

# ACCC FINDS AUSTRALIANS PAY TOO MUCH

Today the Australian Competition Consumer Commission (ACCC) released a report which found that while prices for CDs have been heading down since August 1998, Australians continue to pay higher prices for books and computer software than their overseas counterparts.

The ACCC found that the importation provisions in the Copyright Act restrict competition to the detriment of consumers by granting an import monopoly to copyright holders.

The ACCC report released today found that:

"The latest spot price comparisons show that despite recent falls in the value of the Australian dollar, Australians are still paying around 12% more, on average, for leading business software than their US counterparts." (ACCC Release, "ACCC Report points way for Cheaper Books and Software" 3/4/01)

"Devotees of popular PC games pay around 20% more than those in the UK and 5% more than New Zealand players." (ACCC Release, 3/4/01)

Of course, these higher prices are borne by Australian consumers, small business and industry, such as the domestic software industry. Why should we pay higher prices?

Under the Government's parallel importation amendments to the Copyright Act, small business will benefit from lower prices. They will get increased access to popular applications for word processing, database management, and graphical analysis.

In relation to book prices, the ACCC found that:

"On average, Australians paid around 44% more for fiction paperbacks than United States readers did in the 12½ from July 1988 to December 2000." (ACCC Release, 3/4/01)

"During the same period, Australians paid around 9% more than UK readers for best-selling paperback fiction." (ACCC Release, 3/4/01)

The ACCC's report suggests there are significant gains to be made once we lift the parallel importation restrictions on books and computer software.

I told the Parliament today that in 1998 the Government opened up the CD market, resulting in lower prices for CDs for Australian consumers. The result was that a significant drop in prices. For example, top 40 CDs that were once around \$30 now sell in Target and other discount stores for about \$21.

Earlier this year we introduced amendments to the Copyright Act that will remove parallel import restrictions on computer software (including computer games, console games and CD-ROMS) and books (including periodicals and sheet music). The amendments are listed to be debated in the House of Representatives this week.

The question is whether Labor will support the changes so that Australian businesses and consumers do not continue to pay higher prices for tools that are essential in the "knowledge nation".

Under Labor's 30 and 90-day "Use it or lose it" plan, it appears it will continue to line up with the multinationals. Under Labor's plan, parallel import rules will maintain the monopoly profits of the distribution cartels.

Labor's former Shadow Minister for Industry and Technology even acknowledged that Labor isn't interested in the interests of consumers of packaged software.

- *"The Government is moving towards a policy - they've announced a policy; we'll see the legislation soon, I assume, that will take away the rights of the creators and try to just drive down the prices. It's entirely driven by consumer interest."* (**McMullan, Sky News, 24/08/00**)

The Howard Government is driven by consumer interests.

Labor's interests will only make consumers the big losers. They will have less choice and will have to pay more for books, magazines, CDs and computer software.

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**Attorney-General**

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