

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2016
Communications Portfolio
Department of Communications and the Arts

Question No: 42

Program 2.1

Hansard Ref: Written, 27/10/2016

Topic: Transformation of Australia's copyright framework – Draft Report

Senator Carr, Kim asked:

1. Regarding the Productivity Commission's proposal for a significant transformation of Australia's copyright framework in its draft report, released on 29 April 2016:
 - (a) What modelling or consultation has the Department undertaken on the potential effects of this proposal on the book industry's viability and on our national cultural production?
 - (b) What specific measures does the Department employ to take into account the value to the nation of intangible benefits such as national identity, local literary and artistic capacity, and cultural enrichment?

Answer:

1.
 - (a) The Productivity Commission's Draft Report contained a number of copyright-related recommendations and findings. These were supported by the Commission's own analysis. The Commission's Draft Report contains detailed analysis of some proposals that might impact on the book industry and the production of Australian works (e.g. the introduction of a fair use exception). In other areas, its focus is to reinforce support for conclusions made in previous inquiries.

The Department of Communications and the Arts has met with a range of stakeholders to discuss these recommendations and findings, including the impact that these may have on copyright rights holders and the creation and production of Australian works. This includes members of the book industry.

In terms of specific modelling, an Ernst and Young (EY) Cost Benefit Analysis (CBA) considered the economic impact of the introduction of the Australian Law Reform Commission's recommendations, in its 2013 report *Copyright and the Digital Economy*, relating to a 'fair use' exception (which was also the Productivity Commission's draft recommendation) or consolidated fair dealing exception. While the EY CBA was commissioned before the Productivity Commission's Draft Report, its analysis is relevant because it considered the cost benefit impact that these ALRC recommendations would have on copyright rights holders. The EY CBA does not consider the economic impact of removing parallel importation restrictions.

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- (b) The Department manages a range of arts programs, including Indigenous arts and language, screen, literature, visual arts and supports regional arts and cultural initiatives, which effectively support local literary and artistic capacity, cultural enrichment and national identity. Further support is provided through the work of arts portfolio agencies including the national collecting institutions and the Australia Council and Screen Australia. While intangible benefits are by their nature difficult to quantify, they form part of the assessment framework for these support programs.