

# Competitive quoting, freelance rates and ethical practice in freelance editing

by Renée Otmar, Sally Woollett, L. Elaine Miller and Pamela Hewitt

Macy Redact is a freelance editor.<sup>1</sup> She has postgraduate qualifications, more than a decade of editing experience and the title of Accredited Editor (AE). This accomplished professional is well regarded in the field, is hard working and racks up many hours of work each week. But Macy is struggling to earn a salary that matches the earnings of her peers. One reason is that Macy is reluctant to promote herself and her expertise, and she avoids talking about money and rates of pay – to her clients and her colleagues. This might be attributed to a lack of confidence and ignorance of marketing and business skills. However, a bigger problem is that Macy is regularly embroiled in the questionable practice of competitive quoting. She is uncomfortable doing it, but feels trapped into undercutting just to get work and keep her head above water financially.

Many of us will identify with Macy. It will come as no surprise to readers of professional editing newsletters that Macy typifies today's Australian editor. Biannual surveys conducted since 2001<sup>2</sup> show that editors bring a wealth of knowledge and experience to their work. Australian editors tend to be widely read and are able to boast a broad general knowledge, even among those who work in specialist fields.

We are also notoriously loath to promote ourselves, and are known to shy away from seemingly 'uncivilised' negotiations about salaries and freelance rates of pay. We like to think of ourselves as being part of an honourable profession. Why, then, do some of us act unethically and do things that cause inequitable outcomes for our colleagues?

We (the authors) have come together as a small group of freelance editors worried about the direction of our profession. We are concerned about, among other things, philosophical matters related to language and our role as 'gatekeepers', about everyday editorial practices, education, training and professional development and, of course, remuneration. These are some of the 'hot topics' we plan to write about in the coming months, and we look forward to receiving readers' responses (see end of article for details). In this article we address an alarming practice that appears to be on the rise in Australia: freelance editors' willing participation in the practice of competitive quoting and the widespread practice of undercutting, which we allege are bringing freelance editing rates to a point of unsustainability.

## Professional editing in Australia – the story so far

For decades, editing had been a largely in-house affair. Then, in the 1990s, things began to change. The decade marked an era of expansion for freelance editing. Outsourcing of editing became an important feature of the publishing industry; setting up a home-based office was affordable and domestic email and internet services provided the technology to promote the switch from in-house to freelance status. This created a crop of freelance editing microbusinesses, almost all of which were operated by sole traders.

At that time, editors were often heard lamenting the low rates of pay they considered were forced upon them by the publishing sector. These editors felt the publishing industry understood the value of an editor but had determined that costs could be saved by keeping editors' rates of pay relatively low, given the 'cottage industry' nature of the work. Back then, many editors worked part-time, supplementing their income with work in a different field – or supplementing their domestic partner's income with a bit of freelancing, often alongside housework and childcare. It was thought that editors

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<sup>1</sup> While she is not a real person, Macy Redact represents the demographic and professional profile of the typical Australian freelance editor.

<sup>2</sup> The first to fifth *National Survey of Australian Editors* were conducted in 2001, 2003, 2005, 2007 and 2009 by Pamela Hewitt and in 2011 by the Institute of Professional Editors Ltd (IPEd). A summary of the most recent survey report is available at <http://iped-editors.org/> and the full survey can be downloaded from the members-only section of the website.

were at the mercy of publishers, who could – and did – hire editors at low rates and under poor conditions. There were plenty more available if we did not like what was being offered.

Editors who felt strongly enough about the low rates they commanded set about instigating change from different – and complementary – perspectives.

- Some editors joined the union that oversees pay awards for writers, editors and proofreaders (among others), the Media Entertainment and Arts Alliance (MEAA). They advocated for better salary structures and fees, for both in-house and freelance editors. They also tried to get a higher concentration of union membership and more active engagement between editors and the MEAA, with limited success.
- Members of the seven state and territory societies of editors agitated for the formation of a national body that could represent our interests at a broader level.
- Editors working in middle and senior management supported better pay and conditions for editors within their respective organisations, and did what they could to improve both.
- Some editors took action through their own business practices. They resisted underselling their services; instead charging – and receiving – higher rates of pay.

In 1998, a meeting in Melbourne of presidents of the state societies of editors discussed the possibility of federation, among other topics of concern to editors around the country. The meeting was hosted by Renée Otmar, then-president of the Victorian society. Over the course of that weekend, a loose collaboration of the societies was formed, the Council of Australian Societies of Editors (CASE); a decade later it was incorporated as the Institute of Professional Editors Ltd (IPEd). As well as the matter of forming a national representative body, at the top of the agenda were two urgent tasks: the promotion of editing as an endeavour that offered quantifiable value to the marketability and saleability of any publication (print, electronic and online), and elevation of the status of editors. Action on these tasks was considered a vital step towards better rates of pay for editors and the sustainability of editing as a career.

Editors had been saying for years that a system was needed to certify professional editors, in much the same way that accountants and financial advisers, for example, are certified. The time had come to do something about it. Over nearly a decade of design, consultation, redesign and still more consultation, IPEd implemented a national system of accreditation in 2008. While the very notion of accreditation, its form of assessment and its perception by the publishing industry remain contentious among some groups, after three nationwide examinations, 209 editors have been accredited.

What this means is that over two hundred practising editors have been assessed by their peers as competent in performing a series of benchmark tasks associated with professional editing practice, as set out in the *Australian Standards for Editing Practice*<sup>3</sup>. Given that anyone may call him or herself an ‘editor’, the greatest and most obvious benefit of accreditation is not to the AE but to the prospective client or employer and the industry itself. Another benefit might be ensuring that AEs are able to command better pay than those who are not accredited, but sadly this has not yet proven to be the case.

### What do people *think* Australian editors earn?

The Book Industry Award 2010, administered by the MEAA,<sup>4</sup> set minimum weekly wages for an employee book editor grade 4 (the highest level listed) at \$906.90 a week, or \$47,159 per annum, and for a senior editor grade 3 (the highest level listed) at \$1106.50 per week, or \$57,538 per annum.

The MEAA’s 2011–2012 National Freelance Rates for book editors and proofreaders are listed as \$211 per hour, or \$911 per day. Whichever way you cut it, whether you add up the hourly rate over a year or

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<sup>3</sup> Published by CASE in 2001, available for download from [http://iped-editors.org/Editing\\_standards.aspx](http://iped-editors.org/Editing_standards.aspx).

<sup>4</sup> In-house and freelance rates obtained from the MEAA website at <http://www.alliance.org.au/media-summaries>, accessed 11 April 2012. ‘Modern awards’, which commenced in 2010 and replaced those made before 2006, constitute a minimum safety net of pay and conditions for all employees who work in an industry or occupation, with some exceptions (e.g. managers and high-income earners), unless the particular business is covered by an enterprise award (Fair Work Australia Ombudsman website, <http://www.fairwork.gov.au/awards/modern-awards/pages/default.aspx>, accessed 15 April 2012).

divide the annual hours into the day rate, you end up with more than \$200,000 per annum before deduction of superannuation, sick leave, recreation leave, insurances and office expenses.

To date, IPEd has not publicly addressed the issue of editors' pay rates, nor has it published recommended rates that might be applicable to its accreditation scheme. Most state societies of editors have tended to steer away from recommending rates, deferring instead to notions of 'market rates' and the freedom of private enterprises to set their own fees, or directing people to the MEAA. Some societies do provide information about freelance rates, albeit at arm's length. For example, the WA society currently advises that: 'In October 2009, the national average freelance rate for editors was \$66 per hour and ranged from \$45–112 per hour (current at 2011).'<sup>5</sup> (It is unfortunate that in the same discussion this society suggests that prospective clients 'obtain more than one quote when seeking editorial services', thus encouraging competitive quoting practices.)

### What do Australian editors earn?

The *First National Survey of Editors*, undertaken at a joint conference of editors and indexers (hosted by CASE and Australian Society of Indexers) in 2001, showed that the 49 freelance editors who responded earned an average (mean) hourly rate of \$49, equating to an annual gross (before tax) salary of around \$29,000 after deducting for superannuation, sick leave, annual leave, insurances and office expenses. A repeat of the survey a decade later, with a total of 345 respondents from across the profession, found that freelancers were now earning approximately \$62 per hour, or \$49,000 per annum, before tax. Even taking into account the Consumer Price Index (CPI) and inflation, this suggests there was an increase in editing rates over the course of the decade.<sup>6</sup> But how does the 2011 average earnings for freelance editors compare with average earnings in other professions? In May 2010, the Australian Bureau of Statistics reported the largest group of employees in Australia to be professionals (19.8 per cent of the work force) earning on average a total weekly cash salary of \$1348, or \$70,137 per annum, before tax.<sup>7</sup>

### What is holding us back?

Currently there appears to be a kind of 'open market' in editing, with prospective employers and clients paying seemingly scant attention to accreditation, a most important development in the profession of editing. Supposedly free-market principles are being applied to editorial services, such that prospective clients approach their engagement of an editor in much the same way that they might engage services such as cleaning, plumbing or personal services.

Willing participation in competitive quoting is the overt acceptance of low pay, brought about and perpetuated by undercutting one another. It is just the logical extreme of the familiar situation in which a freelance editor discovers that basing her quotation on more than 'the current market rate' is likely to lose her the job and quite possibly will cause the client to write her off forever as too expensive. Because 'tendering' for jobs in the public sector is an accepted practice, editors who want work from state and federal government departments and agencies began acquiescing to it some years ago. Now it has spread to universities and statutory bodies, though not (yet) to most publishing companies.

Typically, prospective clients engaging in competitive quoting might telephone or email a few editors whose details they have obtained from a freelance register and request a quote, often providing only a rudimentary brief (essentially, 'Here is the manuscript title and word count; we need a quick/light edit by the deadline'). In this circumstance, the decision about who will be awarded the job can really only be made on the basis of price. So the editor with the cheapest quote will get the job; it stands to reason that the same editor is also likely to be working on the lowest rates. Thus editors are encouraged to undercut their colleagues. And those editors who do not get the job, who spend hours – sometimes an entire day – gathering relevant information to prepare an editorial review that enables them to quote? Well, they work for nothing.

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<sup>5</sup> Society of Editors (WA) Inc., <http://editorswa.com/clients/hiring-an-editor/>, accessed 11 April 2012.

<sup>6</sup> Salaries, rates and other figures are quoted on the basis of information currently available. Readers should note that a comprehensive economic analysis of editors' salaries and rates, including comparisons over time and across comparable professions, is planned for reporting in a future article.

<sup>7</sup> Australian Bureau of Statistics, *6306.0 - Employee Earnings and Hours, Australia, May 2010*, <http://www.abs.gov.au/ausstats/abs@/nsf/mf/6306.0/>, accessed 11 April 2012.

Some societies circulate advertisements for editing projects and positions without regard to whether the rates on offer are professional or equitable. This is another factor that holds us back. A disclaimer that puts the onus on the editor to determine whether the rates are fair is not a good solution. It would be a relatively simple matter for societies to further the profession's and their members' interests by educating clients about appropriate rates and requiring them to abide by a set of principles when sourcing editors through access to free society mailouts to members. Prospective clients could, for example, nominate whether the job they are advertising is at a professional, entry level or pro bono rate.

Let's be clear: we are not against quoting per se. A quote or estimate can help a client determine whether they are able or willing to pay for the editorial services they believe their publication requires. Along with an editorial review, it can be useful in ensuring that the parties have a shared understanding of tasks that are to be undertaken in the editing project. Rather, we are against the notion of *competitive quoting*. In most fields in which small businesses typically provide quotes for different jobs, rates are determined by calculating the cost of providing the service plus a profit margin. This is not the way it works in editing. It is routine for freelance editors to omit the real costs of running a business, including allowing for superannuation, income insurance, sick leave, annual leave, administration and professional development. If billable hours are calculated to be 1650 hours per year,<sup>8</sup> an hourly rate of \$80 is needed to achieve an annual salary of \$64,000, which is modest considering the skills, experience and qualifications editors bring to their work. These basic facts of running a small business are not widely enough understood and acknowledged by editors or their clients.

In case it is not already apparent, the competitive quoting process does not serve the interests of a profession that is already struggling to maintain its legitimacy. The information age has produced a world in which anyone can call herself or himself an editor, just not necessarily a good or professional one. This view that anyone can edit a manuscript for publication suggests it ought to be a cheap – if not free – service. When others provide quotes of 'so much for so many words', how can those of us who refuse to do so insist that manuscripts, writers, deadlines and specialist knowledge make for different degrees of difficulty?

And whither accreditation? It would be too easy to blame employers and clients for their inattention, or IPEd for not promoting accreditation widely enough (though in our opinion this would be a fair criticism). Rather, we contend that editors ourselves need to take our fair share of the blame.

### How do we get there?

Editors necessarily must have the biggest stake in the development, elevation and sustainability of our profession, and therefore we ought to play the biggest role in promoting ourselves, the profession and a hard-won system of accreditation.

We, the members of the profession, voted overwhelmingly in favour of accreditation, and in favour of the examination to assess our peers. It took years and many thousands of hours' work by volunteers to develop and implement the system. Now it is up to us to make accreditation work – for us. It is not just businesses, government and the wider community that need to be aware of the value of the editorial role. We ourselves need to learn to value our work, and to put an appropriate monetary value on it. The *Australian Standards for Editing Practice* are freely available for anyone to use to evaluate their editorial competence, and to explain their professional services to others. For AEs, editorial competence is a given. The system is in place to give editors like Macy the confidence to set sustainable rates, and we need to make the most of it.

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<sup>8</sup> Billable hours of 1650 per annum equate to roughly 35 hours a week of editing if you assume annual leave of four weeks and 10 days of public holidays and sick leave per year. For most editors, this is a cracking pace for work that requires high levels of concentration and significant time devoted to administration and professional development. We suggest that most editors clock up fewer billable hours and therefore need to charge higher hourly rates in order to earn \$64,000 per annum.

Suppose you are experiencing a quiet patch in your work schedule, or a project for which you have been booked in advance is suddenly delayed. You receive an email informing you that a prospective client is seeking quotations from editors who are interested in taking on a project. Will not having any work cause you to feel pressured into undercutting your colleagues? Knowing that if you decide to quote and you are awarded the job, several of your colleagues in the same position will receive no recompense whatsoever – should you then say no? We say, absolutely – YES! In fact, we find ourselves regularly saying ‘no’, possibly doing ourselves out of potentially interesting and lucrative projects and thereby probably putting our own livelihoods at risk. However, we always provide a detailed explanation: why becoming involved in a competitive quoting process serves to undermine ethical practice in our profession. Declining to participate no doubt entails burning our bridges ... unless other editors out there decide to do the same. If all accredited editors decide to act together and ethically in the interests of the entire profession, we will be able to maintain (and perhaps one day even increase) our pay rates, as well as elevate our status as editors.

### The next steps

We are all aware that the publishing industry is undergoing tremendous change, with the twin challenges of an increasingly globalised labour market and the pressure on profitability posed by the shift from print-based to digital publishing and marketing. As this transition shapes the publishing industry of the future, it is vital that editors stand together to promote the value that they add to producing high-quality, professional publications. If we do not value the professional contribution our work makes, it is certain that clients and employers will not, either.

Here are some suggestions to get us started:

1. Act together to stamp out competitive quoting practices that are inequitable and unethical. Just say NO.
2. Tell every employer, client and prospective client that you are an Accredited Editor. Explain what that means and the benefits to them.
3. If you are not already an AE, become one.
4. Maintain the high standards we are setting for ourselves in this profession.
5. If you are a freelance editor, discuss fees with other freelancers. Don't be modest. Knowing someone else who charges higher fees can provide incentive and encouragement to others to raise their rates, and this is likely to have a flow-on effect.
6. If you are an employee rather than a contractor, discuss salaries with colleagues at your workplace and others. Do editors' salaries adequately reflect your qualifications, skills and job responsibilities? Negotiating a new contract of employment for everyone in a particular job category is not a farfetched fantasy if everyone actively supports it.
7. Declare and promote recommended rates – it helps to lift everyone's earnings. As with the other strategies suggested here, a combination of individual effort and support from our local and national professional associations is likely to be more effective than piecemeal attempts to maintain or raise what are currently unsustainably low rates.
8. Know how to cost your editing services. The ability to do this should be part of the basic business skills of every freelance editor.

### What would you do?

You have accepted a ‘proofreading’ job. When the proofs arrive, you see they are in need of another edit.

A government department contacts you to ask if you are interested in and available for a small project. They require an indicative hourly rate at the outset, with the next step being to seek quotes from ‘a few’ editors.

A new client approaches you to quote on a small project. They say the budget is tight, but the work is likely to be ongoing.

You provide your hourly rate to a new client, but they say it is too high. The client approaches a colleague of yours, who agrees to the lower rate but charges for more hours than the job actually takes.

*Many freelance editors will be familiar with one or more of the scenarios featured here. We plan to discuss them in future articles, sharing our own experiences and incorporating feedback we receive from you by email to [office@otmarmiller.com.au](mailto:office@otmarmiller.com.au).*

## Do something!

What will you do? How will you (or how do you already) personally contribute towards improvement of pay and conditions in our profession? We invite readers to respond to the ideas, issues and suggestions in this article by emailing the authors directly: [office@otmarmiller.com.au](mailto:office@otmarmiller.com.au).

While accreditation is a powerful tool for improving editors' standards, status and, ultimately, pay, it must be accompanied by our own efforts. The success of those efforts, in turn, will be dependent upon the extent of awareness and cooperation among individual editors as well as support from the professional organisations to which we belong. Encouraging one another through open conversation and by example can only benefit us all.

## About the authors

**Renée Otmar** DE is a freelance editor, writer and researcher with several postgraduate qualifications, including a PhD in health communications. A member of the Society of Editors (Vic) since 1992, she has been an active participant in the development of IPEd and has acted as chief/lead examiner for the accreditation exams. Renée has presented training seminars on marketing and small business skills for editors. In 2011 she wrote and published the e-book *Marketing Your Freelance Editing Business: A step-by-step guide for Australian editors*.

**Sally Woollett** AE began her editing career in 1995, as a career move from chemistry research. Her freelance experience in book publishing includes editing of primary and secondary science education resources, and in the areas of health and medicine. Sally is editor of science magazines *Issues* and *Chemistry in Australia*. She is a guest lecturer in RMIT's Graduate Diploma in Editing and Publishing, from which she graduated with distinction, and has conducted many workshops for freelance editors. She is an Editor in the Life Sciences (BELS).

**L. Elaine Miller** works as a freelance writer, researcher and editor in law and the liberal arts, in which she has multiple postgraduate degrees. She has been a liaison between the Society of Editors (Vic) and the MEAA, has written and spoken on the need for collective action on issues of concern to editors, and has a particular interest in ways that both workers and unions can adapt to changing economic circumstances and labour practices.

**Pamela Hewitt** AE has been involved in editing and publishing for some 25 years. After an in-house career in educational and academic editing, she established a freelance editorial practice. A qualified teacher, Pamela has presented courses and workshops for universities, vocational educational colleges, writers' centres and societies of editors around Australia, in New Zealand and Singapore. She has also developed online courses in professional editing and editing for writers and currently coordinates the editing and publishing program at USQ.