

Productivity Commission Submission from

Morry Schwartz

Black Inc

Books

Given the many other submissions that the Commission will receive, many of which will undoubtedly and relevantly focus on the effects that parallel importing would have on the Australian publishing industry and on Australian authors, we have decided to focus our submission on its effects on Australian society.

We will argue that books are at the apex of the media tree – that they are the most comprehensive, most thoroughly argued, most influential and the most permanent form of knowledge, culture and information in society. Books are placed above, and they inform the content of, journals, magazines, newspapers, television, radio and the internet. Of all forms, books generally have the most content, take the longest to research and write, have the highest hurdle to publication and have the highest level of authority.

Non-fiction books are the prime vehicles for ideas, knowledge, serious debate and the historical record. Books of fiction inform us in a very different, but no less profound way. They investigate culture, values, morals, the way we live our lives, the way we think and feel and relate to each other.

Books have long been, and remain, a profoundly critical agency in society.

We contend that it is crucial to consider carefully the place of books in our lives before making decisions about the laws that regulate their publication, and the effect that those laws have on the reach and influence of books.

Publishing

Publishers are promoters. They choose books and authors which in their opinion, and based on their experience, will have a market. They edit the books, package them, distribute and market them.

Book publishing is inherently not a very profitable business, and if a publishing house is to survive, it must promote its books by all possible means. Most books cannot justify much expenditure on paid advertising, it is simply not financially feasible. Book publishers have had to become highly creative and super-energetic at securing free media exposure and all other forms of free, or very low-cost, high-impact publicity. This is one of the main ingredients of a book's success.

Australian Rights

Publishers in Australia, whether locally owned or not, are always on the lookout for authors and titles that will fit their lists. Besides competing for local properties, many of them will be scouring forward lists of overseas publishers, especially North American (rights from Britain are rarely available), searching for titles which will sell in economic volumes in Australia.

The publication of books is very sensitive to economies of scale. This is due to two main factors. The first is the high cost of writing and editing a book, a cost that needs to be amortised over a large number of books, and the second is the nature of printing, with its high setup costs. Due to these factors, it is usually not possible to print fewer than, say, 4,000 or 5,000 copies of a title and give a book a chance of breaking even. So, a publisher will seek to buy rights to titles that it predicts can sell at least these numbers.

Parallel Importing

If parallel importing were to be allowed, publishers in Australia would not be able to feasibly buy rights for Australian publication. If retailers and distributors had the right to import copies of the book, to ride on the back of the publisher's publicity campaign, they would take significant sales from the publisher's edition and make local publication an impossible commercial risk.

So What?

If you take out the 'act of publishing' and rely solely on distribution and retailing, there is no doubt that only a fraction of what would have sold with a publisher's input would be sold.

So What?

This would mean that Australians would miss out. And if we accept, as I wrote above, that 'books are the prime vehicles for ideas, knowledge, serious debate and the historical record' and that they 'investigate our cultures, values, morals, the way we live our lives, the way we think and feel and relate to each other', then this loss will impoverish us.

The Huge Multiplier

You might argue that there is no significant difference between, say, 4,000 people reading a given title and, say, 2,000. Both these numbers are of the same tiny order of magnitude as a fraction of the total population. In fact the difference is huge when one considers the flow-on effects that result when a book is properly published.

As noted above, significant paid advertising is not feasible in Australian book publishing, and for a title to break even, a publisher must secure maximum 'free, or very low-cost, high-impact publicity'. This will include the correct

packaging for the local market; serialisation in magazines and newspapers; interviews and debates on radio and television; reviews; author tours; book signings; public lectures; lectures, debates and forums at writers festivals; promotions to reading groups; niche targeting of groups and organisations with an interest in the subject of the title; and countless other small strategies to maximise promotion. And the difficulty of each and every item above cannot be underestimated. One could not afford to do even a fraction of this publicity and marketing without copyright protection. (It's reasonable to wonder whether distributor/retailers could replace publishers if they were to attain the necessary publishing/promotion skills. The answer is clearly no, as they would simply face the same problems as the publisher, i.e. no protection and the risk of attenuated sales to the point of unfeasibility).

The point of this submission is to show that all of the publicity and exposure achieved for a title has two effects. The first is to maximise sales of the title. The second, far greater (if less directly intended) effect is to gain huge exposure for the content of the book, its ideas, its knowledge, its culture. Even if only 4,000 copies are sold, millions of Australians will be exposed to the contents of the book, which will enter the public discourse and the national psyche.

The act of publishing opens Australia to international culture. It is my firm conviction that the acts of distribution and retailing cannot achieve this, and I know of no instances in which they have done so. They could not achieve even a fraction of the exposure which is achieved by the act of publishing.

The Big Irony

The big irony is that opening the market to competition would have the effect of dramatically closing the market to ideas. It would do away with one of the most effective antidotes to the tyranny of distance.

Two Examples to Illustrate the Act of Publishing

Following are two examples of books that sold in greater quantities (proportionally) and had more impact in Australia than they did in their originating markets. This was due to the act of publishing into the Australian market.

Female Chauvinist Pigs by Ariel Levy – this book introduced the concept of “raunch culture,” sparked extensive coverage and debate following an author tour, and inspired several local titles on this subject.

Stuffed and Starved by Raj Patel – this book sparked extensive coverage and debate following an author tour.

An appendix to this submission follows, which gives further detail on the promotion of these two titles.

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Two examples of titles acquired for Australian publication and their promotion in Australia.

***Stuffed and Starved* by Raj Patel, published by Black Inc. in 2007**

Publicity Overview

Raj Patel successfully toured Australia in 2007, taking part in eight events across four cities – Perth, Brisbane, Melbourne and Sydney. The events involved a wide variety of audiences and organisations, including universities, writers’ festivals, non-profit organisations and bookstores. Raj Patel took part in two television interviews on SBS and over 20 interviews on ABC, commercial and community radio stations. *Stuffed and Starved* received extensive coverage across the major newspapers, including an extract in the *Courier Mail* and feature articles in the *Sydney Morning Herald*, *Age* and *Canberra Times*.

Detail

- Successful author tour, encompassing eight events across four cities – Perth, Brisbane, Melbourne and Sydney. The events involved a wide variety of audiences and organisations, including universities, writers’ festivals, non-profit organisations and bookstores.
- Extensive print media campaign, with major feature articles on the book in the *Sydney Morning Herald*, *Age* and *Canberra Times* (*Panorama* lift-out cover story), reviews in the *Australian Literary Review*, *Sydney Morning Herald*, *Age*, *Courier Mail*, and an opinion piece on the ABC News website. *Stuffed and Starved* was also listed as one of the ‘Best Books of the Year’ in 2007 by Peter Mares in the *Australian Book Review*.
- Raj Patel took part in two television interviews and over 20 radio interviews, mainly during his Australian tour. The television interviews were with SBS *Insight* and SBS *Dateline*. The radio interviews included ABC Radio National Breakfast, ABC Brisbane, ABC Perth, ABC Melbourne, ABC Darwin, Five AA, ABC Tasmania, Triple J, ABC Canberra, ABC Adelaide.

***Female Chauvinist Pigs* by Ariel Levy, published by Black Inc. in 2005**

Publicity Overview

Ariel Levy toured Australia in 2005, taking part in events in Melbourne, Sydney and Brisbane. Her events attracted huge audiences and involved high-profile social commentators, including Jill Singer, Sophie Cunningham and Mia Freedman. Ariel was interviewed on Channel Seven’s *Sunrise* program and ABC TV’s *Vulture* program, and took part in over 15 radio interviews across the ABC and commercial radio stations. *Female Chauvinist Pigs* featured widely across all major newspapers, including the *Age*, *Sydney Morning Herald*, *Weekend Australian*, *Herald Sun* and *Australian Financial*

Review. It also received countless references in opinion pieces and columns in a huge variety of print media, from the *Good Weekend* to *Cleo Magazine*, sparking vigorous public debate.

Detail

- Successful author tour across three cities – Melbourne, Sydney, Brisbane. The events included in-conversation discussions with high-profile social commentators including Jill Singer, Sophie Cunningham and Mia Freedman.
- Print media included feature interviews and reviews in the *Age*, *Sydney Morning Herald*, *Weekend Australian*, *Herald Sun*, cover feature of *Good Reading* magazine, *Sunday Age*, *The Big Issue*, *Canberra Times*, *Australian Financial Review*, with countless references in articles from the *Good Weekend* to *Cleo* magazine.
- Ariel Levy took part in two television interviews and over 15 radio interviews during her tour. She appeared on Channel Seven's *Sunrise* program and ABC TV's *Vulture* program. Her radio interviews included Vega 95.3 FM, ABC Radio National, ABC Sydney, ABC Melbourne, ABC Adelaide, ABC Perth, 6PR, 5 AA, Triple J, and 4BC.