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Serial Life after the 1st of July 2000

Pt 1: GST and Serial Supply - Confused ? You are in Good Company !!

Pt 2: Serial Subscription Agents - Will they exist five years from now?

Presenter

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Pt 1:

GST and Serial Supply - Confused ? You are in Good Company !!

I must admit that I recoiled in horror when first approached several months ago to speak on the implications of GST on serial supply. At that time UQL had many questions and no answers. We now have some answers, some guidelines and a number of outstanding questions. I take a little comfort from the fact that the problems are shared by my colleagues elsewhere.

At the outset I must state that I am not a GST expert nor am I here to give my version of one of the numerous "Introduction to GST" or "GST and the Library" seminars I am sure many of you have been to over the last 6 months. I speak from the perspective of a large academic library with an annual serial budget of approximately nine million dollars. For my sins, I have been given the responsibility to ensure that UQL complies with GST regulations as they affect all areas of library materials supply. Thus, I am one of those librarians that have very probably driven agents crazy, raising matters to which there appear to be no definitive answers as yet. That agents are also confused and frustrated about GST, particularly in relation to serials sourced from overseas, is little comfort - *confusion shared is not confusion halved*.

I am ever mindful that the system is new and that one must expect "*teething*" problems. However, this does not help me explain to my users why the latest issues of their favourite serials are not where they should be when they should be. I am hopeful that we may receive answers to some of our questions today.

In order to discuss the GST implications on serials I thought it may be useful to briefly list some of the supply scenarios under which we operate.

Subscriptions are:

- often acquired from their country of publication
- purchased using the services of subscription agents
- prepaid on an annual subscription basis, often in foreign currency
- are delivered as published (eg. issue by issue)
- may be delivered direct from the publisher via the postal service
- may be delivered from subscription agents via a consolidation service
- may be delivered electronically via the web

Libraries such as mine will have subscriptions under all these options.

There are some basic GST rules that I am sure you all know.

Basic GST rules include:

- educational material purchased by libraries incurs GST

- libraries can claim input tax credits for GST paid on the purchase of educational materials
- invoicing must be GST compliant (eg. where GST is charged be labelled Tax Invoice or Adjustment Note and quote the suppliers ABN)
- GST is 10% or 1/11th of the value of the subscription
- GST is due at the point of importation

In order to identify problem areas it may be useful to run through some supply options.

Supply Option 1

- a title is published in Australia
 - purchased in Australia through an agent or publisher
 - pre-paid in Australia dollars
- & thus a library:
- receives a tax invoice which includes an ABN & GST
 - pays the seller
 - claims a rebate

Result:

- no problems

Supply Option 2

- a title is published overseas
- purchased in Australia through an agent
- pre-paid in Australia dollars
- issues sent from publisher direct to the library as they are published

In this option one of the major Australian serial agents have received advice in the form of a Private Interim Ruling that states that GST is not applicable in this scenario. I believe this decision is reinforced in Ruling 2031 eg 8.

Result:

- no GST
- no problems as long as the invoice contains a notation such as *GST not applicable*

Supply Option 3

- title published overseas
- purchased overseas through an agent
- pre-paid in foreign currency
- issues sent from publisher direct to the library as published

Result

- No GST
- Should be no problem !
- Confusion - on advice from the ATO some overseas agents intend charging GST
- Is it acceptable that variations exist between suppliers?

Supply Option 4

- title published overseas
- purchased overseas through an agent
- library uses a consolidation service
- pre-paid in foreign currency
- issues sent from the publisher to the agent
- consignment of processed issues sent to the library
- consignments sent weekly via airfreight
- consignments must be cleared through Customs

Result

- unknown - possibly a backlog of boxes in Customs warehouses

Clarification of the Problem

- consignment consists of processed serial issues
- all have been prepaid
- consignments do not contain an invoice
- consignments do contain a despatch list

Questions

- is GST applicable
- how is this calculated
- who is the importer
- who pays GST

Agents and libraries have been asking these questions ? The answers have differed and thus confusion reigns. We all wait anxiously for the fog to clear, so that we can clean up the mess. But isn't that the life of a serialist ?

Part 2

Serial Subscription Agents - Will they exist five years from now?

Much of what I say will be from the academic libraries perspective

Serial Supply World in Australia as it was in 1990

In simplistic terms:

- In the academic sector Library Material Budgets:
 - were adequate
 - supported the acquisition of monographs and serials
 - were generally at a level capable of supporting price rises for existing serial subscriptions
 - were able to support some growth of library collections in all formats
- Serial titles were in print format and delivered by sea or, very occasionally, air mail

- Abstracting and Indexing Services were beginning to be offered online through mediators such as Dialog, and in cdrom format which some libraries were buying and loading onto local area networks
- Libraries largely dealt with multiple serial subscription agents situated both on and offshore
- With the exception of the legal area, libraries did not deal with publishers & publishers happily allowed, in fact encouraged, serial agents to sell their publications to libraries
- Librarians:
 - dealt with print issues
 - generally accessioned issues manually
 - paid paper invoices by cheque
 - corresponded with agents by letter and sometimes fax
 - expected to wait 3 or 4 weeks for a response to a query
- Agents were expected to:
 - place orders with publishers
 - issue annual paper invoices in an agreed currency
 - deal with supply problems
 - visit libraries at least once a year
 - appear at the trade fairs associated with major conferences
- Document Delivery:
 - was called InterLibrary Loan
 - supply was largely from library collections with limited supply from commercial agencies
 - and consisted of sending photocopied articles delivered via postal services or fax.
 - 2 or 3 week turnaround was fast.

Serial Supply World as it is in 2000

- Library Materials Budgets:
 - support acquisition of monographs, serials in all formats and document requesting
 - are static or even in decline
 - are often not enough to cover annual subscription price rises and/or support multiple formats
 - often do not support growth without cancellation
- Serials are available in multiple formats (this is especially true in the STM area) - in fact it could be said that we are in the midst of the evolution of the serial format. We have:
 - print issues delivered by surface air mail (rarely by sea these days) and via consolidation services
 - web access to full text data
 - cdrom in both stand alone and network
- Libraries are buying from:
 - serial agents but fewer of them (there a fewer to choose from!)
 - publishers (not necessarily by choice but by necessity)
 - in the academic sector, through consorts
- We have seen the emergence of mega-publishers (eg Reed-Elsevier & Thomson) and the subsequent demise of many small publishers
- Some major STM publishers are handling the sale of the electronic formats of their titles - i.e cutting agents out of the loop

- Librarians:
 - deal with print issues
 - accession in an automated library environment
 - pay electronic and paper invoices by money transfer, credit card and cheque
 - correspond by email, fax and very, very occasionally, letter
 - expect a reply within 2 or 3 days
 - understand all facets of serials in electronic format. For example:
 - access options
 - licence provisions
 - payment and subscription options
 - authentication
- Agents are expected to:
 - place orders with publishers electronically
 - issue annual invoices in an agreed currency in electronic and /or paper format
 - offer consolidation services with a choice of process options
 - offer consortia and licencing services
 - offer electronic aggregation options
 - offer alerting services
 - deal with supply and access problems overnight
 - visit libraries at least once a year
 - appear at the trade fairs associated with major conferences
- Document Delivery:
 - supply from Library collections, more commonly via commercial agencies and from directly from data owners (i.e. publishers) in the form of online fulltext
 - monographs lent, especially in the Arts and Humanities area
 - journal articles are transmitted electronically using application software such as Arial, faxed and sometimes sent via airmail
 - supply times range from 2 hours to 4 days
 - some publishers offer pay by view options

Where will we be five years from now?

What will the future serials world be like? Oh for a crystal ball!! One thing is abundantly clear, we will see changes in the models of publishing and supply. There are even rumblings of change in the staid world of cataloguing - it is proposed that the definition of a serial is about to change to "*a publication in any medium issued in successive parts bearing numeric and/or chronological designations and intended to continue indefinitely*". Is nothing sacred or perhaps reality prevails !

Last week QUT hosted a conference entitled *Virtual Libraries: Virtual Communities*. I attended several sessions where the concept of library "survival" was discussed. The sessions were thought provoking.

We heard James Neal, Dean of University Libraries, Johns Hopkins University, offer the view that the traditional model of libraries is unsustainable (I would add that traditional models of serial supply are also unsustainable). Information costs too much, publishing process takes too long and there is an imbalance between authorship, ownership and propriety rights. Libraries need to be in the forefront of the revolution if they are to survive and thrive beyond 2000. The Internet brings new measures to challenge the current scholarly publishing scene:

Quality = content + functionality
Value = quality + traffic
Price = quality + value (not cost of inputs)

Shelley Grimshaw (MCB University Press) ended a session with the observation that, in relation to publishers, agents and libraries, it may be "survival of the adaptable rather than survival of the fittest" .

Jeroen Reiners (Elsevier Science) spoke of the Elsevier model for survival as being:

Attract – Quality authors & manuscripts - publish the best
▼
Engage – in training and IT support for your platforms
▼
Retain – access + usage maintains revenue
▼
Learn – from your clients
▼
Relate – create portals, need to add value to your service

In discussing this topic with my Electronic Resources Librarian, Dell Schramm, we wondered if in fact we were witnessing the slow death of the journal issue especially in the STM area.

While the journal name is still relevant, nigh critical in the "publish or perish" academic environment where the impact factor of a journal is crucial, is the bound, numbered issue essential? Could the traditional citation structure of volume, issue number and date be replaced by the date the article was mounted on the server.

In various forums over the last few months I have heard publishers such as Wiley, Elsevier Science and MCB allude to the possible demise of the "issue". Publishing platforms are moving to the web. The print is becoming the secondary "add-on" format.

Perhaps we will see some of the large publishers produce print once a year as an alternative archiving option - no doubt at an additional price and a prepayment basis.

Where does all this leave serial subscription agents?

I am sure you will here a representation of their views this afternoon. I do see a role which could perhaps include acting:

- as suppliers of remaining print titles especially in the Arts and Humanities area
- as agents for the serial in electronic format
- as negotiators and licencing experts (eg Swets involvement with the Nesli Agreement in the UK)
- as aggregators of fulltext electronic journals
- as sellers of high quality alerting services
- as links between the medium and smaller publishers and Consortia

In addition, we may see new models of saleable data. Perhaps publishers will sell packages or pools of data to a vendor who then onells customised portions to clients such a libraries.

Under this scenario a library would be able to design a package to suit its' needs and/or its' budget.