



AUSTRALIAN
COPYRIGHT
COUNCIL



***Submission to Review of the National
Innovation System***

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About the Australian Copyright Council

The Australian Copyright Council is a non profit company. It receives substantial funding from the Australia Council, the Commonwealth Government's arts funding and advisory body. The Copyright Council provides information about copyright via its website, publications and training, provides free legal advice about copyright (principally to creators and arts organisations), conducts research, and represents the interests of creators and other copyright owners in relation to policy issues.

There are 23 organisations affiliated with the Copyright Council, each of which has members who are creators and/or owners of copyright material. Some of these affiliated organisations are making separate submissions to the Review of the National Innovation System (the Review).

Role of copyright in innovation

The purpose of copyright law is to provide incentive and reward for creative endeavour. It is thus an important mechanism for promoting innovation. Copyright law has a long history, but has evolved to adapt to new technologies, new forms of creative expression and new ways of doing business. Despite predictions that it would have no role in the online economy, copyright law and practice have developed for the online environment.

The role of copyright in the online environment is not always immediately apparent. For example, licence schemes which have been developed to allow "free" use of content, such as open source licences for software and Creative Commons licences, are dependant on copyright law, as they are subject to certain terms and conditions which, if breached, result in infringement of copyright.

Copyright supports business models such as online advertisement-based revenue, in a similar way to its support for advertisement-based revenue for free-to air television: the business models are dependent upon the exclusivity of the content.

We are aware that some people see copyright as a barrier to, rather than a facilitator of, innovation. In our experience, such views are usually based on misunderstandings about the objectives of copyright law and the way copyright it operates in practice.

We seek confirmation in the Review's Green Paper of the role of copyright in promoting innovation, and the desirability of copyright law and practice continuing to evolve in response to technological and other developments.

Contribution of copyright to the economy

In a report for the Australian Copyright Council and the Centre for Copyright Studies published in 2001, The Allen Consulting Group found that in 1999–2000 Australia's

copyright industries contributed \$19.2 billion in industry gross product – 3.3 percent of Australia’s Gross Domestic Product (GDP).¹ This was a significant increase from the 2.2 percent of GDP calculated in 1980–81.

Over the period 1996–97 to 1999–2000 the copyright industries grew at an average annual growth rate of 5.7 percent – compared to 4.85 per cent per year for the total economy over the same period.

In June 2000, 3.8 percent of Australia’s workforce (345,000 people) was employed in copyright industries. This is similar to employment levels in sectors such as government administration and defence, and personal and other services. The annual average growth rate of employment in the copyright industries was 2.7 percent, compared to 2 percent for employment over the economy as a whole.

The Copyright Council has commissioned an updated study of the contribution of copyright-based industries to the Australian economy, which will be provided to the Review.

The Review may also be interested in the following studies published by the Centre for Copyright Studies:

- *Economic Perspectives on Copyright Law* (The Allen Consulting Group);
- *The benefits and costs of copyright: an economic perspective* (Megan Richardson, Joshua Gans, Frances Hanks and Philip Williams); and
- *The law and economics of copyright, contract and mass market licences* (David Lindsay).²

Copyright education and awareness

There is a need for more education about copyright, including in schools. This is particularly important for students who may in the future want to pursue careers based on their creative output, such as design, photography, writing or music. Copyright forms an important part of the business skills necessary to successfully pursue such a career. Even for students not interested in pursuing such a career, increasing opportunities for user-generated content means that consumers are often also creators. Even if they are not interested in earning income from their content, they are interested in how copyright can enable them to prevent uses of their content that they regard as unacceptable, such as commercial uses without their consent. We think it is fundamental that education initiatives cover the objectives of copyright, and how the rights can be used, to provide a context for copyright obligations.

We would like to see copyright issues included in school curricula. Early introduction to the basic principles of copyright would counteract some of the myths and misunderstandings that result from lack of awareness, and assist students to earn an income from their creativity.

¹ *The Economic Contribution of Australia’s Copyright Industries*, Sydney, 2001. The report is available from the Copyright Council’s website at www.copyright.org.au/research.

² These papers are available on the Copyright Council’s website at www.copyright.org.au/centrecopstudies.htm.

We are aware that there have been some proposals to “simplify” copyright legislation in order to make the law more “accessible” to people affected by it. While we acknowledge that there are some areas in which the Copyright Act could be clarified from a legal point of view, we think that enhanced understanding of copyright rights and obligations will not be achieved by amendments to the Copyright Act; that objective should be addressed by explanatory materials and education.

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