment to them. The cultural aspects of Australian produced works is also worthy of protection. Without the certainty offered by PIRs, publishers would not be able to nurture and promote works with an Australian identity reflective of our culture.

The weight of evidence and opinion that all sectors of the industry have provided, including authors, publishers, printers and most booksellers that removal would have on the various sectors should not be ignored. We implore the Commission to *not* recommend any changes to the current regime in its final report to Government.

Yours sincerely,

Steve Walsh
National Secretary
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