

Subject: (Late) submission for IT pricing inquiry
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Mr Nick Champion MP
Chair
House Standing Committee on Infrastructure and Communications
By Email:

Dear Mr Champion

I understand that your committee is conducting an inquiry into IT pricing, and would urge the committee to focus in particular on the pricing of e-books. Affordable books are fundamental to a civilised society. It is through books that children are exposed to new ideas and it is through books that many of us as adults broaden our experience. As Australians increasingly switch to e-books, the affordability of e-books will be critical to Australia's future as a knowledge economy.

In particular, I urge you to focus on the market behaviour of Amazon with their Kindle product. Attached is a speech in which I raise three issues about the Kindle: access to new models of the device for Australians, access to a full catalogue of books for Australians, and access to books at similar prices to those paid by US readers.

A simple solution to my concerns would be for Amazon to treat Australian purchasers exactly like US purchasers on its site (ie. not to prevent them buying certain products, and not to force them into buying zone-specific products). It would be useful for your committee to determine directly from Amazon whether this is possible, or whether their suppliers' agreements prevent it. I attempted to make contact with Amazon prior to giving my speech to the House, but received no reply. I hope you have more luck.

I would be happy to provide evidence to your committee if that would be useful. I also encourage you to solicit evidence from Richard Denniss and Joshua Gans, who I know have been thinking deeply about how to solve these problems.

Best wishes for a successful inquiry.

Yours sincerely,

Andrew Leigh.

Encl: Speech from 28 June 2012.

Andrew Leigh
Federal Member for Fraser
www.andrewleigh.com





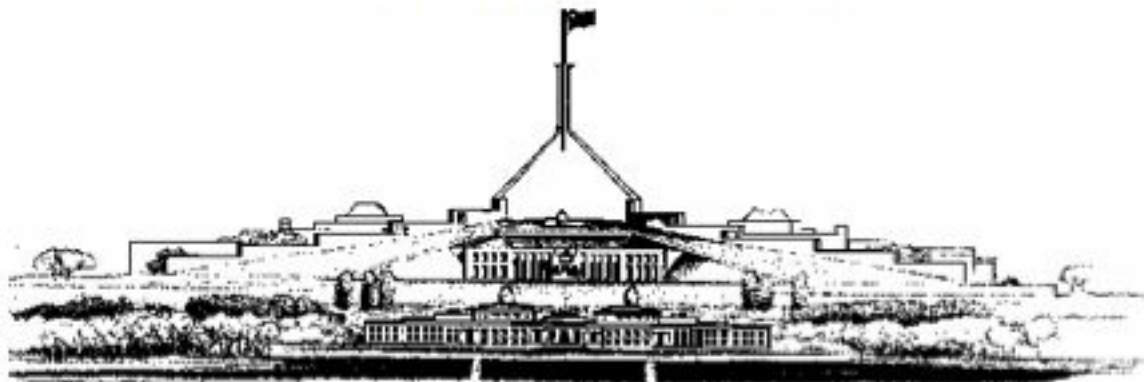
Andrew Leigh MP

FEDERAL MEMBER FOR FRASER



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

ADJOURNMENT

Amazon Kindle

SPEECH

Thursday, 28 June 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Thursday, 28 June 2012	Source House
Page 103	Proof Yes
Questioner	Responder
Speaker Leigh, Andrew, MP	Question No.

Dr LEIGH (Fraser) (11:16): Access to many and affordable books is an important component of a civilised society. It is through books that children are exposed to new ideas and it is through books that many of us as adults broaden our experience. Indeed, one of the last things I wrote while as an academic was a survey of the books that federal parliamentarians were then reading which turned into an article with my friend Macgregor Duncan. Reading opens new worlds and makes us better people. It is in that vein that I urge the House to place pressure on amazon.com to provide better and cheaper access to books through the Amazon Kindle.

I draw the House's attention to three ways in which Australians are restricted in their access to one of the world's largest collections of e-books. The first is limitations on access to the Kindle itself. While Australians have access to some Kindle models, others—the Kindle Fire, for example—will not be delivered to Australia. Such are the limitations that Amazon has placed on its deliveries that third parties have now set up with the sole purpose of forwarding on Amazon products from US addresses to Australian addresses. It should not be that way. Australians should have access to the Kindle Fire as well.

More important is access to the range of books that are provided on the Kindle. According to Delimiter figures, if one looks at fiction books, a United States Kindle reader can access 501,610 books; an Australian reader, 456,237 books—a difference of 45,000 books available to US readers but not Australian readers. For nonfiction, the gap is larger: US readers get access to 930,139 titles; Australians to 723,852 titles—a difference of 206,000 titles. For magazines: 450 titles available to US readers and 183 for Australian Kindle readers—a difference of 267. So fewer books are available to Australian readers. Australian Kindle readers are unable to access the full Amazon catalogue.

In addition, some books are more expensive for Australian readers than they are for United States Kindle readers. For example, quoting prices in US dollars: *Gone with the Wind*, \$14.05 for an Australian reader, \$13.99 for a US reader, \$12.71 for a UK reader; *The Colour Purple*, \$12.04 for an Australian reader, \$8.50 for a US reader, \$7.94 for a UK reader; and, appropriately enough, *The Book Thief*, \$12.93 for an Australian reader, \$9.99 for a US reader, \$7.83 for a UK reader. Some books are cheaper in Australia, but the analysis done by teleread.com suggests that for many books Australians are paying higher prices than Europeans, Latin Americans and people in the United States. Expanding access to a larger catalogue of Kindle books is absolutely essential since the world is moving to an e-book world. Paper books will exist for some time to come, but increasingly younger readers will begin on e-books and that will be their entire experience. Having access to the world's knowledge at an economical price is important for our education system and also for the strength of the Australian economy. Part of the problem is the limitations of copyright law that allow territorial restrictions imposed by e-book retailers seeking to limit access; however, part of it is simple differential pricing, and I urge Amazon to abandon it. I commend the member for Chifley for his work on access to digital products for Australians in general and urge the committee that has been established on his instigation to include e-books in its remit. Access to the world's knowledge is as important as access to the world's music, and Australians have a right to be treated equitably by Amazon.com.