

SPINIFEX PRESS
SUBMISSION ON PRODUCTIVITY COMMISSION ISSUES PAPER

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PART 1

Spinifex Press PTY LTD is a small independent feminist press established in 1991. We are a local commercial enterprise with a decidedly international market. We have sold rights into twenty-two languages as well as into seven English-language territories. The publishers and founders have extensive knowledge of the publishing industry.¹

The news in the last few days for Australian writers and publishers has been bad. You've probably read about how books will now be cheaper for consumers. But what does this really mean? What are the implications for the Australian book industry?

Let me point out first that the word 'publisher' means a multiplicity of things. It means Penguin Random House, the world's biggest English-language publishing house comprised of the merger of two of the largest publishers in the world. It means a tiny poetry publisher with a few titles per year. It means Spinifex Press, an independent feminist press. It means Amazon.com, a company that benefits from being both a monopoly (a single seller) and a monopsony (a single buyer).²

A further clarification to be made is what work is involved in bringing a book to the market? First of all there is the work done by the writer. In many instances the writer spends one year, three years, sometimes ten years or more writing a book. This work is rarely adequately paid for, though consumers are likely to hear only about the big winners: of bestsellers or winners of large awards. These are big exceptions outside the norm. Macquarie University researchers this year have documented the mostly very low earnings of writers. Most writers work a second job and those in the top 25% of authors earn relatively low amounts from their artistic practice: education authors: \$16,500; children's authors: \$14,000; genre fiction authors: \$11,000 and poets: \$4,900. Note: these are the top earning authors and none reaches the level of taxable income; 75% of authors earn less than these amounts.

When a writer is taken on by a publisher a series of intense hands-on activities follow:

- a contract is produced, talked through and agreed upon.
- editorial work on the manuscript begins; it may be fast and take a few weeks; in other cases it can be a drawn out process taking many months, including structural editing, re-writing by the author, back-and-forth conversations and emails followed by copy-editing.

- CIP is applied for from the National Library of Australia, allow ten days for this unless it is an urgent job.
- a cover designer brief is provided to a designer by the publisher. It includes ideas for images, size of text on the cover as well as the position of author name and title and any endorsements which might be added.
- typesetting, another hands-on task which usually takes at least a week, often a longer period in the case of more complex manuscripts. The first run often includes a sample setting in which the publisher and typesetter discuss page design, fonts to be used and the overall look of the finished book.
- preparation of index for non-fiction books, allow two weeks.
- proofreading must be done by both the author and the publisher after the typesetting is finished. It is then returned to the typesetter for any errors to be corrected.
- while the above production activities are going on a marketing and publicity plan is being developed. Forward notices (AIs) of the book's release are sent to media outlets, festivals, relevant conferences, networks and as the book approaches publication early copies might be sent out to any or all of the above.
- creation of eBook formats and uploading to relevant sites
- creation of metadata to be uploaded to Nielsen, TitlePage and other places
- the selling of a book to readers, to booksellers, to educational courses or special sales is also occurring at the same time.
- it is not possible these days to publish a book without a good web page to provide information to customers. This will change continuously pre-publication and post-publication. Social media sites are also important avenues for getting the word out about a book.
- the work does not stop on publication. Additional tasks include: sending out books purchased in the website; keeping track of sales, preparing royalties for the author; continuing publicity as appropriate avenues arise; attending sales conferences and book fairs to ensure good take up of a book in both the local and international markets. If a publisher has an overseas distributor (or several) then the marketing and publicity components have to be repeated and adjusted for the international markets. In the event of a rights sale (territorial, translation, film, audio etc) contracts have to drawn up, negotiated and signed.
- some of the above activities continue over many years. And this is for a relatively streamlined and unproblematic book title.

Having covered issues of definition and production, in the next section I will outline why ending the PIR set-up will be bad for both authors and publishers, especially publishers at the small end of the publishing scale.

A publishing company needs many skills including those of editor, designer, proofreader, accountant, counsellor, sales person, copy writer, publicist, tech wiz,

speech maker, writer of government submissions, grant writer, travel agent, lawyer, freight forwarder, business manager. In a large company these positions are given to individuals – or teams of people; in a small business just a few people do all these tasks.

PART 2

Territorial copyright, the ability to retain a market for copyrighted products, is fundamental to the publishing industry. As is obvious from the first section, the book publishing industry is labour and time intensive. While elements of the industry have been technologized, a great deal of it relies on human interaction and hands on work that precedes or follows that interaction.

When the government says that consumers will benefit by having access to cheap books, I say, it matters what is inside those cheap books. Do we want more cultural dumping on us than we have already from the big markets of the USA and Britain?

Books are the basis of many other cultural industries; think of *Les Misérables* based on Victor Hugo's novel, *Cats* which uses the poetry of TS Eliot as the basis of its script. In Australia, the recent success of the film, *The Dressmaker* (novel by Rosalie Ham) or previous films such as *Picnic at Hanging Rock* (novel by Joan Lindsay), *My Brilliant Career* (novel by Miles Franklin), *Rabbit Proof Fence* (novel by Doris Pilkington), *The Chant of Jimmie Blacksmith* (novel by Tom Keneally), is due to the prior existence of a book.

The changes made to Territorial Copyright in 1991 have made it difficult for Australian publishers – especially independent publishers – to gain territorial protection on the books we publish.

In the USA and the UK, a publisher can take on a book from another English-language market a year after its first release and not suffer territorial poaching. That is, the book is still the exclusive market of the publisher. In Australia there is an agreement between booksellers and publishers known as the Speed-to-Market Initiative which guarantees 14/14 days turnaround instead of 30/90 days. It might work for multinationals who pushed it through (I was at the meeting at which it was approved by publishers with me dissenting), but in the case of smaller independents it means that we cannot effectively hold the territorial rights. An example: Spinifex publishes a book with an Indian publisher. We get it out within the required time frame – but as a result we have to pay for air freighting the books – and we still find the Indian edition on retailer websites simply because the edition exists – *but the Indian edition is cheaper* and so it is the edition that will be sold.

An example is my own book, *Biodiversity: A manifesto for independent publishers* (RRP \$19.95). Published in 2014 by Spinifex, we sold rights to Canada who released their edition in March 2015. The Canadian edition is available on the Booktopia site for \$21.95 (discounted to \$19.25). The Spinifex edition is incorrectly listed as selling for \$39.95 when the correct local price is \$19.95

(discounted to \$32.35).³ This is the situation even before the Parallel Importation Restrictions are repealed. While this is an unfortunate error, such an error will no longer be an error but standard practice. In all likelihood it will substantially affect any publisher (read small because they are already overworked) who cannot spend a lot of time and money fixing these issues and who do not have sufficient market clout to make a difference to the practices of large retailers.

But it's not just the industry side of the equation that matters. Small publishers like Spinifex Press which is active in international markets, will have cheaper versions of our books available in the Australian market. It matters not whether they are published in the USA, Canada, UK or India or any other market, if they are cheaper, they will be undermining the work carried out by an Australian grown and Australian owned company.

The authors, whose books may have been sold into other territories, will risk having their books sold back into Australia – dumped – and therefore will attract lower royalties on the sales (this can be due to cheaper production costs overseas in bigger markets or because territorial rights were sold, but export copies standardly attract royalties based on net receipts not RRP).

The idea of competition is like the idea of equality. There are two ways of looking at it: opportunity for competition or competition outcomes. In the racing industry competition is based on outcomes because if there were no 'correct weight' or 'handicaps' there would be no uncertainty about which horse would win. The result would be no racing industry. The publishing industry is more like this than a situation where there is opportunity for competition. PIRs is based on the view that opportunity for competition is more important than competition outcomes. PIRs will result in the swamping of the market with overseas products (books) where the economies of scale are vastly different. The outcome of this 'competition' will be like a horse race without handicaps.

When I travel overseas to book fairs or conferences, people comment on the quality of creative work coming out of Australia. This has recently been borne out by the World Economic Forum stating that Australia is the most creative country in the world.⁴ My guess is that this has everything to do with creativity, not only in the arts, but also because there are hurdles to overcome caused by distance both within and outside the country. Australia is also the lucky recipient of stories, art, music and dance from the world's oldest cultures. It is also multicultural, and despite recent political shenanigans in this area, Australian society is generally welcoming. Finally, our social and political irreverence and our ironic sense of humour means that we can laugh at ourselves.

With the demise of PIR we risk what Vandana Shiva calls 'monocultures of the mind': a deluge of books from overseas, printed cheaply overseas, with lower royalty rates for authors than is standard in Australia. If this is what we want as a country, we can expect to see fewer Australian novels, collections of poetry and non-fiction titles on the shelves in bookshops. Instead we will have a harvest of imported goods which will severely effect Australia's bibliodiversity. We can also

expect to see in coming years fewer independent publishers and booksellers whose programs are likely to be the starting point for the next cultural wave.

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Renate Klein has been the editor of an international book series with Pergamon and Columbia Press and was European Editor of *Women's Studies International Forum*, an academic feminist journal. In 2015, she received the George Robertson Award for Service to the Publishing Industry. She is co-founder and Director of Spinifex Press.

² Amazon, through its retail market size has affected the pricing of books internationally driving down the selling price of books, and especially eBooks to unsustainable levels, this is accessing its power as a monopsony, a single buyer of books from publishers. When the competition founders the power of Amazon as a monopoly comes to the fore.

³ <http://www.booktopia.com.au/search.ep?keywords=bibliodiversity&productType=917504>

⁴ <https://agenda.weforum.org/2015/10/most-creative-countries-in-the-world/>