

**CHRIS BOWEN MP
ASSISTANT TREASURER
MINISTER FOR COMPETITION POLICY &
CONSUMER AFFAIRS**

MEDIA RELEASE

7/11/08

**PARALLEL IMPORT RESTRICTIONS ON
BOOKS TO BE REVIEWED**

The Assistant Treasurer and Minister for Competition Policy and Consumer Affairs, the Hon Chris Bowen MP, today requested the Productivity Commission to examine the provisions of the *Copyright Act 1968* that restrict the parallel importation of books into Australia.

The announcement follows the Council of Australian Governments' agreement that the Commonwealth would request the Commission to undertake a review of the restrictions.

Under Australia's copyright law there are provisions that allow Australian publishers 30 days to publish an Australian version of any book that has been released anywhere in the world. If the book is published within 30 days, all booksellers are obliged to purchase the publication from the Australian publisher and cannot import the book from an overseas publisher.

The Commission has been asked to examine whether the restrictions further the objectives of the Copyright Act and whether they provide a net benefit to Australians. The Commission has also been asked to identify any options for reform of the provisions.

The Commission is required to provide a final report within 6 months.

"Any policy reforms in this area will be aimed at enhancing Australia's longer term growth prospects," Mr Bowen said.

As part of the review process, the Commission will provide an opportunity for public participation. All interested parties are invited to make a submission.

To register an interest in the study or to find out more, details are available from the Commission at www.pc.gov.au or phone 02 6240 3239.

The terms of reference for the review are attached.

Media Contact: James Cullen 0409 719 879

TERMS OF REFERENCE

COPYRIGHT RESTRICTIONS ON THE PARALLEL IMPORTATION OF BOOKS INTO AUSTRALIA

The Productivity Commission is requested to undertake a study on the current provisions of the *Copyright Act 1968* (the 'Copyright Act') that restrict the parallel importation of books and report within 6 months of receiving this request.

Context

The Council of Australian Governments (COAG) has endorsed a new competition reform agenda designed to enhance Australia's longer term growth prospects. To advance this work, a number of priority areas have been identified for review. The Productivity Commission is requested to provide advice on the potential for reform with respect to the parallel importation of books.

Background

The Copyright Act gives authors (which includes creators of literary and artistic works) a number of exclusive rights over their original works which provide an economic incentive to promote the creation and distribution of new works for the benefit of the community.

Within these rights, copyright owners through their licensing arrangements, are able to prevent the importation into Australia of books that have been lawfully published in another country (ie 'parallel imports'). The operation of these provisions potentially results in higher prices and less availability of books to the disadvantage of Australian consumers.

In 1991 amendments were made to the Copyright Act restricting the use of the rights with respect to imported books. Essentially, the amendments permit the parallel importation of lawfully published books where there has been a failure to supply the Australian market once the book has been published in another country. These changes were intended to address concerns about delays in obtaining copies of overseas books.

However, there are a range of views about whether the provisions result in significantly higher prices for Australian consumers compared to other markets.

Scope of Study

In undertaking this study, the Commission is to examine the present provisions with respect to the parallel importation of books – which include exceptions to copyright – having regard to, and where possible quantifying:

- the extent to which the provisions promote and achieve the objectives of the Copyright Act;
- whether the provisions amount to a restriction on competition;
- if so, the costs, benefits and effects of the restriction;
- whether the benefits to the community from the present provisions outweigh any costs from restricting competition; and
- any identified options for reform, including non-legislative approaches, and any transitional arrangements.

Key Considerations

In conducting the study the Commission shall have regard to:

- the impacts on all relevant industry groups including authors, publishers, printers, distributors, retailers, consumers, libraries and educational institutions (including small and medium business);
- the intended objectives of the parallel importation provisions within the overall policy framework of the Government including competition, intellectual property, trade and industry policies;
- approaches adopted in comparable other countries;
- relevant rights and obligations under international treaties to which Australia is a party; and
- the conclusions and recommendations made in other relevant reviews and the views of relevant stakeholders.

The Commission is to undertake an appropriate public consultation process including the invitation of public submissions.