

Ontario Cultural Strategy: Official Statement from the Ontario Book Publishers Organization

The Ontario Book Publishers Organization would like to thank the Ministry of Tourism, Culture and Sport for inviting Ontarians to contribute to this important conversation. As the representative of **40 independent Ontario publishers**, we would like to take this opportunity to highlight the importance of book publishing an integral element of the framework that supports Ontario culture, and call on the provincial government to support Canadian-owned, Ontario-based publishers in the interest of Ontario's cultural, economic, and social well-being.

Working tirelessly in support of Ontario writers, independent publishers are the chief channels through which authors come to the attention of the reading public and build their careers. Our publishers identify emerging authors, invest in their writing development through the editing process, provide professional design and production, and operate creative and innovative programs in promotion and marketing. Independent firms consistently assume the financial risk so crucial to the development of excellence in the literary culture of the province; it is their primary business.

Some facts about publishing in Ontario:

- An estimated 15,000 books are published in Ontario annually.
- Book publishing in Canada is a \$1.9 billion industry, with nearly two-thirds of revenues generated in Ontario.
- The Ontario Media Development Corporation estimates that Ontario-based, Canadian-owned book publishers generated 2,590 jobs in 2011.
- In 2012, Ontario publishers paid \$256 million in wages, salaries and benefits.

Professional writing goes on in every corner of Ontario, and the publishing process that supports it is active in many communities of the province: our members publish great books out of Sudbury, Windsor, Ottawa, London, and the Neyaashiinigmiing Reserve. Books inform Ontarians about our history, our communities, our natural environment, and the arts and cultural heritage that enrich life for our citizens. Whether it's a profile of Broken Social Scene or a pictorial tour of the stone buildings of southwestern Ontario, a heartbreaking memoir of a childhood at a northern residential school or essays on the beauty and isolation of Thunder Bay's 'canoe country,' a Giller-winning novel set in Toronto or the short stories of Bruce County that earned Canada its first Nobel for Literature, countless books by Ontario authors highlight the creativity in our province, help us understand the place we live in, and present Ontario to the rest of the world. Our industry strives to publish and promote Ontario writers and create cultural works of value to Ontarians, while maximizing the economic contribution of the Ontario publishing industry in the face of new challenges.

There are a number of significant political, social, and economic forces at play in the Ontario book publishing marketplace:

- The book **retail marketplace** has been transformed, from a physical presence (“bricks and mortar”) to one including large and complex websites, where online searches take the place of in-store browsing. Competition for attention in this environment is fiercer than ever, and Ontario publishers have had to double their marketing efforts to engage both retail streams. They have expanded their programs of author appearances at festivals, readings, and stores, in order to maintain their public presence, and are using social-media strategies very effectively, particularly in engaging young Ontarians.
- Canada is one of few developed countries in the world that does not integrate its own literature into its education system. Internationally, Canadian literary and children’s authors have received the highest acclaim the world has to offer, but at home, readers are left to discover the works of those writers through popular media and recommendations from librarians and booksellers, rather than in the normal course of their education. Canadian students need to know their own authors and their own literature.
- Across all school subjects, three foreign-owned publishing companies account for more than 90% of the text books and learning materials used in Ontario schools. These firms are all currently in the process of downsizing their Canadian operations, and some are expected to close altogether in the next few years, in response to market changes stemming from new copyright practices (see below). This is a complex development for Ontario publishers: new opportunities will arise as large foreign companies exit the Canadian market, but independent publishers must significantly increase their capacity if schools are to continue to have access to Canadian-authored books and learning materials.
- Based on a very broad interpretation of fair dealing guidelines in the federal ***Copyright Modernization Act*** (2012), school boards and post-secondary institutions have ceased to pay licensing fees, leading to a virtual elimination of secondary licensing income by copyright holders. This has resulted in a loss of \$13.5 million in remuneration to Canadian authors, visual artists, and publishers in 2014.

The book industry in Ontario operates as an **ecosystem** that integrates the activities of authors and illustrators with those of publishers who identify good work and bring it to the public; printers who manufacture books; wholesalers and retailers who distribute them across the country and beyond; public libraries and educational institutions, who make them available to readers of all ages; reviewing media and online blogs that give readers a chance to encounter new books; and government,

through programs that foster creativity, reward innovation, and create a business climate in which Ontario-owned companies can succeed. Within this ecosystem, independent publishers compete against very much larger multinational corporations, whose primary business is the distribution of imported books from their parent companies in the US and UK. The Canadian branches of multinationals (all based in the Greater Toronto area), publish a modest number of Ontario authors each year, as a secondary business. The vast majority of Ontario-authored books, however, are published by independent, Ontario-owned publishers, who lack the revenue base enjoyed by multinational importers, but instead work with government programs to support their investments in Canadian authors. This partnership has been a major factor in the development of Ontario's very distinguished array of celebrated authors and internationally acclaimed body of literature.

As part of its culture strategy, there are four major ways in which the Ontario government can support its book publishers and authors they serve:

1. Mandate Canadian novels in the Ontario curriculum

The Ministry of Education, through the Ontario Language Arts and English Curriculum, needs to address the importance of getting Canadian literature into the hands of teachers and students through both core and ancillary materials. Abundant research confirms the importance of reading; the benefit of having children reading works that reflect their own communities, their own values, and the issues of their own time, is also well established, particularly in as multicultural a society as Ontario. Publishers are fully able to provide the teaching resources that support the teaching of Canadian novels, plays, and other literary works, and in many cases have already made these resources available. In recent years, British Columbia and Saskatchewan have taken some steps in mandating curricula that include Canadian-authored literature. Ontario must do no less for its students.

2. Increase support for current programs

- The programs of the Ontario Media Development Corporation (OMDC) support book publishing with exceptional effectiveness. The Book Fund has generated a return of 363% in terms of sales for every dollar expended, increased revenues by \$44.3 million, and also allowed companies to increase their digital publishing capacity while creating hundreds of knowledge-economy jobs. The Export Fund has helped Ontario publishers to extend their reach and become global businesses, generating international sales of \$5.8 million from an investment of \$250,000. An increase to the OMDC's book programs of \$10-15 million, as has been the case in recent years with its programs for interactive digital media and music industries, would generate exponentially increased returns, through development of innovative marketing technologies, increased domestic and export sales, and an expanded pool of high-value jobs. Such an increase would correspond with increases to the OMDC programs for interactive and digital media and music. With comparable investment,

book publishing would be much better able to develop its capacity to bring the work of Ontario writers to a world of readers who clearly value them.

- The Ontario Arts Council plays an essential role in maintaining Ontario's cultural vibrancy, promoting excellence and keeping talent in Ontario. Through its writing and publishing programs, it supports more than 600 authors annually. The OAC's Block Grants to Book Publishers program supports 43 Ontario publishers with just under a million dollars, which generated over \$25 million in sales for those publishers. Ongoing investment in the OAC and its publishing programs is essential to the health of Ontario's (and Canada's) literary culture.
- The Ontario book publishing tax credit provided \$3.4 million to Ontario publishers in 2013-14. This program links support to direct costs, and thus provides unprecedented precision in managing book budgets. In so doing, the tax credit program has provided publishers with a greater ability to manage the risks inherent in publishing new titles, and thus to produce more new titles by a greater range of Ontario authors. Two categories of titles which have been excluded from the program should be made eligible. One is translations (of Canadian books by Canadian translators) into French, English, and Aboriginal languages; these provide vital opportunities for Ontarians and readers elsewhere to understand each other better through works of literature. The other is graphic novels, a genre that has come to be recognized as a highly creative and sophisticated combination of visual and literary arts. It can be a vital avenue in reaching young Ontarians, particularly those whose engagement with books has been limited, and for whom graphic novels are often the point of access to literature. Extending tax-credit eligibility to these two categories would be a progressive step in encouraging increased publication of these culturally significant works.

Creativity is driving prosperity in Ontario. Maintaining and enhancing current government support tools will help to offset economies of scale that so often disadvantage cultural production in Canada, and expand the reach of Ontario publishers and Ontario literature.

3. Support Ontario Libraries

Public libraries are important hubs in most Ontario communities. They host author readings and book clubs, provide access to technology, and help new Canadians to integrate into their communities. Public libraries support Canadian publishers by purchasing Canadian books and promoting Canadian authors; they are the place where many Ontarians first discover Canadian books. Additional funds should be made available to public libraries to purchase books published by Canadian-owned publishers, in order for Ontario book culture to thrive.

School libraries, too, need ongoing support, both in staffing, with professional teacher-librarians throughout the K-12 system, and in the resources required for purchasing Ontario books. Ontario school children engage enthusiastically with

Canadian books when they encounter them through the Forest of Reading, a program of the Ontario Library Association. Schools which participate in the Forest program are invited to have their students vote on the best books of the year; the uptake is intense, and the impact on schools, children, and authors is intensely positive. More schools need the resources to participate in this and other programs that make Canadian books available to students outside the classroom.

4. Return to a fair interpretation of copyright law, and license copyrighted works

The broad interpretation of the federal *Copyright Modernization Act* (2012) and the Council of Ministers of Education's *Fair Dealing Guidelines* by the provincial Ministry of Education and school boards has meant that they **no longer pay any remuneration to authors** for use of copyrighted works in schools. This has meant a dramatic reduction in income for Ontario authors, and will soon mean a loss of capacity to produce Ontario-published materials for the classroom. Already, Toronto's Oxford University Press has closed its school division, specifically citing these new policies as the contributing factor. Other publishers will likely follow. The Ministry of Education should re-negotiate a fair license for the use of copyrighted works in Ontario schools.

Canadian book publishers produce works of the highest cultural value and strong financial return with only a modest investment. The development of the Ontario Cultural Strategy is the time to build on that, when the challenges that the industry faces present huge opportunities.