



IPA in Conversation with...

Lee Walker and Julia Marshall

**Presidents of the Australian Publishers Association and the Publishers
Association of New Zealand**

Publishing in Australia and New Zealand: two cases, one region

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Transcript

Hugo Setzer: Hello everyone, thank you all for joining us for another of our interviews as part of our “IPA in conversation with...” interview series, where we are looking at the impact of the COVID pandemic on publishers all around the world. I trust that by now you will have been able to watch some other of our interviews. In any case, I invite you to go to our website for a lot more information about how publishers around the world are responding to this pandemic. Today it's a real pleasure to speak, not with one, but with two remarkable leaders of Publishers' Associations of a sometimes overlooked but very important region of the world: Oceania. Julia Marshall, president of the Publishers Association of New Zealand, *kia ora*, thanks for joining.

Julia Marshall: *Kia Ora, Hugo.*

Hugo Setzer: And Lee Walker, president of the Australian Publishers Association, welcome and thanks for joining.

Lee Walker: Thanks for having me, Hugo.

Hugo Setzer: So, I have a set of questions here for you and, if that's okay with you, Julia, let us start with you. I understand April was a tough month since books were not included as an essential item during the highest level of the pandemic. Could you tell us more about what has happened since?

Julia Marshall: Yes, well, April was of course closed in New Zealand even for online sales...

Hugo Setzer: Even for online sales?

Julia Marshall: ... yes, but since then sales have started climbing again. It was heartening for us that in the week before lockdown sales were up 23% compared to the same week in the previous year and again at the end of lockdown sales were again up 20% compared to the same week last year, but to date because we had six or seven weeks of no or very low sales, we're still 18% down for the year and overall, but hopefully this all shows that we're recovering a little each week. We can see that the books that were released and April in May definitely got lost and struggle to find visibility. And there is a particular challenge now in New Zealand to get stock into the country, especially with publishers who have warehousing in Australia. Air freight is incredibly hard to get hold off and is expensive and our piece of water has always been one of the most expensive bits of water in the world. So, books are now coming by ship and that means that booksellers are having to learn that orders can take up to four weeks.

Hugo Setzer: So, it's on the one hand perhaps difficult, but there are some encouraging figures there. I mean the recovery of some of the weeks showing much better figures and even the year before if I understood correctly.

Julia Marshall: There are a lot of people in the bookshops which is good.

Hugo Setzer: That's great to know. So, let us then go to Australia.

Lee, how important was it to have books enlisted as essential items in Australia. Were sales for publishers still affected?

Lee Walker: Yeah, look, it was really very important for our customers, you know, the act of reading benefits their health and well-being, especially during a pandemic. So, that's the message that we were pushing during that time and especially during that period of lockdown where we were all asked to stay home. For publishers and for booksellers, continuity of business was critical. If books weren't listed as essential many of our businesses would have been impacted to the point of having to close their doors permanently and it would be interesting to know, Julia, the impact of books being non-essential in New Zealand on your book shops and your publishers and if anybody suffered that terribly. Sales for publishers were still affected. In the first month there is actually an uptick and we were really hopeful, but then sales declined very dramatically from April, I think. But, the sales are now returning to normal levels. We're not seeing terrific growth on last year but we're definitely seeing sales return to normal levels which is really terrific to see.

Hugo Setzer: Yeah, that sounds great and it also sounds great that you had really books classed as essential items. In so many countries that was not the case unfortunately, so the whole publishing chain was really affected in many of those countries.

And talking about government relief and we if we can continue in Australia. What does the creative sector in Australia need to keep strong through the troublesome times that may follow?

Lee Walker: Luckily, our federal government was really quite quick to act with financial subsidies. The businesses were sure of their sustainability. So once the businesses sales

declined by 30 percent or more in a month, they are eligible to apply for support and that support was about supplementing staff salaries. In addition to government support, though, many publishers had to reduce staff hours, like I'm still on a four-day week not a five-day week, as a mechanism to preserve that very valuable cash to see us through. Few publishers have had to make some stuff redundant, thankfully not many, but a few have. And many publishers have implemented hiring freezes. I work for Oxford University Press, so we still have a higher increased and we will do so until early next year, I think, and lots of other cost-saving measures. What we need to continue to see now that restrictions have ease is to continue an uptick in sales and, with like I said before, we're starting to see that and we're starting to see publishers bring their staff back full-time which is a really fantastic sign.

Hugo Setzer: That sounds great and I think it's also encouraging to know that the government did act as I think it was supposed to. I mean I wish it was the case in Mexico. We haven't had any support here, so it has been tough.

Lee Walker: Yeah, as you know Oxford is a very large global business, we would have struggled in Australia if we didn't get that support from the government.

Hugo Setzer: Absolutely, I can imagine. Well, I can see it in Mexico as well and we can feel it.

And how about in New Zealand, Julia? How important is government relief for publishers in New Zealand? Could you maybe go through the financial situation of an average publishing house? I mean, which are the toughest financial obstacles for publishers?

Julia Marshall: Well, as in Australia we had a slightly smaller wage subsidy than the Australians, but we also in New Zealand qualified for a 12-week wage subsidy with that drop. I think it was 50% for us and there's another extension of that now where we have to show a 30 percent drop in a 30-day period and then we get another 8 weeks of it. I think, perhaps, a third less than yours in Australia. That was fantastic and it was immediate, and

the money came straight into the accounts within days. There has been a significant amount of funding available for the arts and most of that to date has gone to the Performing Arts, clearly, because the revenue completely came to a standstill. And there's another phase of funding coming through. We had some good support for the educational publishers who have been so impacted in the international export. We are also waiting for confirmation that the government support for export and international right sales will continue at previous levels and that's obviously critical for our book fair funding.

Hugo Setzer: Yeah, I can imagine of course.

Julia Marshall: But your question about that cost of publishers are the same as all publishers. And you know, in this time we're trying to weigh up the balance of being brave in our publishing personally and we're trying not to be risk-averse at this time because it feels like there's only one way out which is to carry on but it's, as you know, it's quite tough and I think that varies a lot between the across the publishing. Possibly the independent publishers can take more risks than the bigger publishers, I'm not sure.

Hugo Setzer: I fully agree that I think it's important to be positive about all of this. I mean, there will be some positive outcomes, it is a tough situation, but it's important to be positive. That's a take I have from your words right now. I mean, it's complicated but we will go through this.

If we stay here in New Zealand, how about booksellers? I mean, I know that the reading average in New Zealand is very high and this probably has not changed, but have online sales kept in the high or has influx in book shops recovered? You mentioned something a while ago.

Julia Marshall: We've just had the results of a report that we've done for the New Zealand book industry which showed that there was growth of 6% overall in 2019 on the previous year and that our online sales are 7% of our overall sales and that seemed to compare pretty

much with the UK where they had a 14% online sales overall, but that included audiobooks which we don't count. Publishers have reported a spike in sales of physical books sold online once we got out of our lockdown and we were able to start selling online, in some cases up to 30% of sales which is internationally high. I don't know if that's across the board, that's an anecdotal. We've had a strong message to shop local from the government and also from our organizations and so I think that's helping the feeling of New Zealanders that they really do choose who they spend their money with. New Zealand has a full range of book shops. We've got strong Indi-book shops, and the family-owned main chain, of course, and a chain of franchise stores, plus the supermarket discount stores, so we're lucky that we have that rang. E-book sales dropped last year by 4.5% compared to the previous year. That'll probably wipe out again.

I think we're seeing and I'm not sure if this is the case in Australia and the rest of the world, but there are a small number of bestsellers, that are doing really really well, and the midlist, the quiet midlist, or the books that need more help, they are struggling. Apparently, Illustrated nonfiction is also selling well.

Hugo Setzer: It's interesting to see and I think it's a trend I've been able to see in other countries as well how online sales of hard copies of books, of physical books, have increased which is very interesting

Julia Marshall: It was tough for us to see that the Book Depository and the Amazon sales were still open through the lockdown even though we were not.

Hugo Setzer: They were open, but you weren't?

Julia Marshall: They were open. It did say that they that delivery was, you know, five to seven days which was astonishing. So, we did a couple of test orders in fact and those books are starting to arrive now, but obviously those books lined up at the borders.

Well, I think the shop local message is an important one for us online and in physical shops

Hugo Setzer: Yeah, also in many other countries I have heard the same message to shop locally.

And Lee, do you think it is different in a country like Australia due to the demographic and geographic differences? I mean, Australia is really huge. What do you think? What is the rough split between digital and physical sales?

Lee Walker: Yeah, I wish I had stats like Julia does. I don't. But I have some anecdotal evidence for you. During the last three months our local shops, both our chains and our Indies, have been quite magnificent. While some of them or a lot of them have had to close, they still offered phone orders and home delivery services during lockdown. I mean, the community spirit around our bookshops was quite fantastic. But online retailers, for a country as vast as ours, they're really critical and the pandemic only increased the need and the appetite for buying online. There was a news article last night about the upward trend in buying online and how people are definitely feeling very comfortable with purchasing anything online now. I think I had my delivery man come every second day at one stage and he knew my name. So, anecdotally online book retailers necessarily have continued to do really well throughout the pandemic. One of our biggest online retailers just had a very very good time and they were an absolute source of book buying relief for many of our Australian readers, including me., especially when our book shops had to close their doors during lockdown. So, I don't know the split between digital and physical sales, but I do expect that online sales will continue to grow. However, and I'm a great advocate for our book shops and especially our independent book shops, we do have a really strong traditional bricks-and-mortar book selling industry in this country. We love our book shops and many of us, many millions of us, are frequent visitors of our physical book shops. So, I'm here to support them as much as I possibly can.

Hugo Setzer: That's great news and I fully agree with that. It's great to know that you have such an important bookstore system in Australia. That's very important, absolutely.

And thinking about the other side of the publishing value chain and our other very important partner in our business, which are the authors, how do you think authors have coped during the pandemic? Let's stay with Lee now.

Lee Walker: Yes, so I work for OUP and maybe the pandemic has impacted educational publishers differently to trade publishers. I think from a sales perspective we've been impacted less, just on that note, because we're in our low season right now, so the impact definitely has been less for us. But we and our authors have never been so productive and so busy. I'm in absolute awe of our educational authors many of whom are practicing teachers and had to transition to online remote teaching very quickly. They have done an awesome job, but even at their busiest they still continue to write for us, and they've delivered on time which we are so very grateful for. I'm just in awe of teachers both in Australia and worldwide. The job that they have done over the last few months it gives me goosebumps. I'm very proud of them. Our trade authors have continued to write, even during these challenging times. I hope they've had a lot more time to be creative. The publishers have certainly not stopped working and we're starting to see an increase in new releases that were actually held off over the last couple of months because we saw that downturn in sales and we didn't want to spoil the impact of some really great books that are starting to come out now. Author royalties, I'm sure, will be impacted during this period, but I feel, and I know my trade colleagues feel, that this is a blip, it's temporary, and book sales will return to a level of normality and we are already seeing that. And publishers are starting to reintroduce normal working hours for their staff which is a fantastic sign. So, I was talking to a colleague the other day and he said we're all back at work, not physically, we are still virtual, but we're all back at work, we're all busy as ever and we're all really excited about the releases that we're starting to see appear in the market, including their own releases. So, everybody's feeling quite positive and I'm sure our authors are too.

Hugo Setzer: Ok, that really sounds really awesome and I think those examples you have mentioned of the collaboration with book stores and with authors are the kind of things we

also as International Publishers Association are trying to showcase, how publishers around the world are collaborating with bookstores and with authors.

And Julia how are things in New Zealand? How are Kiwi authors coping with this crisis?

Julia Marshall: Well, I think the New Zealand Society of Authors did very well and the authors set up webinars and they were really creative in lockdown with promoting books. There were online launches, and readings and lots of work from authors. Of course, the publishers association in New Zealand is working really closely with the society of authors at the moment because we have a copyright review underway and so we've really joined forces in a way that we never have before alongside the Copyright Licensing New Zealand. And we were very heartened during lockdown by the attention to copyright with librarians and book shops and teachers from around the world writing to us directly, to the publishers. And the coalition for books set up a list of publishers with special guidelines and for sharing online content during lockdown, so they were very serious and asking permission to read stories online and the understanding was great. I think that that the readings could only be retained online for a limited period of time. We, in New Zealand, sadly had a number of key festivals that were going to go ahead: the writers festivals in Auckland and Mildura. We had one comic writer who was with his first book which has taken three years to write and he was going to be at three festivals and they were all canceled, you know, so that's heartbreaking for a first-time author, particularly. Then in New Zealand we also, right at the start of lockdown, lost a raft of our consumer magazines including some that are, you know, like The Listener, which is fifty hundred years old and so that has reduced the amount of book review space further. But, as with Lee, I think everyone is positive and you know we've all learned all this stuff about how to do, you know, we have many more tools at our disposal now in our promotion of books for authors. I think they [authors] weren't absolutely writing through lockdown, but I think they are again at it, aren't they? I hope so.

Hugo Setzer: Yeah, we hope so, really.

Julia Marshall: We do. Now more than ever.

Hugo Setzer: More than ever, absolutely.

Okay, that's very interesting. So, I was thinking that perhaps I might skip to one further question because I'm aware of the of the time and my last two questions are I think, well, I really would like to know your opinion on my last two questions. So, here's a question for both. I've been seeing news reports that state that apparently the countries that have been better able to manage this crisis are those led by women. In this case both Publishers' Associations are led by remarkable women. Moreover, as you know IPA, puts a high value on gender equality. In fact, our next president will be a woman. Could you share some thoughts about this with us? Who would like to start?

Lee Walker: I can start if you like. I mean, I'm really fortunate enough to have a career that I'm really very passionate about, very personally committed to, and being president of the Australian Publishers Association is a fantastic extension of my publishing profession and I'm grateful, really grateful, to be working in an industry of like-minded people. I think I'm very lucky. [People] who understand the power of words on individuals and communities, you know, intellectually, creatively, and culturally. My board at the Australian Publishers Association is incredibly high functioning and they're very knowledgeable, and very experienced, and very talented and it's made up of both men and women. So, as a woman and for me personally, I'm very proud to be part of that collective. So yeah, it's a really hard question to answer because I am just one of many, but yes gender equality is incredibly important and we work really hard to make sure if there's a balance on our board and it's working very very well. I just happen to be the president, but collectively we're very powerful. So, that's my response to that, Hugo.

Hugo Setzer: Thank you, thank you, for that insight, Lee. What do you think Julia?

Julia Marshall: Well, I think in New Zealand we have a lot of, I did a quick tally up, and I think there are a lot of women running both big companies and independent companies and I think for us, in New Zealand, our challenge is to increase the diversity of voice in our Publishers Association and in our publishing houses. We think that we clearly need more work by indigenous writers and Maori, we need original work. And we're also really aware that we need publishing that really responds to the world as it is now and not to the world as it used to be. So, I think, of course gender is important, but I think that the bigger challenge for us is to increase our diversity. To increase the diversity is a big issue.

Lee Walker: I couldn't agree with Julia more. I think the world is very different to what it was only a few months ago. What's been happening in 2020 has been quite extraordinary and it's illuminated where we need to do a lot more work. Diversity is one of those. It is the biggest issue that I think is going to be impacting publishing over the next few years. Increasing that diversity, making sure our indigenous voices are being heard by a much broader segment of our market.

Hugo Setzer: I fully agree with you on that, as well. Thank you very much for those valuable insights. That's interesting.

For my for my last question, geographically speaking, Australia and New Zealand may be far away, I mean from other parts of the world, but in a crisis like this, like the one we're going through, I believe we should keep closer than ever. How do you think that the global publishing industry should achieve unity and what should be the main goals for international publishers in times ahead?

Julia Marshall: I've chatted about this with Samuel, our representative at IPA, and I first wanted to say that the leadership that you have shown Hugo is much appreciated and that it is incredibly important, especially for us in New Zealand with this area of copyright, we are really at a crossroads. Just this week, actually, we're waiting to hear from the government. I think it's not possible for us to have these Zoom meetings with publishers

who live in time zones, you know, in the middle of our night and I think that without book fairs, I think that book fairs are incredibly important for us internationally too, not only for the selling of rights, but also for those relationships and the sharing of experience and the match. I feel like my Zoom meetings are single dimensions and I miss the three-dimensional world where you actually can hear what people are really saying. We would like some super ambitious goals for our industry and I think for us all to unite behind and I do think that sustainability is one where we all need to just get to grips with what that means for our industry. And the other of course, which we have spoken about, is diversity. And copyright. Those are the three issues that we will unite behind you with.

Hugo Setzer: Okay, okay, thank you for that. I fully agree with that as well. Thank you, Julia. And how about you, Lee? What do you think?

Lee Walker: I think the IPA does a tremendous job of bringing country associations together. For a not-for-profit we have global might and I'm very proud of, as a president, we have real global might, especially around copyright, that's where my heart is, like Julia's, though, you know, I think our goals as a global association is to make sure that we're looking after our IP, our intellectual property, and also its creators. Protecting and promoting them both. You know, our freedom to publish initiatives allowing people to write what they want to write and publish what they want to publish, and get this is so important. So, that's what I've been particularly proud of as a member of the IPA over the last couple of years: that freedom to publish and that protection of the content that we work so hard to create.

Hugo Setzer: Thank you for that, I mean, I think you couldn't both have said better what our goals are in IPA, what we are looking for, what we are day-by-day working on in IPA. And we need, of course, all the support. We are here to give our members support, but also need the collaboration of all our members and it's great to know that you're also doing your part in your part of the world. That's great to know. And, well, I don't know, conversations like these make me again feel proud of being a publisher. Thank you very much. So, Julia

Marshall and Lee Walker, two remarkable leaders of their industries, thank you so much for joining me for this interview.

Lee Walker: Thank you, Hugo, thank you, Julia, it's been a pleasure to talk about what we know and what we love.

Hugo Setzer: It was a real pleasure. Thank you both.

Julia Marshall: Thank you.