

Book importation barriers are a tax on readers

*“PIR’s will ultimately harm Australian publishers, authors, and readers,”
ADA Chair Derek Whitehead OAM.*

The Australian Digital Alliance (**ADA**) has expressed its disappointment at the decision by the Australian Government on 11 November to maintain the ban on the parallel importation of books, which is effectively a tax on readers.

The Australian Government rejected the June 2009 recommendation by the Productivity Commission to remove restrictions on the parallel importation of books. Parallel Importation Restrictions (**PIRs**) prevent booksellers from importing a book if an Australian publisher makes the same book available within 30 days of its international release.

In doing so, the Australian Government acceded to pressure from a vigorous, high profile, and emotion laden campaign by publishers that championed the interests of a few Australian authors. The ADA is disappointed with the lack of an outcome from the sixth inquiry into PIRs since 1988 – all of which have recommended reform.

ADA Chair Derek Whitehead OAM said: “PIRs are about competition – not copyright. The decision ignores the economic evidence, the importance of competition, and the objectives of copyright law.”

“The rights granted by copyright law provide Australian authors with sufficient protection to encourage their continued intellectual efforts. These efforts have produced the lively and popular Australian writing and publishing scene of today. To assert that Australian authors and their public have achieved this only because they were protected from overseas competitors charging lower prices is unfair and denies these achievements.”

The ADA believes that PIRs have been retained in the hope that if publishers are protected, they will take commercial risks and support new Australian talent. However, the Productivity Commission’s analysis revealed that 60% of the assistance provided by PIRs goes to foreign companies and authors. PIRs are an incredibly indirect mechanism to encourage investment in Australian authors. They are a tax on readers.

Bookstores will continue to be forced to sell the monopoly priced versions of the same books that are cheaply available from overseas. Higher prices will reduce access to information, an outcome contrary to one of the key objectives of copyright law.

“The speed of technological advancement in our digital age is rendering PIRs obsolete,” Mr Whitehead said. “PIRs and GST do not apply to books sold online from overseas. If domestic booksellers cannot be competitive, then they will lose a further share of the market to online overseas booksellers. This will ultimately harm Australian publishers, authors, and readers.”

The ADA is a coalition of public and private sector interests formed to promote balanced copyright law. ADA members include universities, libraries, schools, museums, galleries, IT companies, and individuals.

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