

Books, computer software and newsagents

In March the ACCC made two reports to the Federal Government, both requested by the Minister for Financial Services and Regulation, The Hon. Joe Hockey MP. One was in relation to the potential consumer benefits that would result from repealing the importation provisions of the Copyright Act 1968 as they apply to books and computer software. The other was in relation to the future of the newspaper distribution system in Queensland, New South Wales and the Australian Capital Territory.

Books and computer software

To provide a balanced assessment the ACCC compared prices in Australia and overseas as well as considering the likely impact of an open market on producers, distributors and retailers.

In relation to books the ACCC found significant price differentials between Australian and US mass market best selling paperbacks (the US being cheaper). The comparisons in relation to hardbacks were complicated by the fact that most books previously released in Australia as hardbacks are now released in a large format paperback format. Hardbacks are still the main format in the US, therefore it is difficult to compare like with like. There was also some

evidence of substantial price differences in technical and professional books.

In relation to software the ACCC found that only some top selling products are currently priced competitively with overseas. However, over the past 10 years there have been sustained price differences, and the current comparisons are likely to be influenced by the current low value of the \$A relative to the US.

On the question of availability, it appears not to be a significant issue in relation to computer software. For books, the 1991 amendments have generally improved the situation in relation to new releases, but the impact on back titles is less clear.

The ACCC conclusions were that there are substantial consumer benefits to be realised in an open market for both books and computer software. It recommended that the importation provisions be repealed. The recommendation in relation to computer software extended to console games that may be classified as 'cinematographic' works.

Newsagencies

Following the Australian Competition Tribunal's decision in November last year to revoke authorisations in relation to the newsagency arrangements in Victoria, Queensland, New South Wales and the ACT, the Government asked for the ACCC's assistance to consult with stakeholders in the industry for newspaper and magazine distribution and sales and to inform it of the relevant issues.

The ACCC was asked to take into account the Government's commitment to maintaining a newspaper home delivery system and achieving an equitable and commercially viable outcome for the industry.

After extensive consultations and on the basis of the issues discussed and comments received the ACCC reported that there is a sound basis for expecting that the industry will be able to move forward in a way that accommodates the Government's concerns and without the need for special regulatory Government intervention in the industry.

