
Policy developments

Books and computer software prices

The Minister for Financial Services and Regulation, the Hon. Joe Hockey MP, has asked the Commission to inquire into the potential consumer benefits of repealing the importation provisions relating to computer software and books.

The Government is considering repealing the provisions following on from the recent changes to the parallel importing restrictions on sound recordings, and recommendations made by previous PSA inquiries into the effect of parallel import restrictions on computer software and books.

As part of this inquiry the Commission has been asked to provide up-to-date international price comparisons to those provided by the PSA in the past.

Although the Commission may consult relevant interest groups, the inquiry is not a public inquiry under the Prices Surveillance Act.

The Commission reported to the Minister on 21 March 1999.

Newspaper and magazine distribution

On 31 March 1999 the Commission submitted its report related to newspaper and magazine distribution arrangements to the Minister for Financial Services and Regulation, the Hon. Mr Joe Hockey MP. The report contains the outcomes of recent consultations between industry participants in news print distribution.

Over 80 meetings have been held since December 1998, including with the Minister, publishers, newsagents, sub-agents and convenience stores.

The consultation process followed a ruling by the Australian Competition Tribunal in November 1998 that certain aspects of the current arrangements breached the Trade Practices Act.

The Tribunal was asked to review the Commission's December 1997 determination concerning the arrangements.

The Commission's determination revoked authorisations granted to certain newspaper and magazine publishers'/distributors' and newsagents' organisations in the 1980s, and granted substitute authorisations allowing the arrangements to continue until February 2001. The substitute authorisations were granted to allow relevant parties sufficient time to prepare for deregulated distribution arrangements.

The Commission's determination to revoke the current authorisations was based on its assessment that the authorised arrangements no longer delivered public benefits sufficient to outweigh anti-competitive detriments arising from the arrangements.

In its review of the Commission's decision, the Tribunal determined that there had been a material change of circumstance since the authorisations were first granted and that the authorisation should be revoked. It accepted argument in favour of a transition period.

It also sought to identify mechanisms that might be applied during the transition period that would be conducive to achieving a deregulated market.

On 25 November 1998 the Minister asked the Commission to assist him in consulting stakeholders in the newspaper distribution industry to identify relevant issues raised by the Tribunal decision.

The Commission's report contains commercially sensitive information and will not be publicly released at this time.