Supplementary Response from Griffin Press

April 2009

Restrictions on the Parallel Importation of Books

Griffin Press submits this supplementary response to the Productivity Commissions’ Draft Report of March 2009.

The report proposes a number of changes mainly that Parallel Import Restrictions (PIR’s) protection applies for 12 months from date of publication and that a further review is held five years after implementation of the changes.

Griffin Press are concerned that the proposed changes will weaken the ability of local publishers to continue to invest in the ongoing development of their publishing list through existing and development of new authors; ultimately resulting in a reduction in locally published titles. Further to this applying PIR’s for only 12 months from publication places the reprinting and supply of backlist titles into an unrestricted market, jeopardising 40% of our business.

The combination of reduced new local publishing and the additional impact of a drop in reprint volumes will lead to a loss of jobs in the print and allied industries (refer to our submission January 2009 regarding additional South Australian jobs), increased raw material costs as volumes reduce and ultimately an increase in print values, a contradictory result to the objective of the commission to provide cheaper books to the Australian public.

An outcome that delivers higher prices and a loss of jobs does not contribute positively to the “well being of the community”.

The commission also proposes a review 5 years after adoption of the proposed changes. This suggestion creates uncertainty for future investment which by necessity in the printing industry are not short term decisions. To be faced with the distraction of a further review and changes in five years creates an untenable position for companies looking to invest for a sustainable future in the industry, without some certainty book printers will limit their investment, will not update to innovative
workflows and machinery which will conversely limit the opportunity to maintain existing pricing levels and put further upward pressure on pricing.

The majority of submissions to the commission sought a continuation of the existing arrangements pertaining to parallel import restrictions, a continuation supported by booksellers who theoretically have the most to gain from a change to PIR.

What the draft report and its proposed changes deliver to the Australian Book Publishing and Printing industry is significant risk, risk to an industry that has benefited positively to the 1991 PIR amendments, in this time Australian publishing has flourished and developed many fine local authors for domestic and international consumption, the book printing industry has been the recipient of increased volumes which has allowed Griffin Press to reinvest millions of dollars into our workflow’s, machinery and the South Australian and Australian economy, with further industry investment delivered by McPherson’s and other major local book printers.

The recommended changes from the March 2009 draft aside from delivering increased risk in a period of economic uncertainty do not deliver a guarantee that downward pressure will be placed on book prices. The majority of industry players have pointed out the positive benefits that the existing PIR’s have delivered to the Australian community as a whole, culturally and economically; the proposed changes deliver no enhancement to the industry nor do they deliver proven benefits to the consumer.

Griffin Press urges the commission to continue with the existing PIR’s with minor adjustment as recommended by the Printing Industries Association of Australia.