

The Hon Michael Sukkar MP
Minister for Housing and Assistant Treasurer
The Treasury
Langton Crescent
PARKES ACT 2600

28 January 2022

Dear Minister,

2022-23 Pre-Budget Submission

As Australia's peak body and professional association for authors and illustrators, with a membership of approximately 3,500 creators, the Australian Society of Authors (**ASA**) welcomes the opportunity to make a submission to the 2022-23 Budget.

In our 2020 submission to the *Inquiry into Australia's Creative and Cultural Industries and Institutions*, the ASA set out a vision for the sustainability of Australian literature. We believe the literature sector needs improved Government investment to reach its full potential and to nurture the talent of the future who will tell the stories that will define their generation, fuel the broader arts and build the creative economy.

The opportunity to grow our literary sector is truly exciting.

For generations Australian literature has inspired us. It not only fires our imaginations, entertains and delights us, challenges and comforts us, it has also fostered the development of literacy from the very youngest of readers, and encouraged a culture and appetite for learning across the country.

Our book industry is one of the nation's largest creative industries and contributes more than \$2 billion per annum to the economy.¹ The industry employs up to 40,000 Australians across the supply chain and boasts more than 1,000 businesses across the nation. More than 22,600 new Australian titles are published and sold through book shops each year.² Australian writing is read globally, and our stories are in

¹ Book Publishing in <https://www.ibisworld.com/au/industry/book-publishing/171/>

² In 2019, 5564 different publishing entities in Australia produced 22,634 new titles, according to figures extracted from ISBN records added to Bowker's Books in Print.

demand in Australia and overseas. The export potential for Australian books is growing (most particularly in China).³

The industry is also central to the wider creative ecology. Australian literature has been the engine room of some of the most impressive screen and stage adaptations: think of *Schindler's List*, *Cloudstreet*, *The Secret River*, *The Book Thief*, *Big Little Lies*, and *Boy Swallows Universe*. For decades, it has been one of our most successful cultural industries, of which we should feel enormously proud.

However, Australian literature is now in crisis.

Author earnings are disastrously low, with only a tiny few at the top who can make a living, an extremely long tail of authors who earn virtually nothing and a badly hollowed out middle ground, where incomes are unsustainable:

- According to the ASA's Survey 2021, 81% of respondents are earning less than \$15,000 per annum.
- According to a 2015 Macquarie University study, Australian writers' creative incomes have dropped by nearly 50% in the past two decades, from an average of \$22,000 in the early 2000s to just \$12,900 in 2015.⁴
- Over 98% of all titles released in 2018 – 2020 sold fewer than 1,000 copies each year.⁵

Government investment in literature has fallen:

- Despite reading being the second-most popular way Australians engage with the arts (after music), literature receives the lowest level of funding of all the major art forms.
- In the past decade, the government has reduced its investment in literature through the Australia Council by 40%.⁶ Only \$4.7m was invested in literature

³ Crosby P, Zwar J, Lawson A, Shin S Y 2021. *Success story - international rights sales of Australian-authored books*.

⁴ Longden, Thomas et al. "Australian Authors - Industry Brief No. 3: Authors' Income." *Australian Authors' Income Report*, Department of Economics, Macquarie University, October 2015. <https://research-management.mq.edu.au/ws/portalfiles/portal/122625541/3_Authors_Income.pdf>

⁵ Nielsen Book Research Reported commissioned by the Australian Society of Authors, October 2020

⁶ Australia Council investment has decreased 40% – from \$7.7 million in 2009-10 to \$4.7 million in 2020-21. This is largely due to the discontinuation of reading promotion initiatives Get Reading and Books Alive (2000-2014), which received government-directed investment of up to \$4.5 million per year, in 2014.

through the Australia Council's grants and initiatives in 2020-21, 6% of the grants budget. Unlike the performing arts, visual arts or contemporary music, literature receives no Australia Council-stewarded investment.

- Unlike the performing arts, visual arts or contemporary music, there is no national strategy for literature, and no coordinated plan between federal and state funding bodies.
- Funding for literature now stands at about the same dollar level as in 1990-91, representing an extraordinary decline for an industry that contributes more than \$2bn to the Australian economy.

Progressive cuts to arts budgets over many years have chipped away at much of the government support that fuelled the success of our current writing luminaries. As was clear from the outpouring of submissions from authors to the *Creative and Cultural Industries Inquiry*, many of Australia's most celebrated and globally recognised authors began their careers with government investment and in return have created a significant network of jobs, a flow of export money into Australia, book tourism, a national identity and rich culture, a generation of thinkers, soft power on the world stage, and joy, comfort and inspiration for countless readers.

To ensure the sustainability of Australian literature, we need a **national plan** which sets out priorities for the sector: increased direct writers' grants; First Nations storytelling and publishing; domestic and global market development to build capacity; support for those bodies and institutions that foster reading and writing in Australia; support for national supply chain infrastructure; the modernisation of Australia's lending rights schemes; and a reading campaign to create a nation of readers.

The ASA **urges that a substantial boost for literature be included in the 2022-23 Budget**. We acknowledge and support the submissions of industry bodies, the Australian Publishers Association and Australian Booksellers Association. From an author perspective, our priorities are the following two components of an overall national literature plan:

1. Direct grants for authors

Impact on Budget: \$3.5 million per annum

The development of a Commonwealth Fellowships and Grants program which includes a focus on First Nations storytelling, designed to fuel the talent pipeline and build the creative economy of the future:

- Grants of at least \$25,000 per annum for 100 writers per year

- Seed money of at least \$10,000 for emerging writers to upskill. This money is to be used for educational purposes, for mentorship, for young writers to learn the knowledge that will allow them to build their career.
2. **An increase to the Federal Government’s Lending Rights Budget** which is administered by the Office for the Arts
Impact on Budget: \$4.4 million per annum, recurrent

Australia’s lending rights schemes have fallen out of date and urgently require an upgrade. The policy intention of the public lending rights (PLR) and educational lending rights (ELR) schemes is to compensate authors for loss of royalties when their books are held by public and educational libraries. The PLR/ELR schemes do not currently include ebooks or audiobooks. Lending rights are therefore currently restricted to an analogue world and are only payable on print books.

At a time when borrowing of ebooks and e-audiobooks is increasing, a trend that was accelerated by the pivot to digital borrowing during the COVID-19 pandemic⁷, it makes no sense for an author to receive a PLR / ELR payment for a physical book but nothing if that same book is held in a digital format.

The eligibility criteria for the public lending right (PLR) and educational lending right (ELR) schemes must be expanded to include digital formats (ebooks and audiobooks), a change which is supported by **99% of respondents** to the ASA Survey 2020, demonstrating virtually universal support from our creative community. An expansion is also strongly supported by the Australian Library and Information Association (ALIA). For some years, the ASA and ALIA have jointly called for “digital lending rights” to be introduced.

According to the Australian Public Libraries Statistical Reports for Australian public libraries for the years 2015 to 2020, ebook collections are growing:⁸

- the printed collection *reduced* by 15% from 2015 to 2020
- the ebook collection *increased* by 64.7% from 2015 to 2020

Once 2020-2021 and 2021-2022 statistics become available, factoring in the full impact of COVID, it’s clear the increases in digital collections will be even more stark.

⁷ <https://www.civica.com/en-au/container---news-library/bookworms-turn-to-mystery-and-thriller-novels-throughout-covid-19/>

⁸ <https://www.nsla.org.au/resources/annual-australian-public-library-statistics>

The House of Representatives Standing Committee of Communications and the Arts, in its report *Sculpting a National Cultural Plan; igniting a post-Covid economy for the arts*, recommended a review of the PLR/ELR schemes to ensure that authors are appropriately compensated for loss of sales when their books are made available to the community via public and educational libraries.

A 20% increase to the lending rights budget (currently at \$22 million per annum) is required to reflect the reality of library holdings. Based on 2019-20 figures from public libraries, ebooks collections are about 10% the size of printed items. To allow for these digital books to be included in the PLR /ELR schemes and to allow for forecast growth in digital collections, we request a 20% increase (\$4.4 million) to the annual lending rights budget.

Thank you for considering this submission.

Yours sincerely



Olivia Lanchester
CEO