

## Media Release

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### Productivity Commission “increasingly desperate”

**The Productivity Commission’s response to a critical analysis of its report on book copyright shows it is getting increasingly desperate to defend its discredited price analysis, Australian publishers said today.**

Early this month, the Australian Publishers Association released a report by two leading European economists which warned that the Commission’s recommendation to abolish Australian territorial copyright for books lacked adequate evidence.

They warned that the Commission’s analysis of international book prices did not take exchange rate risk to account, ignored freight costs, did not show that differences in book prices were statistically significant and did not take account of the risk of market dominance.

APA CEO Maree McCaskill said today that the Maurer/Walzl report commissioned by the association had clearly hit the spot.

“Yesterday, the Productivity Committee issued a highly unusual response rejecting the warnings of two of Europe’s leading economists working in this area,” Ms McCaskill said.

“One footnote in that response, however, made two key admissions about the Commission’s rigid, academic thinking on this issue.

“It said first that ‘a finding that the PIRs [Parallel Import Restrictions] have no impact on book prices in Australia would not be sufficient to justify their retention.’

“Then it said that ‘even if repeal of the PIRs were to cause the cost of books to booksellers to fall but these savings were not passed on to consumers ... the repeal of the PIRs would still provide benefits’.

“The Commission is getting increasingly desperate,” said Ms McCaskill.

“Now its discredited price and competition analysis is being called into question by highly credible economists, the Commission is saying that even if the retail price of books did not change, it wouldn’t matter.

“That will be news to the public, who have been told over and over this is all about cheaper books.

“These latest admissions show that the Commission had its mind made up from the start and no amount of hard evidence would have changed that.

“It’s time the Government filed the Commission’s report under ‘could do better’ and talked seriously to the publishing industry about the future,” Ms McCaskill said.

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