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Strengthen, don't weaken: Deny big tech its copyright coup

Comment

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Australia is a small marketplace punching above its weight. We do a lot with very little and display innovation and entrepreneurship across every class of business.

So when a digital business entrepreneur, who has made a great and innovative success here, starts spruiking about how bad it all is, a touch of scepticism arises.

So it was when the CEO and co-founder of print-on-demand company, Redbubble, Martin Hosking wrote in these pages last week of the "major corporations and entrenched interests getting their way in Canberra". He was speaking about proposed changes to copyright law which he says are necessary for innovation. Well our current copyright laws haven't prevented Hosking from building a business that generates \$150 million a year and employs 200-plus.

So my question is, what exactly is Martin Hosking wanting? Why are all those big tech companies agitating in Canberra for looser copyright laws?

They're looking for a free ride on the coat-tails of other people's creative content so they can make some money out of it. Well, if none of us had innovation costs we'd all be able to add 10 per cent to our bottom line – but that's not how we do business.

As managing director of an Australian educational publisher, RIC Publications, I'm deeply concerned about the Productivity Commission's recommendations to water down

copyright laws.

I work with creative people producing cutting edge educational products, and I know that the value in creating digital content is in the IP – it's what investors invest in and allows us to continually invest in education

materials for the future? If the IP has no value, will investors still be interested in the industry?

The impact of what the Productivity Commission is suggesting will be devastating on Australian publishers and authors who are creating these locally produced resources. There will be nothing there to protect the investment that companies have made for Australian content. The very soul of Australia and what it means to be Australian, is what is delivered through our education system and each product that is created is done with a distinct Australian focus. Our content is unique.

In Canada, where changes to copyright law have had notably bad effects on local publishers. We along with many others have stopped publishing there and we now only export Australian titles to Canada. That might be an upside for Australian publishing exports but not so great for Canadian teachers and students who might have preferred to learn from authors writing from a Canadian perspective.

A report by the Washington economic think tank, the Phoenix Centre has some light to shed on the kind of copyright regime we need in Australia – which, as I don't need to point out to readers of this page – is a far different market than the United States with its 320 million people.

The report's author, economist

George S Ford, points out there is zero evidence to suggest that relaxing copyright laws is beneficial to promoting "innovation". He cites Ernst and Young's cost-benefit analysis of changes to the Copyright Act 1968, completed for the Australian government and released just before Christmas which found that there is a distinct lack of evidence on the way copyright law is constraining the activities of big tech companies.

Indeed, the Ernst and Young report noted that it is widely acknowledged that the "relationship between

copyright flexibility and innovation is both limited and inconclusive ..."

The Productivity Commission's proposal to weaken copyright is wrong-headed. At the centre of the commission's argument is the general belief that copyright rules should be relaxed because we have moved into the digital age and, therefore, weakened copyright protections will somehow promote innovation.

But as Ford's economic analysis clearly shows, the opposite is true. He finds the key reasons that proponents for watering down copyright give, such as the lower costs of copying, distribution, and production, actually suggest the rules around copyright should be made stronger – particularly in smaller markets with high rates of copyright theft and high costs of enforcement, such as Australia.

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