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# 1 EXECUTIVE SUMMARY

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In 2014–15 Copyright Agency:

- **enabled copying and sharing of content by millions of Australians** without the individual copyright clearances otherwise required, including nearly 3.7 million school students,<sup>1</sup> one million university students, nearly 300,000 teaching staff, 100,000 university staff,<sup>2</sup> and 855,000 government employees
- **paid \$136.6M to more than 10,200 content creators**
- **paid nearly \$700,000 in artists' resale royalties to 336 artists**
- **allocated \$2.05M from its Cultural Fund** (members' contribution of 1.5% of licence revenue) to support 71 projects, 66 professional development grants and 7 fellowships
- **97 new clients and 61 extended licences for the corporate sector** to cover additional content and uses resulting in a 22% increase in licence fees
- **launched a licence for Singapore private education sector**, with Singaporean copyright management organisation
- **increased licence fees from Viscopy direct licences by 11%**
- **processed more than 79,000 survey records of copying in schools** (comprising more than 415,000 pages) and more than 9,000 survey records of copying in universities (comprising more than 321,000 pages)
- **increased subscribers to LearningField** from 14 school in three states to 49 schools in seven states
- **increased teaching resources on Reading Australia** to nearly 80

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<sup>1</sup> [abs.gov.au/ausstats/abs@.nsf/mf/4221.0](http://abs.gov.au/ausstats/abs@.nsf/mf/4221.0)

<sup>2</sup> [universitiesaustralia.edu.au/australias-universities/key-facts-and-data](http://universitiesaustralia.edu.au/australias-universities/key-facts-and-data)

## 2 COPYRIGHT AGENCY AT A GLANCE

<b>What we do</b>	<ul style="list-style-type: none"> <li>On behalf of creators of text and images, we negotiate, collect and distribute copyright fees and royalties</li> <li>We are known as a ‘copyright management organisation’ or ‘collecting society’</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>We are a not-for-profit company limited by guarantee</li> </ul>
<b>Members</b>	<ul style="list-style-type: none"> <li>We have more than 29,000 members, who include writers, artists and publishers</li> </ul>
<b>Government appointments</b>	<ul style="list-style-type: none"> <li>We are appointed by the Australian Government to manage statutory licence schemes and the artists’ resale royalty scheme</li> </ul>
<b>Statutory licence schemes</b>	<ul style="list-style-type: none"> <li>The statutory licence schemes allow educational and government use of content without the permissions usually required, but subject to fair compensation to content creators<sup>3</sup></li> </ul>
<b>Artists’ resale royalty scheme</b>	<ul style="list-style-type: none"> <li>The artists’ resale royalty scheme pays artists a percentage of the sale price from certain resales of artworks</li> </ul>
<b>Agent for members</b>	<ul style="list-style-type: none"> <li>We also license our members’ works as their agent (e.g. for use in corporations, local governments and not-for-profit organisations)</li> </ul>
<b>Payments to content creators</b>	<ul style="list-style-type: none"> <li>We pay more than \$100 million a year to content creators for the use of their works</li> </ul>
<b>Cultural Fund</b>	<ul style="list-style-type: none"> <li>1.5% of licence revenue<sup>4</sup> supports cultural projects through the Cultural Fund</li> </ul>
<b>Viscopy services</b>	<ul style="list-style-type: none"> <li>Copyright Agency manages member services and artwork licensing for Viscopy’s 11,000 local members and international affiliates</li> </ul>
<b>International affiliations</b>	<ul style="list-style-type: none"> <li>Copyright Agency and Viscopy are affiliated with more than 70 similar organisations in other countries</li> <li>This enables use of Australian works in other countries, and use of foreign works in Australia</li> </ul>
<b>Other Australian collecting societies</b>	<ul style="list-style-type: none"> <li>We coordinate with other Australian collecting societies that manage licensing for other types of content<sup>5</sup></li> </ul>
<b>Copyright Tribunal</b>	<ul style="list-style-type: none"> <li>The Copyright Tribunal can determine licensing and distribution arrangements that are not resolved by agreement (but determinations are rare)<sup>6</sup></li> </ul>
<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>Copyright Agency and Viscopy are signatories to the Code of Conduct for Australian Collecting Societies</li> </ul>

<sup>3</sup> There are also statutory licence schemes for people with disabilities (visual impairment and intellectual disability), which Copyright Agency is appointed by the Attorney General to manage. Copyright Agency’s board has decided not to seek any compensation under these schemes.

<sup>4</sup> From statutory and voluntary licences, but not the artists’ resale royalty scheme.

<sup>5</sup> Principally Screenrights (broadcast content), APRA|AMCOS (music compositions), and PPCA (recorded music).

<sup>6</sup> [copyrighttribunal.gov.au](http://copyrighttribunal.gov.au)

## 3 ABOUT COPYRIGHT

### 3.1 KEY POINTS

- Copyright rights are granted by the Copyright Act<sup>7</sup>
- The objective of copyright law is ‘to give to the author of a creative work his just reward for the benefit he has bestowed on the community and also to encourage the making of further creative works’<sup>8</sup>
- Copyright applies to designated ‘forms of expression’ such as writing, music and images
- The ‘owner’ of a copyright has exclusive rights to do certain things such as copying, making available online, broadcasting and public performance
- No registration is required for copyright: rights are granted ‘automatically’ on creation of a designated form of expression
- Copyright is a form of ‘intellectual property’: it is ‘owned’ and can be licensed and transferred to others<sup>9</sup>
- The Copyright Act determines the first owner of copyright (usually the creator)
- Creators have ‘moral rights’ in their work (relating to attribution and the ‘integrity’ of their work), even if they do not own copyright<sup>10</sup>
- Rights usually last for 70 years after the creator’s death<sup>11</sup>
- The Copyright Act contains a range of ‘exceptions’: activities that can be done without the copyright permissions usually required
- The Copyright Act also contains a number of ‘statutory licences’ that allow copying and sharing of content (e.g. for education) without permission, but subject to fair compensation
- The copyright ‘system’ is international, involving national legislation that conforms with standards in international treaties<sup>12</sup>
- The artists’ resale royalty right (artists’ entitlement to a share of the resale price for artworks) is often regarded as a copyright-related right, though it differs from copyright rights in a number of respects, and in Australia is granted by stand-alone legislation<sup>13</sup>

<sup>7</sup> *Copyright Act 1968* (Cth), available at [comlaw.gov.au](http://comlaw.gov.au). The legislation has been amended many times since 1968. Significant amendments include the ‘Digital Agenda’ amendments of 2000, and the introduction of ‘moral rights’ in 2000.

<sup>8</sup> *Report to Consider what Alterations are Desirable in the Copyright Law of the Commonwealth* (the Spicer Report) (1959): this report preceded the introduction of the current Copyright Act 1968.

<sup>9</sup> Other forms of intellectual property include patents, trade marks and designs: see [ipaaustralia.gov.au/understanding-intellectual-property](http://ipaaustralia.gov.au/understanding-intellectual-property)

<sup>10</sup> Creators have these rights in their work even if they do not own copyright: [copyright.com.au/moral-rights](http://copyright.com.au/moral-rights)

<sup>11</sup> [copyright.com.au/duration](http://copyright.com.au/duration)

<sup>12</sup> Australia is party to a number of treaties, such as the Berne Convention administered by the World Intellectual Property Organization (WIPO) and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), administered by the World Trade Organization (WTO). Australia is also party to a number of bilateral and other agreements that affect copyright, such as the Australia–US Free Trade Agreement.

<sup>13</sup> The primary copyright treaty, the Berne Convention, provides that parties are not required to have an artists’ resale right, but that if they do they must provide reciprocity to nationals of other countries that have the right. In Australia, the right is granted by the *Resale Royalty Right for Visual Artists Act 2009* (Cth), overseen by the Minister for the Arts. One of the key arguments for the right is that it benefits ‘fine artists’ who receive fewer benefits from the copyright system than other creators (such as writers and composers) whose work is primarily created for copying and communication rather than the value of the ‘original’ version.

## 4 ABOUT STATUTORY LICENCES

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### 4.1 KEY POINTS

- The Copyright Act contains a number of ‘statutory licences’, which allow uses of content for certain purposes without permission but subject to fair compensation to content creators<sup>14</sup>
- Statutory licences have been introduced for situations in which it was assumed ‘that, if left to themselves, the parties will be unable to reach a satisfactory resolution of the terms for the access desired’ for reasons that include ‘unacceptably high transaction costs in cases where individual uses would be too difficult to identify and control’ and ‘the user is in a powerful initial position and has been able to obtain a statutory solution in its favour’<sup>15</sup>
- Statutory licences are compulsory for content creators but not for licensees: users can choose to make alternative (‘voluntary’) arrangements with copyright owners for uses covered by statutory licences, rather than relying on the statutory licence provisions<sup>16</sup>
- Content creators have, however, adjusted to the statutory licences, which were introduced a long time ago and enable efficient licensing solutions
- Copyright Agency is appointed (‘declared’) by the Australian Government to manage statutory licences for educational use of text, images and print music; government use of text, images and print music; and use of content for people with disabilities<sup>17</sup>
- A statutory licence for education was introduced in 1980 following the recommendations of an expert committee,<sup>18</sup> revised in 1989, and extensively amended in 2000 to enable digital uses of content (such as making content available on an intranet)<sup>19</sup>
- In 1990, the Attorney-General’s Department produced guidelines for ‘declared’ collecting societies, which are reflected in Copyright Agency’s Constitution<sup>20</sup>
- A statutory licence for people with a print disability was also introduced in 1980 and subsequently amended and extended; Copyright Agency’s board has decided, however, not to seek compensation under the statutory licences for people with disabilities
- A statutory licence for governments was introduced in 1968 as part

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<sup>14</sup> For an overview of all the statutory licences, see Ricketson & Creswell, *The Law of Intellectual Property: Copyright Designs & Confidential Information* at [12.0]ff.

<sup>15</sup> Ricketson & Creswell, *The Law of Intellectual Property: Copyright Designs & Confidential Information* at [12.0].

<sup>16</sup> For example, the use of print music in schools is mostly done under the AMCOS print music licence ([www.apra-amcos.com.au/musicconsumers/musicineducation/schools.aspx](http://www.apra-amcos.com.au/musicconsumers/musicineducation/schools.aspx)) rather than the statutory licence, because it allows the copying of entire works that are available for purchase (provided the school purchases the requisite number of originals), though the statutory licence remains available to schools for uses not covered by the AMCOS agreement.

<sup>17</sup> Copyright Agency was ‘declared’ by the Attorney General in 1990 as the collecting society for the statutory licences for education and people with disabilities in Part VB of the Copyright Act, and by the Copyright Tribunal in 1998 as the collecting society for government copies of ‘works’ and ‘published editions’.

<sup>18</sup> *Report of the Copyright Law Committee on Reprographic Reproduction* (AGPS, Canberra, 1976), known as the Franki Report.

<sup>19</sup> By the *Copyright Amendment (Digital Agenda) Act 2000* (Cth).

<sup>20</sup> The Guidelines and Constitution are available at [copyright.com.au/governance](http://copyright.com.au/governance).

of the current Copyright Act, following the recommendation of an expert committee,<sup>21</sup> and was amended in 1998 to facilitate collective management<sup>22</sup>

- Statutory licences are consistent with Australia’s international treaty obligations, and exist in other countries, but are more prevalent in Australia than elsewhere<sup>23</sup>
- The Copyright Tribunal has power to determine a range of matters associated with statutory licensing, including the compensation payable, monitoring of usage, and distribution of compensation to content creators
- References to the Tribunal are, however, rare: matters associated with the operation of statutory licences (including compensation and monitoring) are usually resolved through negotiation and agreement
- While the legislative provisions of the statutory licences are, in many respects, very detailed, they allow for commercial agreements that effectively enable the administration of the licences to evolve to encompass changing technologies and business practices<sup>24</sup>
- In its final report on Copyright and the Digital Economy, the Australian Law Reform Commission recommended that statutory licences in the Copyright Act be retained<sup>25</sup>

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#### **4.2 DIFFERENCES BETWEEN STATUTORY AND VOLUNTARY LICENCES**

Statutory licences guarantee that licensees can copy and share all content accessible to them. This includes all local and foreign content, print and digital. Licensees do not have to check whether the source of the content accessible to them (e.g. content on a website) is authorised or not.

Statutory licences are therefore more efficient than voluntary licences. Licensees do not have to check for included and excluded content, and collecting societies do not need to get authorisation from rightsholders. They reduce risk and costs for both the collecting society and for licensees.

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<sup>21</sup> Report of the Committee Appointed by the Attorney-General of the Commonwealth to Consider what Alterations are Desirable in the Copyright Law of the Commonwealth (1959), known as the Spicer Report, at [404]

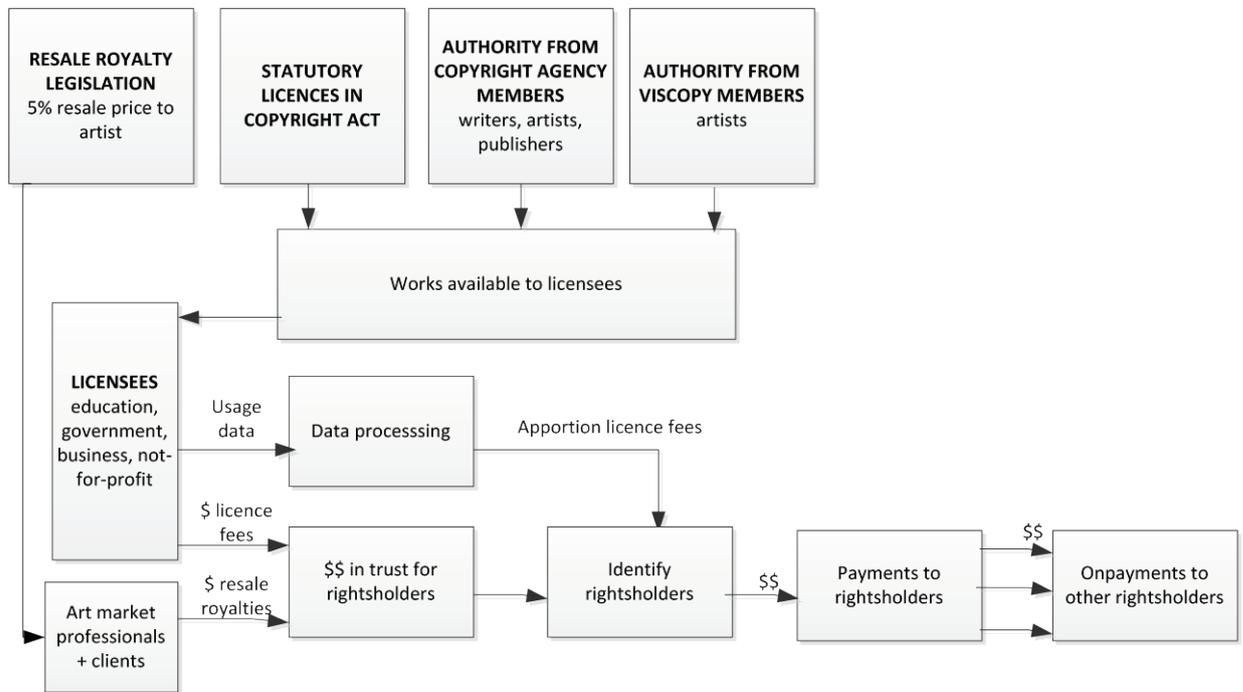
<sup>22</sup> The statutory licence in section 183 of the Act allows the Commonwealth, States and Territories to use any copyright material for the services of the Crown. The amendments empowered the Copyright Tribunal to appoint (‘declare’) collecting societies to manage ‘government copies’. Copyright Agency was declared as the collecting society in relation to ‘works’ (other than those embodied in films and sound recordings) and ‘published editions’ in 1998. Screenrights is the declared society for broadcast content. For uses that are not ‘government copies’ managed by a declared collecting society, the government must (unless it is contrary to the public interest) notify the copyright owner and either agree terms with the copyright owner, or have terms determined by the Copyright Tribunal. The legislation does not empower the Tribunal to declare a collecting society in relation to ‘communications’ made under the statutory licence, but Copyright Agency operates as agent for its members by accepting notification and negotiating terms.

<sup>23</sup> Some other countries have provision for ‘extended collective licensing’, which is similar to statutory licensing but allows a copyright owner to ‘opt out’. This form of licensing originated in Scandinavian countries, and has recently been introduced in the UK. It is also under consideration in the US.

<sup>24</sup> For example, Copyright Agency’s agreements with licensees are based on a flat, capped rate rather than a rate per use.

<sup>25</sup> [alrc.gov.au/publications/copyright-report-122](http://alrc.gov.au/publications/copyright-report-122)

## 5 OUR BUSINESS: AN OVERVIEW



## 6 STATUTORY LICENCE SCHEMES: EDUCATION

### 6.1 KEY POINTS

- The statutory licence scheme for education in the Copyright Act allows educational use of text and images provided there is fair compensation to content creators<sup>26</sup>
- Copyright Agency was appointed by the Australian Attorney General in 1990 to manage the scheme
- There is a similar scheme for broadcast content (e.g. documentaries, films and current affairs), managed by Screenrights<sup>27</sup>
- The schemes now apply to both not-for-profit and for-profit educational institutions
- The amount of fair compensation can be determined by the Copyright Tribunal if it cannot be agreed
- The last Tribunal determination on fair compensation for schools was in 2002, and for universities in 1999
- Most schools (all government schools, and most Catholic and independent schools) are represented by the Copyright Advisory Group (CAG)<sup>28</sup> in negotiations for fair compensation
- Most Technical and Further Education (TAFE) colleges (apart from those in Victoria)<sup>29</sup> are also represented by CAG
- Universities are represented by Universities Australia
- Copyright Agency also negotiates individual agreements with more than 1,000 independent educational institutions

### 6.2 DEVELOPMENTS IN 2014–15

- Renewal of agreement with CAG for schools sector for two years (2016–17);
- Renewal of agreement with CAG for TAFE sector for five years (2015–19)

### 6.3 STATUTORY COMPENSATION FOR EDUCATION SECTOR 2014–15

Sector	\$M
Schools	61.75
Universities	30.70
TAFEs	3.34
Other education providers	5.27
<b>Total</b>	<b>101.06</b>

### 6.4 TOTAL COST OF EDUCATION FOR SCHOOL STUDENTS

- According to the Gonski report, the average net recurrent funding for school students in 2009 was between **\$11,121 and \$13,667 per student**<sup>30</sup>
- Similarly, the Australian Curriculum and Assessment Authority calculates the overall recurrent government funding for school education in 2009–10 at **\$41.8 Billion**<sup>31</sup>

<sup>26</sup> The current statutory licence, in Part VB of the Copyright Act, came into operation in 1990. It replaced the former statutory licence provisions in section 53B, introduced in 1980. The statutory licence was extended to digital uses in 2000, by the Copyright Amendment (Digital Agenda) Act.

<sup>27</sup> There are also arrangements for use of music in schools and universities through the music collecting societies, APRA/AMCOS and PCCA.

<sup>28</sup> CAG represents schools on copyright matters to the Council of Australian Governments (COAG) Education Council. CAG is assisted by the National Copyright Unit (NCU), based in the NSW Department of Education.

<sup>29</sup> Since 2006, Victorian TAFEs have been represented by their own self-funded association, Victorian TAFE Association (VTA).

**Compensation to content creators under the statutory licence = less than 0.15% of the costs of educating a school student.**

#### 6.5 LICENCE FEES PAID FOR SCHOOL STUDENTS

- When adjusted for student numbers, volume of copying and consumer price index, licence fees have remained stable over the last 10 years
- Under the agreements for 2013–15 and 2016–17, the rate per student is fixed at the 2012 rate (\$16.93), but (unlike in previous agreements) without an annual increase for the Consumer Price Index (CPI)

**In real terms, the per-student rate for school students is lower now than in 2012.**

#### 6.6 UNIVERSITIES

The agreements with the university sector set a flat rate for the agreement period, but, unlike the agreements for the school sector, it has been a flat rate for the sector as a whole rather than a flat per-student rate.

#### 6.7 INDIVIDUALLY LICENSED INSTITUTIONS

In 2014–15, we licensed 1,053 educational institutions on an individual basis. About 60% of these are not-for-profit, and the remainder for-profit. These institutions included pre-schools, schools and colleges offering higher education degrees, as well as Vocational Education and Training (VET) level diplomas and certificates 1–4.

Some offer specialist education, such as theological studies, business studies and English language training.

The for-profit institutions are mostly very large private colleges and registered training organisations (RTOs) offering tertiary education. The not-for-profit institutions include training arms of government bodies, private or community kindergartens, community colleges, neighbourhood houses, smaller RTOs and charitable RTOs.

While we license these institutions individually, we liaise with peak bodies for various classes of institution with a view to:

- increasing understanding of copyright and licensing issues;
- providing licensing information to their members; and
- designing licences that are appropriate to the needs of their members.

<sup>30</sup> *Review of Funding for Schooling*, Final Report, December 2011:

<http://foi.deewr.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf> at page 15

<sup>31</sup> *National Report on Schooling in Australia 2010*,

[http://www.acara.edu.au/verve/\\_resources/National\\_Report\\_on\\_Schooling\\_in\\_Australia\\_2010\\_live.pdf](http://www.acara.edu.au/verve/_resources/National_Report_on_Schooling_in_Australia_2010_live.pdf)

## 6.8 USAGE RECORDS PROCESSED

The following shows the number of records from surveys that we processed in 2014–15. In most cases, these survey records comprise a cover sheet with information about the copying, and a copy of the content copied.

Each survey record may show that numerous ‘pages’ were copied, and may show that those ‘pages’ included a number of separate ‘works’. For example, a survey record may show that 10 pages from a book were copied, and that those pages included narrative text, a poem, and images. Survey records from tertiary institutions include course packs, which comprise extracts from a variety of sources.

Components of copied pages may be processed separately: there are different relative values for different types of content, and there may be different owners of copyright for various components.

The following is an indication of the volume of processing, rather than a comprehensive report on all processing in 2014–15. The processing includes research to determine whether or not a use was made in reliance on the statutory licence or not. The following includes records for uses made outside the statutory licence, and therefore excluded from estimates of the extent of reliance on the statutory licence, and from distribution.

	survey records processed	‘usage’ records	‘pages’ processed
schools: hardcopy	66,269	91,603	353,528
schools: digital	12,762	18,200	61,927
universities: hardcopy	2,482	5,406	73,719
universities: digital	7,156	13,185	247,980
other (inc TAFE)	963	2,538	9,485

## 6.9 ENGAGEMENT WITH EDUCATION SECTOR

Our statutory licensing staff engage with the education sector in a variety of ways, including participation in education conferences and other events. For example, in 2014-15 staff participated in:

- VELG: National VET Conference (Adelaide): 16-18 September 2015
- English Australia Conference (Brisbane) 23-25 September 2015
- ACPET Conference (Melbourne): 26-28 August 2015
- PD Fest (Brisbane) 21 March 2015
- NEAS Conference (Sydney): 7–8 May 2015
- U3A Asia Pacific Conference (Brisbane) 28-29 May 2015
- a range of professional development workshops and webinars on copyright as well as one-on-one college visits to provide copyright education to staff

## 7 HOW CONTENT IS USED IN THE EDUCATION SECTOR

### 7.1 KEY POINTS

- The statutory licence managed by Copyright Agency allows copying and sharing of text and images for educational purposes:
  - from any source (e.g. print, digital, legitimate or infringing)
  - for any type of reproduction or communication (e.g. printing, scanning, photocopying, downloading, making available on a server, emailing)
- The only limitation is that, for some works, only a ‘reasonable portion’ can be used if the work is available for purchase
- Each year, a small sample of schools and universities participate in surveys of usage conducted by an independent research company<sup>32</sup>
- The design of the survey is agreed with CAG and UA respectively, and those organisations participate in training of survey participants
- By agreement with education sector representatives, the uses of content recorded by survey participants includes uses made outside the statutory licence<sup>33</sup>
- Uses made outside the statutory licence are identified and excluded when the usage data is processed by Copyright Agency, in accordance with protocols agreed with education sector representatives
- Usage data is taken into account:
  - as one of the factors in commercial negotiations on fixed fees
  - in distributions of licence fees to content creators
- The extent and type of information gathered about usage is influenced by:
  - the technology available to collect and process data
  - administrative burden on licensees
  - cost of collecting and processing data

### 7.2 SURVEYS OF USAGE

Licensees participate in surveys of usage for two quite distinct reasons:

1. To provide an indication of the overall levels of usage (‘volume’)
2. To provide information about content used, to assist with distribution of fair compensation and licence fees.

Some survey records are useful for the first purpose but not for the second (because they do not contain sufficient information to identify a rightsholder). In identifying survey records for distribution purposes, we exclude those that do not contain sufficient identifying information.<sup>34</sup>

Conversely, some information gathered in surveys is relevant to distribution, but does not affect compensation negotiations.

The design of surveys is agreed with licensee representatives. This includes the sample design and the survey duration.

In 2015 there were two separate surveys for the school sector:

<sup>32</sup> Currently AMR.

<sup>33</sup> This is by agreement with CAG, in recognition that the teachers completing the surveys would have difficulty determining whether a particular use is made in reliance on the statutory licence or not.

<sup>34</sup> This does not necessarily mean that the work used is a ‘orphan work’: it means that insufficient information has been provided to enable us to identify its copyright owner.

- survey of photocopying, printing and scanning (32 schools each term); and
- survey of ‘electronic use’: digital uses of digital content, such as saving to learning management systems, adapting and emailing (100 schools each year, for a four-week period).

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### **7.3 USES EXCLUDED FROM COMPENSATION NEGOTIATIONS**

Not all uses of content are taken into account in compensation negotiations. Uses excluded from consideration include those that:

- do not ordinarily require copyright permission;<sup>35</sup>
- for which the content creator has notified us are directly licensed for educational use;
- are presumed to be directly licensed for educational use;<sup>36</sup>
- are presumed to have no value (such as ‘technical’ copies); and
- are not practicable to ‘measure’.

There are two mechanisms for taking these uses into account in compensation negotiations:

1. uses recorded in surveys that are excluded in the survey records process (which follows protocols agreed between Copyright Agency and CAG and UA); and
2. overall discounts in the flat fees, to reflect the class of excluded use.

Processing exclusions include:

- quotations and extracts of three paragraphs or less;
- material created exclusively by the surveyed institution’s current employees: teacher’s own work;
- media or press releases;
- examination papers/materials if used for assessment purposes;
- logos;
- advertisements; and
- content published by Commonwealth departments and agencies.<sup>37</sup>

Discounts are negotiated for uses such as the following:

- the use of ‘small portions’;
  - copying from ‘blackline masters’;<sup>38</sup> and
  - use of content that may lack sufficient ‘originality’ to be protected by copyright.<sup>39</sup>
- 

<sup>35</sup> E.g. because the content is not protected by copyright; because part used is not ‘substantial’; because the use is covered by a free exception.

<sup>36</sup> Such as from a website with terms of use that allow ‘non-commercial use’.

<sup>37</sup> unless we have been instructed by the relevant agency not to exclude it

<sup>38</sup> ‘Blackline masters’ are workbooks sold with a licence to the purchaser to photocopy. Survey records do not indicate whether or not the recorded use was covered by the licence.

<sup>39</sup> Such as the TV guides at issue in the High Court decision in Ice TV

## 8 STATUTORY LICENCES: GOVERNMENTS

### 8.1 KEY POINTS

- The statutory licence for governments allows Commonwealth, State and Territory government departments and agencies to make any use of any copyright content for the services of the government<sup>40</sup>
- Copyright Agency has been ‘declared’ by the Copyright Tribunal as the collecting society authorised to collect and distribute ‘equitable remuneration’ for government copying of text images and print music<sup>41</sup>
- Copyright Agency also licenses, as agent for its members, the communication of text, images and print music<sup>42</sup>
- The statutory licence does not apply to government-related entities that are not ‘the Crown’, or to local governments, but Copyright Agency offers ‘voluntary’ licences for them
- Copyright Agency has received limited recent usage data from governments, which means recent distributions of licence fees have been based on data indicating content available for use, rather than reported as used

### 8.2 DEVELOPMENTS IN 2014–15

- Remuneration agreements with ACT, South Australia, Victoria and Queensland for 2014–15 completed
- Remuneration agreement with South Australia for past usage completed
- Negotiations with WA, NT, SA, TAS for the 2014-2015 period
- Negotiations with Commonwealth on surveys of usage, and commencement of negotiations for new agreement
- First payments for surveyors from the NSW government for sales of survey plans
- Continued negotiations with NSW government regarding payment of compensation under government statutory licence since 2012

8.3 STATUTORY COMPENSATION PAID BY GOVERNMENT SECTOR	Sector	\$M
	Commonwealth	2.54
	States and Territories	1.97
	<b>Total</b>	<b>4.51</b>

### 8.4 COMMONWEALTH

The Commonwealth has an agreement with Copyright Agency for both ‘government copies’ (under the government statutory licence) and communication of members’ works. The agreement was extended until 30 June 2015, with acknowledgment that the parties would work to have a survey of usage under the licence implemented. This commitment reflects past difficulties in obtaining usage data from the Commonwealth to assist with distribution of licence fees.

The agreement covers the following:

- photocopying and printing of all works;
- conversion to digital form and intranet or internal email communication (including email communication between Commonwealth departments

<sup>40</sup> The statutory licence is in Part VII Division 2 of the Copyright Act

<sup>41</sup> Screenrights is similarly declared for broadcast content.

<sup>42</sup> The legislation does not enable the Tribunal to ‘declare’ Copyright Agency for communication, only for ‘government copies’. Copyright Agency has asked the Australian Law Reform Commission to recommend amendment to the legislation to enable declaration for communication.

and agencies participating in the agreement); all works other than newspapers or those obtained via an online subscription service;

- uses presumed to be made outside the statutory licence (e.g. use of Commonwealth publications, material directly licensed by the content creator, and use of material for professional advice);
- communications not covered by the voluntary licence for communications (such as external emails or making available from a website).

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#### **8.5 STATE AND TERRITORY GOVERNMENTS**

There are separate agreements with States and Territories regarding both remuneration and usage data. The agreements cover both photocopying and other reproductions allowed by the statutory licence, and communications authorised under the voluntary licence.

In 2014–15, agreements were reached with Victoria and Queensland for remuneration in 2014–15, and with South Australia for remuneration for past usage. Negotiations were underway with other States and Territory regarding equitable remuneration and usage data for past and future reliance on the statutory licence.

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#### **8.6 NUMBER OF GOVERNMENT EMPLOYEES**

The table below indicates the number of employees (full-time equivalent: FTE), according to the most recent reports we have received.

<b>State</b>	<b>Reported for</b>	<b>FTEs</b>
Commonwealth	2014-2015	207,684
ACT	2014-2015	14,927
NSW	2011-2012	208,308
Northern Territory	2013-2014	16,264
Queensland	2014-2015	131,251
Victoria	2013-2014	78,516
Western Australia	2012-2013	75,961
Tasmania	2013-2014	20,095
South Australia	2014-2015	59,5291

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## 9 STATUTORY LICENCES: PEOPLE WITH A DISABILITY

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### 9.1 KEY POINTS

- There are statutory licences in the Copyright Act that allow institutions to provide materials in suitable formats for people with disabilities<sup>43</sup>
- The licence is available to institutions that assist people with disabilities, including any educational institution covered by the statutory licence for education
- Copyright Agency is appointed by the Attorney General to manage these licences
- Copyright Agency's board has decided to not seek payment under these licences
- Copyright Agency has developed an online database of 'master' copies, known as the Master Copy Catalogue, to assist institutions to share information about their holdings of 'master copies' which can be made available to other institutions under the statutory licences
- There are more than 80 institutions participating in the Masters Copy Catalogue
- There are now more than 14,000 accessible format master copies made under the statutory licence, recorded in the catalogue, available to Australian institutions assisting people with a disability

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### 9.2 DEVELOPMENTS IN 2014–15

- Survey by Copyright Agency of users of the Master Copy Catalogue on usefulness of Catalogue, how it could be improved, and what other measures would improve access to accessible format material
  - Participation in Australian Publishers Association webinars on implementation of the Marrakesh treaty in Australia
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<sup>43</sup> See [copyright.com.au/people-with-disabilities](http://copyright.com.au/people-with-disabilities)

## 10 COMMERCIAL & OTHER ‘VOLUNTARY’ LICENCES

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### 10.1 KEY POINTS

- Members can appoint us as their agent to include their works in various licence schemes we offer
- The licences also cover the works of rightholders represented by our international affiliates
- Licensees include organisations in the corporate and not-for-profit sectors
- We offer ‘blanket’ annual licences, which cover uses of all works we represent
- We also offer ‘pay-per-use’ (transactional) licences, including through an online automated facility<sup>44</sup>
- The licences do not cover works that are listed on Copyright Agency’s website as excluded works,<sup>45</sup> but do include an indemnity for uses of other works not represented by us
- Licence fees reflect the value of the licences (e.g. compared to other commercial licensing arrangements), and consultations with members
- Licence terms also reflect consultations with members and the extent of their authorisation to us
- Consultations are ongoing (particularly with publishers of scientific, medical and technical journals, and with newspaper publishers), to review licence conditions in the light of developments such as changing business practices
- Licence fees for the commercial sector vary for different types of businesses, but are all higher than the compensation paid by governments under the statutory licence<sup>46</sup>
- Licence fees paid by quasi-government bodies are lower than the compensation paid by governments, because the licence does not cover all uses allowed by the statutory licence (e.g. use of entire works available for purchase; uses of content excluded from our voluntary licences)

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### 10.2 DEVELOPMENTS IN 2014–15

- 97 new clients and 61 extended licences to cover additional content and uses resulting in a 22% increase in licence fees from the corporate sector
  - Continuation of monitoring program for corporate websites with infringing publication of newspaper content with a view to increased uptake of licences in the corporate sector
- 

<sup>44</sup> [rightsportal.com.au](http://rightsportal.com.au)

<sup>45</sup> [copyright.com.au/excluded-works](http://copyright.com.au/excluded-works)

<sup>46</sup> The current per-employee rate for State governments is about \$11. In the Commonwealth, there is a lower rate for large departments and a higher rate for small departments, but the overall average is equivalent to that paid by the States.

**10.3 LICENCES FOR THE CORPORATE SECTOR**

In addition to our general licence for corporations, we have licences covering the specific requirements of:

- pharmaceutical companies
- public relations (PR) companies
- law firms
- Australian-based firms with offices in other countries

Other licence schemes include:

- digital press clippings (as agent for newspaper and magazine publishers)
- inclusion of journal articles and other works in commercial subscription services

**10.4 NOT-FOR-PROFIT SECTOR**

We offer licences (which we refer to as Associations Licences) for a range of not-for-profit entities, including incorporated associations, unincorporated associations, societies and unions. We have specific sector licences for:

- local governments;
- religious organisations; and
- civil celebrants

**10.5 LICENCE FEES COLLECTED FOR CONTENT CREATORS IN 2014–15**

Source	\$M
Corporations & Associations	4.01
Digital Press Clippings	12.52
Document delivery	1.11
Transactional	0.53
<b>Total domestic</b>	<b>18.17</b>
Foreign royalties	4.08
<b>TOTAL</b>	<b>22.25</b>

**10.6 QUASI-GOVERNMENT BODIES**

We have a special licence for quasi-government bodies that may not be able to rely on the statutory licence for governments because they are not part of the Commonwealth or a State or Territory government. The licence operates in a similar way to the government statutory licence, but does not allow the copying of entire works or editions that are available for purchase (only a portion may be copied).

In 2014–15:

Sector	Number of licensees	Licence fees \$
State and Territory	12	103,920
Commonwealth	3	44,769

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**10.7 TRANSACTIONAL  
(PAY PER USE)  
LICENCES**

We offer transactional (pay per use) licences in two ways:

- an automated online service (RightsPortal);<sup>47</sup> and
- a manual clearance service.

The automated service currently applies to newspaper content (text, but not images), but is being extended to enable licensing of articles from scholarly journals.

For content not yet covered by the online facility, we offer a manual clearance service. Licensees make a request by email, and we respond within 48 hours. We liaise with the rightsholder, who decides whether or not to license and sets a price, and manage the licence arrangements, invoicing and payment.

Most of the users of these services are publishers.

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**10.8 ENGAGEMENT WITH  
LICENSEES**

The Commercial Licensing team engages with current and potential licensees in a variety of ways. In 2014–15, they conducted 39 training sessions with a range of organisations around Australia.

The team also participated in the following conferences and events:

- Australian Association for Practice Managers AAPM, Sept 2014 exhibitor
  - Public Relations Institute of Australia conference, hosting copyright seminar: October 2014
  - AusBiotech National Conference, as exhibitor: Oct 2014
  - Australian Library and Information Association ALIA, exhibitor Feb 2015
  - Australian Corporate Lawyers Association: exhibitor at Annual Conference (November 2014); NSW (February 2015); VIC (March 2015); QLD (May 2015); WA (May 2015)
  - Australasia Society of Association Executives, exhibitor June 2015
  - Association of Regulatory and Clinical Scientists, exhibitor: June 2015
  - Continuing Legal Education Association of Australasia copyright seminars: Sydney (February 2015); Melbourne (April 2015)
  - Australian Law Librarians Association (WA) Copyright Session with 12 Perth based law firms
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<sup>47</sup> [rightsportal.com.au](http://rightsportal.com.au)

## 11 VISCOPY SERVICES

### 11.1 KEY POINTS

- Copyright Agency began managing Viscopy's services on 2 July 2012, pursuant to an agreement approved by the Australian Consumer and Competition Authority<sup>48</sup>
- The services include managing Viscopy's relationships with its members, international affiliates and licensees
- Viscopy represents more than 11,000 artists, artists' estates and beneficiaries
- Through its international affiliations, Viscopy also represents more than 40,000 foreign artists
- Viscopy's major licensees are auction houses and public galleries
- Most of Viscopy's licences are pay-per-use (rather than 'all of repertoire')<sup>49</sup>

### 11.2 DEVELOPMENTS IN 2014–15

- 11% increase in fees from direct licences collected for members
- highest ever number of applicants for John Fries award
- Indigenous education program for visual artists

### 11.3 ARTISTS REPRESENTED

Year	Australian artists represented
2009	7,300
2010	7,581
2011	8,761
2012	8,876
2013	10,074
2014	11,399
2015	11,642

### 11.4 TOTAL INCOME

Revenue Class	\$ (approx)
Viscopy licence fees	863,000
Statutory compensation (collected by Copyright Agency and Screenrights)	1,249,000
Foreign licence fees (from international affiliates)	66,000
Interest	44,000
<b>Total Revenue</b>	<b>2,222,000</b>

<sup>48</sup> <http://transition.accc.gov.au/content/index.phtml/itemId/1022091/fromItemId/278039/display/acccDecision>

<sup>49</sup> [www.viscopy.org.au/licensing](http://www.viscopy.org.au/licensing)

**11.5 VISCOPY LICENCE FEES**

<b>Domestic Licensing (by client sector)</b>	<b>\$ (approx)</b>	<b>Total licences</b>
Auction Houses	323,000	73
National and state galleries/museums	240,000	233
Book publishers	38,000	77
Corporate/Commercial	61,000	44
Education, University, & regional Galleries/Museums	69,000	130
Magazine and newspaper publishers	27,000	19
Commercial galleries	15,000	19
Government	18,000	17
Non-profit organisation	23,000	27
Broadcasting, film and television	50,000	17
<b>Total</b>	<b>863,000</b>	<b>656</b>

**11.6 DEDUCTIONS**

The services agreement between Viscopy and Copyright Agency sets out the deductions from licence fees and other income payable to Copyright Agency. In the first year of the agreement, this was 25% of licence fees from Viscopy licences and statutory licence fees collected by Copyright Agency and Screenrights, and 10% of foreign licence fees. There is no deduction by Viscopy from artists' resale royalties collected by Copyright Agency. The services agreement provides for the deduction from statutory licence fees collected by Copyright Agency to be reduced to 10% over a three-year period.

## 12 ARTISTS' RESALE ROYALTY SCHEME

### 12.1 KEY POINTS

- The artists' resale royalty scheme commenced on 9 June 2010
- Copyright Agency was appointed by the Minister for the Arts to manage the scheme in May 2010
- The scheme requires payment of a 5% royalty of the sale price on certain resales of artworks
- It also requires the reporting of all resales with a sales value of \$1,000 or more to Copyright Agency, with sufficient information to determine if a royalty is payable
- A royalty is not payable if the seller acquired the work before the scheme commenced
- Royalties are payable for works by Australian artists<sup>50</sup>
- There is a dedicated website – [resaleroyalty.org.au](http://resaleroyalty.org.au) – which has an online reporting facility, and online registration facility for contact details for artists and art market professionals

### 12.2 DEVELOPMENTS IN 2014–15

At 30 June 2015, the scheme had generated over **\$3.4 million** in royalties for **1055** artists from more than **10,700** resales.

- Aboriginal and Torres Strait Islander artists represented nearly 65% of the artists receiving royalties, and received 40% of the royalties.
- 43% of recipients live in the Northern Territory, and 14% in South Australia and Western Australia (mostly in regional and remote areas).
- The royalties generated by the scheme grew by 30% compared to 2013–14;
- The proportion of resales eligible for a royalty has grown from 4% by value in 2011–12 to 12%.

<sup>50</sup> Royalties are paid to successors in title after an artist's death. The legislation allows for the scheme to be extended to artists and successors in title from other countries with similar schemes, by listing those countries in regulations. At the time of writing, no countries were listed but arrangements were in train for the listing of most of the countries with artists' resale royalty schemes generating significant royalties.

**12.3 RESULTS FOR 2014–15**

	2014–15	Since June 2010
Resales reported <sup>51</sup>	7,545	42,690
Resales subject to royalty <sup>52</sup>	1,721	10,701
Royalties invoiced	\$925k	\$2.97M
Royalties collected	\$776k	\$2.8M
Royalties paid (exc admin fee)	\$696k	\$2.4M

**12.4 STAKEHOLDER ENGAGEMENT**

Copyright Agency used a variety of methods to communicate the review of the scheme to stakeholders. Staff presentations included:

Presentation	When	Where
Cairns Indigenous Art Fair industry forum	Aug-14	Cairns
Artist workshop, Victorian Indigenous art award	Aug-14	Victoria
Darwin Aboriginal art fair: information stall	Aug-14	Darwin
Outback arts NSW workshops: Coonamble, Warren, Bourke, Lightning Ridge and Walgett	Aug-14	Regional NSW
Desart Industry Lounge, Alice Springs: information booth	Sep-14	Alice Springs
Arts Law Wills trip to Weinum arts in Weipa, New Mapoon and Wik & kugu arts	Sep 14	Far North Queensland
Indigenous art centre alliance conference	Oct-14	Cardwell, QLD
Regional arts summit	Oct-14	Kalgoorlie WA
Desart Aboriginal artworkers professional development week and photography prize	Nov-14	NT
Regional Arts NSW workshop	Feb-15	Regional NSW
Aboriginal arts workshop	Mar-15	La Perouse, NSW
Contemporary Pacific arts festival	Apr-15	Footscray, VIC
Aboriginal artist camp	Apr-15	South Stradbroke Island, QLD
Revealed symposium and market place- WA emerging artists and art centres	May-15	WA
Cultural industries and intellectual property workshop with the Secretariat of Pacific Community	May-15	Suva, Fiji
Financial literacy training and resale royalties	May-15	Mornington Island

<sup>51</sup> Resales for \$1,000 or more.

<sup>52</sup> All resales must be reported, and Copyright Agency determines which resales are subject to a royalty. A royalty is not payable if the artwork was acquired by the vendor before the commencement of the scheme. Other reasons for a royalty not being payable are: the artist is not an Australian national or resident, and (if the artist has died), there are no beneficiaries with the requisite connection to Australia.

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## 13 PAYMENTS TO CONTENT CREATORS

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### 13.1 KEY POINTS

- Statutory compensation, licence fees and royalties are held in trust for content creators until paid
- Statutory compensation and licence fees are paid to owners of copyright whose works have been used, are presumed to have been used, or are available for use, by licensees
- Data for distribution is acquired from a variety of sources, including surveys of usage by licensees and data that indicates content available to licensees
- There are a series of processes involved in allocating payments to content creators based on the best data available at a reasonable cost within the relevant time period
- These include processing and analysing the available data, applying relative values for different types of content and uses, and identifying and contacting content creators
- The processes are sometimes complex, accounting for the time between receipt of licence fees, allocation, and payment
- Where there is more than one person with a copyright interest (e.g. author and publisher), we can distribute to each if we have verified information about the payment shares
- Otherwise, we pay to one person with a copyright interest, on their undertaking to on-pay any others with an entitlement to a share
- Distribution policy is overseen by the Board, and published on our website<sup>53</sup>
- The Copyright Tribunal has power to review distribution arrangements

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### 13.2 DEVELOPMENTS IN 2014–15

- More than **\$136.6M** in copyright licence fees paid to 10,270 content creators
  - The total amount distributed exceeded total licence fees for the financial year (\$135.1M) as it included fees received in the previous year
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<sup>53</sup> [copyright.com.au/distribution-policy](http://copyright.com.au/distribution-policy)

**13.3 LICENCE FEES BY SECTOR<sup>54</sup>**

<b>\$ Million</b>	<b>2010–11</b>	<b>2011–12</b>	<b>2012–13</b>	<b>2013–14</b>	<b>2014–15</b>
Schools	56.3	58.6	59.8	60.8	61.8
Universities	25.5	26.3	27.0	29.0	30.7
TAFEs	3.8	4.0	3.9	3.6	3.3
Other education providers	4.0	4.5	4.8	5.0	5.3
<b>Education total</b>	<b>89.6</b>	<b>93.4</b>	<b>95.5</b>	<b>98.4</b>	<b>101.1</b>
States & territories	7.0	6.3	6.2	4.7	2.0 <sup>55</sup>
Commonwealth	3.0	3.1	2.8	2.8	2.5
Survey plans				0.2	3.8
<b>Gov total<sup>56</sup></b>	<b>10.0</b>	<b>9.4</b>	<b>9.0</b>	<b>7.7</b>	<b>8.3</b>
Press clipping	12.5	12.7	12.7	12.0	12.5
Other commercial	3.4	3.9	4.5	4.9	5.7
Overseas	1.8	2.3	2.6	2.7	4.1
Resale royalty	0.2	0.4	0.8	0.6	0.9
LearningField	-	-	-	0.6	2.5
Net investment income	5.3	4.0	2.7	2.3	2.1
<b>Other total</b>	<b>23.2</b>	<b>23.3</b>	<b>23.3</b>	<b>23.1</b>	<b>27.8</b>
<b>TOTAL</b>	<b>122.8</b>	<b>126.1</b>	<b>127.8</b>	<b>129.2</b>	<b>137.2</b>

**13.4 PAYMENTS TO CONTENT CREATORS BY INCOME SOURCE**

Because of the complexities associated with processing usage data and allocating payments, licence fees are not always distributed in the same financial year that they are received.

The following table shows the sources of payments distributed in 2014–15:

<b>Source</b>	<b>\$</b>	<b>%</b>
Education (statutory)	106,692,061	78.10%
Government (statutory)	8,054,763	5.90%
Surveyors (statutory)	170,007	0.12%
Artists Resale Royalty (statutory)	695,534	0.51%
Commercial (voluntary)	19,775,117	14.48%
Overseas (voluntary)	1,228,020	0.90%
<b>Total</b>	<b>136,615,502</b>	<b>100.00%</b>

<sup>54</sup> The table represents licence fees payable for the 2014–15 financial year, rather than received in that period.

<sup>55</sup> The licence fees from states and territories recognised for 2014–15 reflects adjustments for licence fees expected for previous years that have not been received in full and are now not expected to be received.

<sup>56</sup> Includes voluntary licences for quasi-government entities (\$148,689 in 2014–15)

### 13.5 PAYMENTS TO CONTENT CREATORS BY CONTENT TYPE

The following tables show estimates of payments according to sources of content. Distributions of licence fees from the education sector were based on surveys of usage in a statistical sample of educational institutions. Distributions of licence fees from governments (apart from those for sales of survey plans) were based on data indicating content available for use.

Source	\$M Education	\$M Gov	\$M Other	\$M Total
Book	85.95	2.13	3.84	91.92
Website <sup>57</sup>	5.82	0.07	0.02	5.91
Journal	6.57	4.02	2.96	13.55
Magazine	0.77	0.10	0.80	1.66
Newspaper	0.95	1.71	13.24	15.90
Survey plans	-	0.17	-	0.17
Other <sup>58</sup>	6.64	0.10	0.77	7.50
<b>Total</b>	<b>106.69</b>	<b>8.30</b>	<b>21.62</b>	<b>136.62</b>

Source	Education	Gov	Other	% overall
Book	81%	26%	18%	67%
Website	5%	1%	0%	4%
Journal	6%	48%	14%	10%
Magazine	1%	1%	4%	1%
Newspaper	1%	21%	61%	12%
Survey plans	0%	2%	0%	0%
Other	6%	1%	4%	5%

**81% of compensation paid by the education sector was for content from books.**

### 13.6 RECIPIENTS OF PAYMENTS

Our payments reach rightsholders in two ways: directly (from us) and indirectly (through a member or another collecting society).

Where there is more than one rightsholder in a work (e.g. publisher and author), we can pay each rightsholder directly where we have information about the payment shares they have agreed between or among them. Otherwise, we pay one rightsholder on their undertaking to on-pay any amounts due to other rightsholders.

Of the total payments of \$136,615,502 in 2014–15:

- \$85,744,511 was paid to organisations with an obligation to share with other rightsholders,<sup>59</sup> and \$11,793,535 was paid without an obligation to share;<sup>60</sup>
- \$11,856,528 was paid to individuals with an obligation to share with other rightsholders, and \$3,942,027 without an obligation to share;
- \$2,094,218 was paid to local collecting societies for their members (for music and artistic works), and \$21,184,683 was paid to foreign

<sup>57</sup> Includes downloaded documents, such as reports and images.

<sup>58</sup> Includes sources such as information sheets, content from CD-ROMs, posters, previous years' exam papers, student theses from other universities.

<sup>59</sup> Such as authors with a contractual entitlement.

<sup>60</sup> In accordance with notified payment shares (information we have received from members about contractual arrangements for sharing Copyright Agency payments).

collecting societies.

We do not have sufficient information about recipients' contractual obligations regarding sharing payments to report the proportion of total payments that eventually reached creators and publishers respectively.

13.7 RECIPIENTS OF COMPENSATION PAID BY SCHOOLS FOR 2015 <sup>61</sup>		\$	%	recipients <sup>62</sup>
	Education resources creators <sup>63</sup>		35,558,064	70%
Other core content creators <sup>64</sup>		8,695,351	17%	1,702
Foreign collecting societies		3,454,235	7%	23
Not-for-profit bodies <sup>65</sup>		1,663,957	3%	365
Education/training bodies <sup>66</sup>		674,496	1%	99
Government bodies <sup>67</sup>		374,769	1%	48
Other		453,034	1%	332 <sup>68</sup>
<b>TOTAL</b>		<b>50,873,905</b>	<b>100%</b>	<b>3,920</b>

**70% of compensation from schools for 2014 was allocated to creators of resources for education, and 17% to other core content creators.**

13.8 RECIPIENTS OF COMPENSATION PAID BY UNIVERSITIES FOR 2015		\$	%	recipients
	Education resources creators		8,959,362	36%
Other core content creators <sup>69</sup>		7,900,107	31%	1107
Foreign collecting societies		7,563,425	30%	20
Not-for-profit bodies		322,120	1%	145
Education/training body		242,742	1%	64
Government		55,050	0%	21
Other		47,205	0%	40
<b>TOTAL</b>		<b>25,090,011</b>	<b>100%</b>	<b>1,514</b>

<sup>61</sup> The chart shows recipients for all uses, including photocopying, printing, scanning and digital use. Of the payments not made to collecting societies, \$37,790,037 was made to organisations (in most cases, with an obligation to share, for example with authors with a contractual entitlement), and \$8,011,038 to individuals (in most cases, with an obligation to share).

<sup>62</sup> Most recipients give an undertaking to on-pay any amounts due to others, so the number of ultimate recipients exceeds the number of initial payees.

<sup>63</sup> Including educational publishers in the private sector, educational writers and illustrators, and other bodies that create resources specifically for the education sector, such as teacher associations.

<sup>64</sup> Including journal publishers and contributors, trade publishers and authors, artists, print media and film/tv companies

<sup>65</sup> Including cultural institutions, arts organisations, community groups, charities, religious organisations, health and disability organisations, special interest associations, industry groups, professional associations, sporting groups

<sup>66</sup> Including colleges, universities and TAFEs

<sup>67</sup> Including government departments and agencies, and local government.

<sup>68</sup> Some of these recipients belong in one of the other categories, but we have only categorised recipients who received \$2,000 or more.

<sup>69</sup> Includes publishers of scholarly journals.

### 13.9 COMPENSATION PAID BY GOVERNMENTS

The distribution of compensation from governments in 2015 was (apart for that from survey plans) mostly based on data from various sources indicating content that was available to governments to use during the licence period (rather than information about actual use). We used different data sources for different types of content (such as books, journals, newspapers and images), in accordance with the best data available to us at the time at a reasonable cost.<sup>70</sup>

The first distribution of compensation for sales of survey plans (by the NSW government in 2013) was \$170,000.<sup>71</sup>

The chart below shows the distribution of compensation other than that for survey plans.

13.10 RECIPIENTS OF COMPENSATION PAID BY GOVERNMENTS FOR 2014 <sup>72</sup>		\$	%	recipients
Core content creators		3,513,871	47%	3611
Foreign collecting societies		2,234,058	30%	24
Education resources creator		1,324,224	18%	195
Not-for-profit		117,026	2%	332
Education/training body		39,068	1%	84
Government		485	0%	5
Other		217,826	3%	1605
<b>Total</b>		<b>7,446,558</b>	<b>100%</b>	<b>5,856</b>

<sup>70</sup> We had regard to the Attorney-General's Department's guidelines for declared collecting societies (2001) in determining the approach to the distribution.

<sup>71</sup> Distributions of the compensation paid by the NSW Government for past sales, between 2003 and 2012, and for sales in 2014, are scheduled for the final quarter of 2015.

<sup>72</sup> The distribution in 2015 was of licence fees for December 2013 to February 2015. This chart does not include payments to surveyors, which are distributed separately.

### 13.11 PAYMENTS TO RECIPIENTS BY STATE AND TERRITORY

Most of the compensation, licence fees and royalties collected are paid to Australian recipients. Overall, about 16% of total payments are to foreign collecting societies. Currently, the artists' resale royalty scheme only applies to Australian artists.<sup>73</sup>

State	Statutory compensation	Artists' resale royalties
NSW	39.94%	55.59%
VIC	41.09%	14.09%
QLD	10.41%	1.99%
WA	5.13%	0.86%
ACT	1.11%	0.32%
SA	2.06%	0.52%
NT	0.04%	25.58%
TAS	0.22%	1.04%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**26% of artists' resale royalties were paid to artists in the Northern Territory.**

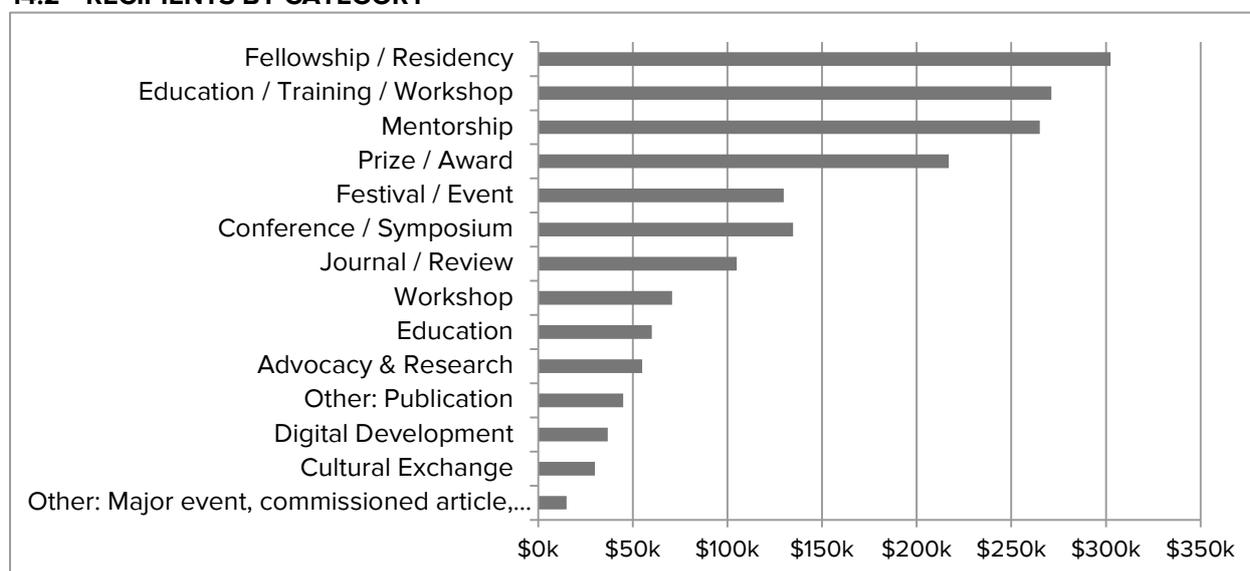
<sup>73</sup> The legislation allows for reciprocal arrangements with other countries that have similar schemes. Steps are being taken to put those arrangements in place, which would entitle Australian artists to royalties from overseas resales of their works (and collection of royalties in Australia for resales of certain foreign works).

## 14 CULTURAL FUND

### 14.1 KEY POINTS

- Copyright Agency's Constitution allows the Board to allocate up to 1.5% of income to cultural development through the Cultural Fund<sup>74</sup>
- The Cultural Fund supports a wide variety of projects each year
- In 2014–15, \$1.95 million was provided through the Cultural Fund for creators' professional development and cultural projects.
- In 2014–15 the Cultural Fund supported 71 projects and 66 applicants for the career fund
- 2014–15 was also the first year of the Copyright Agency Fellowships: \$40,000 each to fellowships for authors, publishers and legal research.

### 14.2 RECIPIENTS BY CATEGORY



### 14.3 PROJECTS SUPPORTED BY THE CULTURAL FUND IN 2014–15

The following projects were approved for funding in 2014–15. These, and projects supported in previous years, are listed on our website.<sup>75</sup>

Recipient	Support for	\$
Australian Society of Authors	national author mentorship program	105,000
Museums & Galleries of NSW	residencies in regional art galleries	96,000
Australian Society of Authors	professional development program.	90,000
Australian Society of Authors	writers in schools project that aligned to Reading Australia	90,000
J.M. Coetzee Centre for Creative Practice	six month writer's residency per year	90,000
UNSW Press	science writing prize open to school children across Australia	90,000
PEN Sydney	Free Voices lectures and commissioned articles	61,500
Griffin Theatre Company	placement of playwrights and directors in the theatre for creative projects	60,000
Australian Book Review	anthology of contributions from around Australia	60,000

<sup>74</sup> copyright.com.au/cultural-fund. The deduction does not apply to artists' resale royalties.

<sup>75</sup> copyright.com.au/cultural-fund/projects-supported

<b>Recipient</b>	<b>Support for</b>	<b>\$</b>
Australian Association for the Teaching of English	writers' festival in Hobart in July in 2017 open to English teachers	50,000
NSW Department of Education and Communities	NSW Premier's Teacher Scholarships 3 years 2015–17	45,000
Puncher and Wattmann	permissions costs for 119 poets' works in survey of Australian poetry 1990–2015	45,000
4A Centre for Contemporary Asian Art	professional advancement for early career Australian cultural practitioners	45,000
Australian Society of Authors	2nd national writers congress	40,000
Museum of Applied Arts and Sciences	residencies for authors to work from the holdings of the museum	39,000
Melbourne Prize Trust	Melbourne writers' prize	30,000
National Young Writers Festival	presenters for the Young Writers Festival in Newcastle	30,000
Belvoir	commissioning a new work from a Sri Lankan Australian	30,000
Griffin Theatre Company	Griffin Manuscript Prize.	30,000
Australian Theatre for Young People	playwriting workshops for school students outside of NSW	30,000
Perpetual	\$5,000 for the 2015 shortlisted authors for Miles Franklin award	30,000
Reading Australia	website upgrade	26,180
The Big Issue	2015 Big Fiction edition	25,000
Kaldor Public Art projects	regional engagement education program with Dubbo Regional Gallery	25,000
Currency Press	pieces from contemporary writers about classic Australian plays	20,000
WestWords	mentoring and professional development for writers in Western Sydney	20,000
Melbourne Library Service	skills in interactive technologies for the disadvantaged at Library at the Dock	20,000
RMIT Art School	public art residency in Melbourne's northern suburb Glenroy	20,000
Australian Embassy Beijing	2015 Australian Writers' Week & Australia-China Publishing Forum	20,000
Meanjin	four long-form policy pieces	20,000
Griffith Review	authors' fees for the 2015 novella competition	20,000
UWA Press	unpublished manuscript award for Western Australian writers	17,000
Coonabarabran High School	writers' attendance at regional writers festival	15,000
Blacktown Arts Centre	workshops for emerging artists in the Blacktown area	15,000
Photobook Melbourne	international leaders in photobook production to Australia	15,000
Varuna the National Writers House	mentoring for writers to write pieces for radio.	15,000
NSW Writers' Centre	symposium celebration of a significant Australian author and their works	15,000
Deakin University	non-fiction writing conference	15,000
UMI Arts	mentorship and workshops for songwriting by Indigenous creators.	13,500
State Library of Western Australia Foundation	writer in residence program	12,500
University of New England	conference on the work of Judith Wright	10,200
SAMAG	speakers' costs at professional information sharing sessions	10,000
Rosie Scott and Anita Heiss Intervention anthology	anthology on the Intervention policy in North Australia	10,000
Word Travels	slam poetry sessions across Australia	10,000
Gertrude Contemporary	art criticism pieces	10,000
Book an Adventure Bruny Island Festival	writers' and illustrators' attendance at children's book festival	10,000
Think+DO Tank Foundation Ltd	interactive story-telling on the Parramatta river	10,000
First Nations Australia Writers Network	conference of Australia's Indigenous writers	10,000
Queensland Writers Centre	genre fiction conference	10,000
Comic Art Workshop	comic art workshop	10,000
Walkley Foundation	freelancers' conference	10,000

Recipient	Support for	\$
Australian Teachers of Media	2016 Screen Futures summit	10,000
Aboriginal History Inc	two monographs from Indigenous writers	10,000
Lithgow High School	networked writing classes for students from regional NSW	10,000
Arts Mildura	mentoring program for emerging Aboriginal and Torres Strait Islander artists	10,000
Literature Centre	festival for teachers with Australia's best children's and YA writers	10,000
Munupi Arts And Craft association	workshops at Munupi for local weavers and artists	10,000
Stella Prize	masterclasses and analysis of women's books in review pages	5,750
Australian Booksellers Association	2015 booksellers conference in Melbourne	5,600
Queensland Poetry Festival	poetry from emerging poets about Brisbane	5,000
Writers Victoria	professional training for Chinese Australian writers in Victoria	5,000
Seizure	new content from emerging writers	5,000
Newcastle Writers Festival	travel costs for authors to attend festival	5,000
Australian Catholic University	authors' and artists' attendance about art, writing and the sacred	5,000
Spineless Wonders	live performance of microfiction by authors	5,000
Free Broadcast Incorporated	produce content for live broadcast and podcast	4,250
Society of Women Writers NSW	keynote speakers to address conference	3,250
Chart Magazine	new magazine with focus on nature and ecology	2,600
Firstdraft Gallery	forum on writing art criticism	2,400
Contemporary Pacific Arts Festival	fees for festival presenters	2,000
History Council of South Australia	lecture to be delivered in Adelaide and in a regional centre	2,000

**14.4 CAREER FUND SUPPORT 2014–15** The following were successful applicants for Career Fund support.

Recipient	Funding towards professional development from	Amount
Julie Ryder	national GLINT 2015 arts residency	5,000
Jamie-Lea	professional development mentorship with Italian artist Giorgia Severi	3,200
Ruth Saveka	mentorship in printing techniques	3,000
Lara Merrington	documenting artwork under the mentorship of Peter Whyte	3,000
Sarah Holland-Batt	participating in International Latin American Poetry Festival in Buenos Aires.	2,900
Laurine Croasdale	writing mentorship with Kathryn Heyman	2,860
Chloe Higgins	seven-day training program at The Atelier for Young Festival Managers.	2,700
Jan Cornall	mentoring at Maumau Arts Centre in Istanbul	2,700
Stephanie Van Schilt	mentorship with McSweeney's Publishing House	2,600
Liza Dezfouli	Women Playwrights International Conference in Cape Town, South Africa	2,500
Susan Gibb	residency at International Studio & Curatorial Program in New York	2,500
Eloise Kirk	residency at the Art Gallery of NSW Moya Dyring studio, Paris	2,500
Catherine Steele	marionette design and carving workshop, Prague	2,500
Phuong Ngo	mentorship and cultural exchange at La Maison Folie, Belgium	2,450
Carole Johnson	International Association of Blacks in Dance conference, Cleveland, Ohio	2,400
Lefa Singleton Norton	European Festivals Association Atelier for Young Festival Managers, Poznan	2,300
Phoebe McDonald	artist residency at SundayMorning@ekwc	2,200
Lucy Thornett	Prague Quadrennial of Performance Design and Space	2,100
Lisa Radford	mentorship with Paris-based Australian collective, A Constructed World	2,000
Jessica Au	Tin House Summer Writer's Workshop in Portland	2,000
Rebekah Berger	residency with UK based festival Forest Fringe	2,000
Scott Miles	Turps Studio Programme led by British artist Marcus Harvey.	2,000
Jane Williams	residency at the Bridge Guard Art and Science Centre in Slovakia	2,000
Blanche Tilden	training with Robert Foster, designer and metalsmith	2,000

Mai Nguyen-Long	residency at Bat Trang Ceramics in Hanoi	2,000
Martin Langford	represent Australia at the Medellin International Poetry Festival	2,000
Sherre DeLys	residency with the Guardian in the UK	2,000
Kylie King	mentorship at Center for History of Collecting, Frick Collection, New York.	2,000
Xenia Hanusiak	professional development at School of Creative Writing, New York	2,000
Jane Camens	Asialink's Leadership Program	2,000
Michaela McGuire	mentorship with Trish Nelson, New York.	2,000
Les Wicks	attend Granada's International Poetry Festival	2,000
Jess Cornelius	Nes Artist in Residence Program in Skagaströnd, Iceland.	2,000
Kirsty Hulm	residency at One Hat One Hand, San Francisco	2,000
Liam Pieper	mentorship with Dr Arshia Sattar, Sangam House, Bangalore, India.	2,000
Christiane Keys-Statham	program at Acme Studios in London	2,000
Julia Lawrinson	Kinding Words East, Vermont	2,000
Stephanie Stepan	digital marketing program at General Assembly	2,000
Clementine Barnes	Residencies at The Textile Center, Blönduós, Iceland and Moya Dyring studio, Paris.	2,000
Jason Wing	residency at the International Studio Curatorial Program, Brooklyn, New York	2,000
Margot Jones	Paris Book Fair	2,000
Suma Durie	all-media conference <i>StoryDrive</i>	1,800
Jessica Ledwich	taxidermy and carcass casting training with George C. Jamieson	1,800
Melissa Lee Speyeer	master classes, National Play Festival and National Screenwriters Conference	1,800
Elizabeth Marruffo	fine art course in Florence	1,700
Gwennifer Tasker	classes in photographic printmaking techniques	1,680
Claire Zorn	Reading Matters youth literature conference and workshops, Melbourne	1,655
Anne Vize	training in Storyline 2 software	1,650
Katie Turnbull	course at Harvestworks, New York	1,600
Joseph O'Farrell	mentorship at The Battersea Arts Centre In London.	1,500
Lisa Lang	short story workshops with Tessa Hadley, Ireland	1,500
Zoey Dawson	internship at Young Jean Lee's Theatre, New York	1,500
Anne-Marie Jackson	cultural exchange program, Clayarch Gimhae Museum, South Korea	1,500
Peter Nelson	Organhaus residency, China	1,400
Anna Yen	workshops run by multimedia artist George Pinn	1,400
Megan Heyward	international electronic literature conference and festival, ELO 2015	1,350
Anne Sorensen	learning to weave glass at Richard Parrish's kiln formed glass masterclass	1,300
Katherine Batters	mentoring at the SCBWI conference, Montreal	1,200
Ivy Alvarez	Against the Grain – Conversations on Writing and Translating in Asia Conference	1,100
Justin Balmain	mentorship opportunity with Darling Green	1,000
Philip Hammial	attend international poetry festivals in Prague and Paris	1,000
Rosemary Johns	Women Playwrights International Conference, Cape Town	1,000
Bronwyn Lovell	fellowship at Varuna	950
Emma Jones	join Peter Nelson at Organhaus, interrogating public spaces of the city	900
Jess Racklyeft	etching workshop with Baldessin Press.	840
Sonja Hornung	participate in 'The Art of Being Many'	800

## 15 MONEY HELD IN TRUST FOR CONTENT CREATORS

### 15.1 KEY POINTS

- At any given time, we are holding statutory compensation and licence fees in trust for content creators
- The allocation and payment of licence fees to content creators is a complex process<sup>76</sup>
- The balance of money in the trust fund changes significantly over the course of a year, increasing with the receipt of licence fees, and decreasing with the distributions of licence fees
- The reasons that licence fees may not have been paid at a given date include:
  - the payment was only recently received;
  - we have not yet received information from licensees enabling us to allocate equitably to rightsholders; and
  - fees have been allocated, but not yet paid, to rightsholders.

### 15.2 TRUST FUND COMPONENTS AT 30 JUNE 2015

As at 30 June 2015, there was \$48.34M in trust, representing:

Fees allocated but not yet paid	\$12,764,227	27%
Fees to be allocated	\$19,529,708	40%
Other <sup>77</sup>	\$16,042,107	33%

### 15.3 FUNDS FOR DISTRIBUTION

	Allocated but not yet paid	To be allocated
Education	\$9,208,337	\$3,799,598
Government	\$2,012,130 <sup>78</sup>	\$9,223,628 <sup>79</sup>
Other	\$1,543,760	\$6,506,482 <sup>80</sup>
<b>Total</b>	<b>\$12,764,227</b>	<b>\$19,529,708</b>

<sup>76</sup> See Part 12: Payments to content creators above

<sup>77</sup> Provision for operating costs: \$3,830,147; Future Fund (see Note 4 in Notes to Trust Account Statement in Directors' Report and Financial Report): \$9,297,967; Indemnity Fund: \$2.5M; provision for indemnity in commercial licence fees: \$385,476; other: \$28,517.

<sup>78</sup> Includes \$10,224 for sales of survey plans.

<sup>79</sup> Includes \$3,000,722 for sales of survey plans, comprising a retrospective payment by the NSW government for sales of survey plans 2003–12 (distributed in October 2015) and payment for sales of survey plans in 2014.

<sup>80</sup> Commercial licensing: \$5,165,505; Overseas licence fees: \$3,617,947; LearningField: \$723,752

<b>15.4 FUNDS ALLOCATED BUT NOT YET PAID, BY REASON</b>	Education \$	Government \$	Other \$	Total \$
We have not yet received confirmation of entitlement to claim.	4,037,947	576,018	417,587	<b>5,031,552</b>
We have invited a non-member to join and claim payment, or we are in the process of making contact	1,915,530	696,451	618,571	<b>3,230,552</b>
We have allocated a payment to a rightsholder, but they are not entitled to claim and we are in the process of identifying alternative rightsholders	1,793,933	166,490	227,238	<b>2,187,661</b>
Payments allocated to foreign rightsholders from a country: <ul style="list-style-type: none"> <li>with a collecting society with which we have a 'Type B' agreement (repertoire exchange but not fee exchange);</li> <li>with a collecting society that is not authorised by its members for the type of content or use (e.g. digital use); or</li> <li>no collecting society</li> </ul>	626,870	378,335	68,683	<b>1,073,888</b>
There is not enough information to identify a rightsholder, or we have exhausted all attempts to identify a rightsholder (where a number of potential rightsholders have informed us they are not entitled to claim the payment)	650,735	192,391	182,174	<b>1,025,300</b>
There is a dispute about who is entitled to claim	183,322	2,445	29,507	<b>215,274</b>
<b>Total</b>	<b>9,208,337</b>	<b>2,012,130</b>	<b>1,543,760</b>	<b>12,764,227</b>

#### **15.5 'ROLLOVER' OF ALLOCATIONS HELD IN TRUST**

We hold allocations to rightsholders (who may or may not be members) in trust. Most licence fees are allocated using data from surveys of statistical samples of licensees.<sup>81</sup> These allocations do not represent payment per use, but rather distribution of licence fees in accordance with the best data available.<sup>82</sup>

An allocation that has not been paid to a rightsholder after four years is 'rolled over'. The Board determines how funds rolled over are applied for the benefit of members.<sup>83</sup>

Most of the allocations rolled over in 2014–15 were to rightsholders that we were unable to identify, or unable to contact. We have reviewed our processes in recent years so that these allocations are vastly reduced, and future rollovers will also be reduced.

<sup>81</sup> For example, 30 schools each term participate in a survey about their photocopying, printing and scanning.

<sup>82</sup> Not every survey record provides information suitable for distribution. For example, a survey record may show that a use occurred in reliance on a licence, but not sufficient information to identify a rightsholder.

<sup>83</sup> See Note 4 in Notes to Trust Account Statement in Directors' Report and Financial Report regarding the allocation of amounts rolled over to the Future Fund in 2014–15.

**15.6 TOTAL ALLOCATED AND ROLLED OVER**

	Education	Government	Other	Total
Allocated 2010–11	\$81,954,910	\$19,717,862	\$10,039,142	<b>\$111,711,914</b>
Paid	\$79,889,895	\$19,060,377	\$9,316,292	<b>\$108,266,564</b>
Rolled over (not claimed)	\$2,065,015	\$657,485	\$722,850	<b>\$3,445,350</b>
Rollover as % of total allocated	2.52%	3.33%	7.20%	<b>3.08%</b>

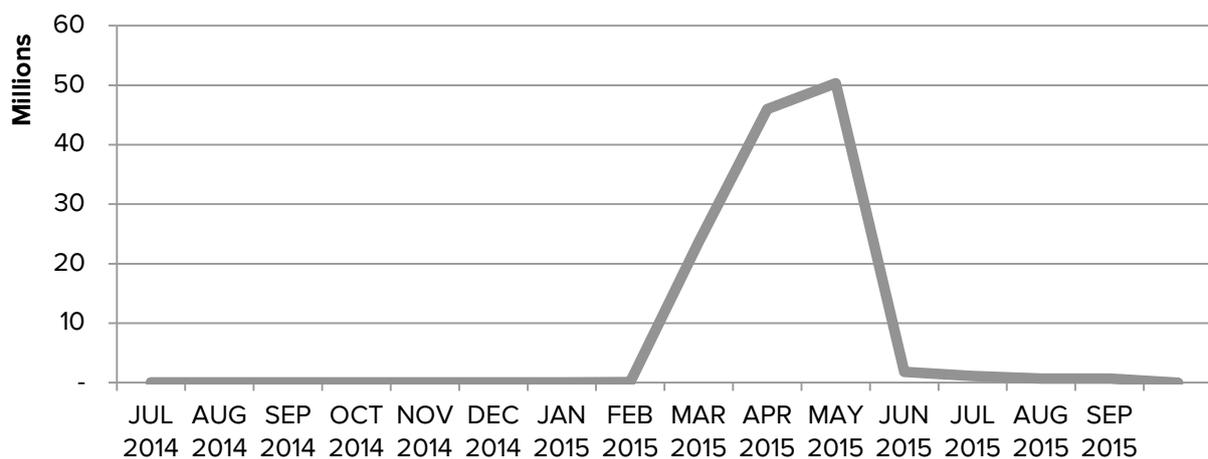
**15.7 REASONS ALLOCATION NOT CLAIMED**

	Education	Government	Other	Total
Allocated to member but not claimed	\$270,839	\$296,726	\$163,380	<b>\$730,946</b>
Work identified: rightsholder unknown	\$566,285	\$92,510	\$203,471	<b>\$862,266</b>
Rightsholder identified, but not contacted or did not join	\$1,021,577	\$241,513	\$237,994	<b>\$1,501,084</b>
Very small aggregate amount allocated to rightsholder	\$5,363	\$11,052	\$27,126	<b>\$43,541</b>
Foreign recipients: no agreement with foreign collecting society	\$200,951	\$15,684	\$90,879	<b>\$307,514</b>
<b>Total</b>	<b>\$2,065,015</b>	<b>\$657,485</b>	<b>\$722,850</b>	<b>\$3,445,350</b>

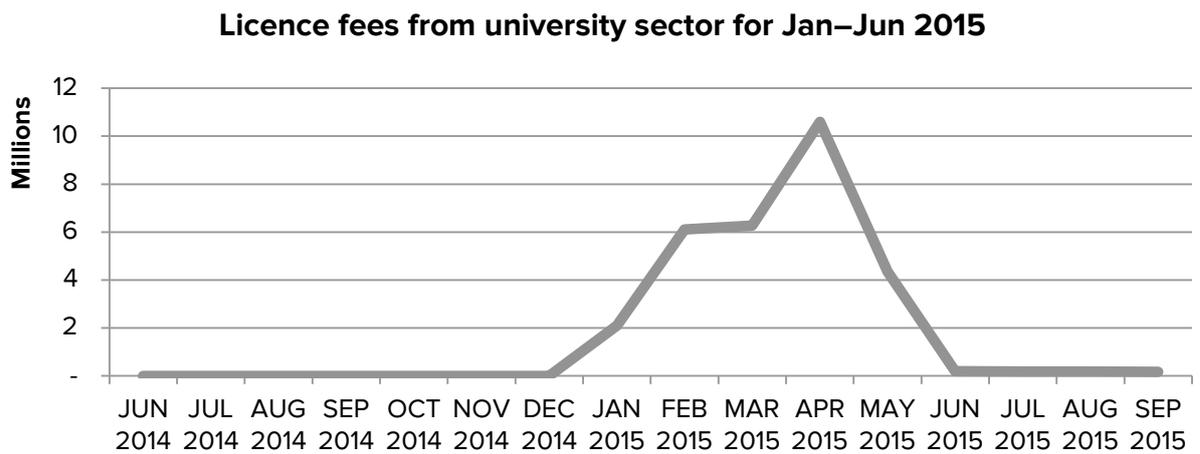
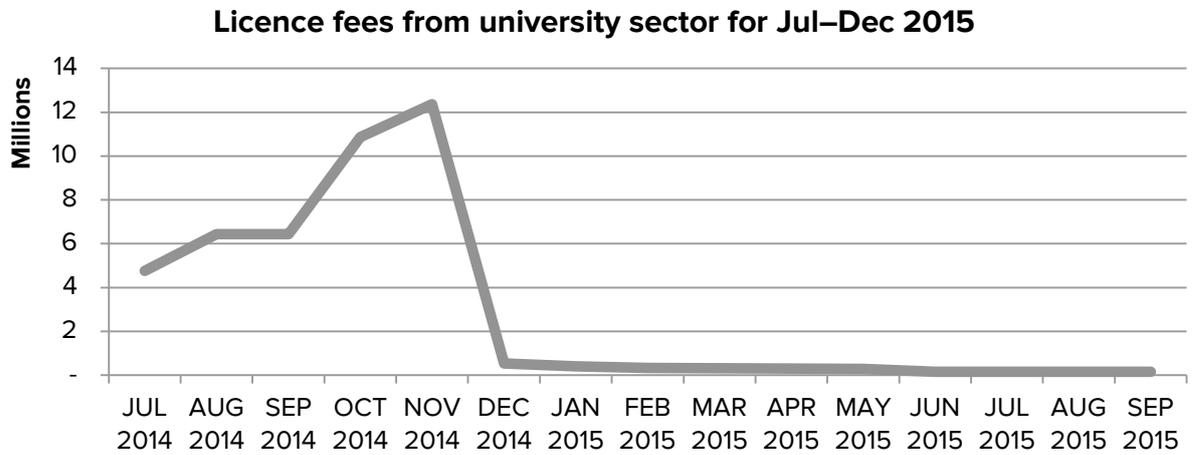
**15.8 DISTRIBUTION TIMELINE**

The charts below show the time between receipt and distribution of licence fees for schools for the 2015 calendar year, and universities for the 2014–15 financial year. There was one major distribution of licence fees from schools and two for universities.

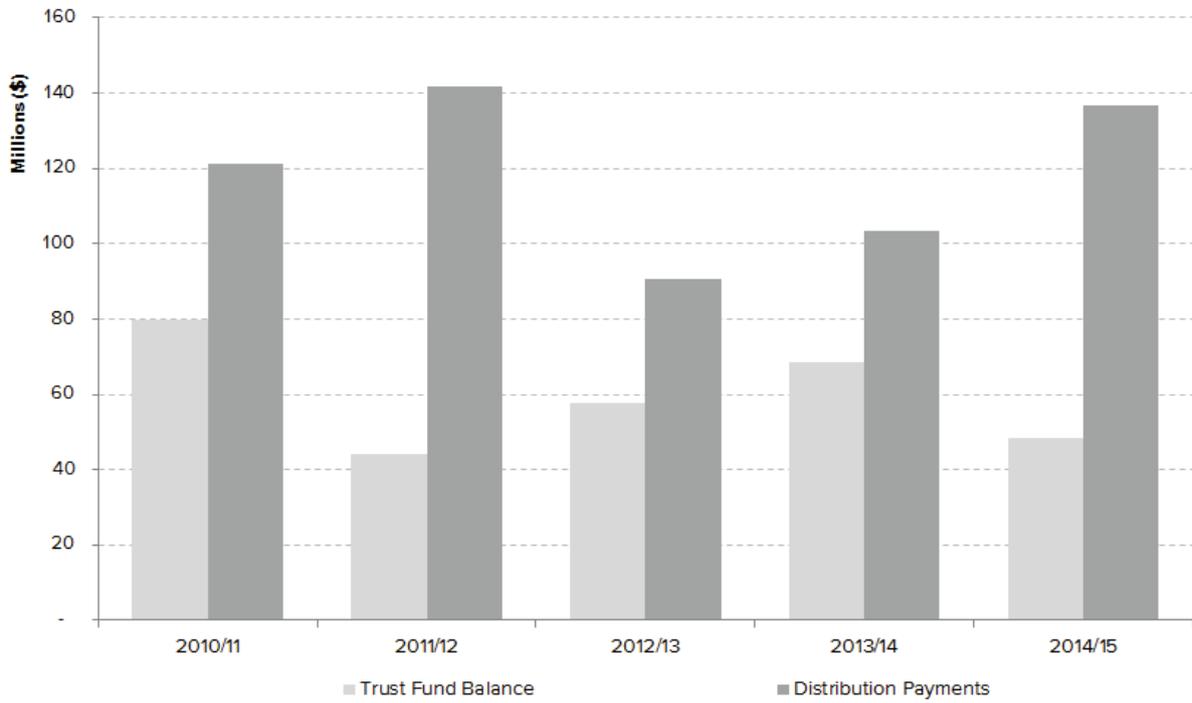
**15.9 SCHOOLS: TIME BETWEEN RECEIPT AND DISTRIBUTION OF LICENCE FEES FOR 2015**



**15.10 UNIVERSITIES: TIME BETWEEN RECEIPT AND DISTRIBUTION OF LICENCE FEES FOR 2014–15**



**15.11 DISTRIBUTIONS AND TRUST FUND BALANCE 2010–15**



## 16 OPERATING COSTS

### 16.1 KEY POINTS

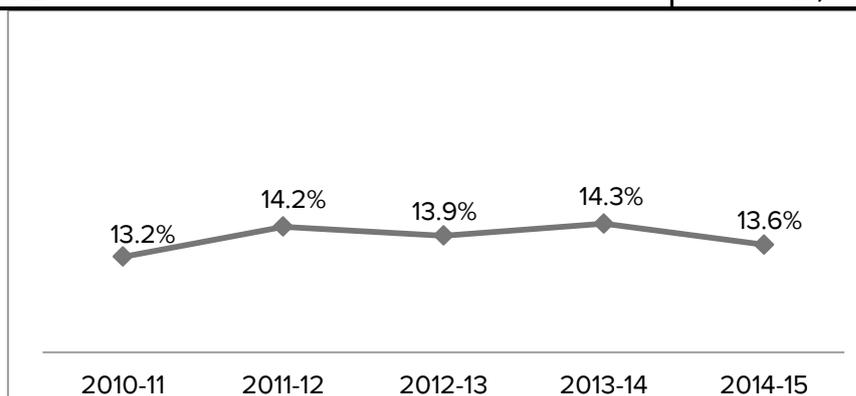
- Our administrative costs are met from licence fees<sup>84</sup>
- For most licence schemes, we deduct actual operating costs rather than a fixed commission<sup>85</sup>
- Deductions therefore vary from year to year, and from licence scheme to licence scheme
- The Constitution also allows a deduction of up to 1.5% of revenue for support of cultural projects (the Cultural Fund)<sup>86</sup>
- Copyright Agency's Board must approve the company's annual operating budget
- Any proposed changes to directors' remuneration must be approved by members at a general meeting
- The largest component of operating costs is salaries
- For the past five years, total operating costs have been around 14% of total revenue

### 16.2 OPERATING COSTS IN 2014–15

- Operating costs: \$18.69m
- Revenue and investment income recognised: \$137.19m
- Expenses as proportion of revenue and investment income: 13.6%

Cost	\$'000
personnel	12,086
general administration	4,020
surveys	1,000
corporate relations	571
other external services	544
legal fees	180
international	285
<b>TOTAL</b>	<b>18,686</b>

### 16.3 EXPENDITURE TO REVENUE RATIO



<sup>84</sup> In accordance with the *Copyright Act*, the *Copyright Regulations*, the Attorney-General's Guidelines and Copyright Agency's Constitution.

<sup>85</sup> There is a fixed commission from some of the commercial licence schemes.

<sup>86</sup> Deductions are not made from artists' resale royalties or LearningField subscriptions.

#### 16.4 STAFF REMUNERATION AND PERFORMANCE

All employees have a position description outlining the responsibilities and key competencies required for their role. Key Performance Indicators (KPIs) are set each financial year and cascaded down from the senior management team to ensure alignment with the business requirements. They are then reviewed and agreed upon by employees with their manager, and performance objectives and targets are determined.

Our employees have one formal performance review each year, during which an individual's performance is reviewed against the agreed objectives. Recommendations for annual remuneration are based on:

- the assessment of each employee's performance against those objectives;
- benchmarking against similar positions in comparable organisations;
- overall company performance; and
- market and economic conditions.

In assessing appropriate employee remuneration, we employ the services of independent consultants who analyse relevant market data such as salary reports, and also assess the relative positions of roles and compare them to similar roles in other organisations. We use the results of this job evaluation system and other external salary benchmarks such as:

- market salary comparison for each job position, based on assessment against external salary reports;
- annual Consumer Price Index; and
- other sources of direct market comparison, such as job advertisements.

Final decisions regarding remuneration are made after considering managers' recommendations, external benchmarks and environment, salary relativities within the company and our financial capacity.

#### 16.5 STAFFING IN 2014–15

- In 2014–15, personnel related costs were 9% of total revenue (65% of our operating costs)
- Staffing levels vary from time to time in accordance with requirements
- Staff include full-time employees, part-time employees and contractors
- In 2014–15, staffing levels ranged from 79 full-time equivalent (FTE) to 87 FTE
- At 30 June 2015, there were 87 FTE staff
- As at 30 June 2015, the median remuneration (including superannuation) for all staff was \$84,589

Staff remuneration greater than \$100k as at 30 June 2015 was as follows:

Remuneration range*	\$100–149k	\$150–199k	\$200–249k	\$250–299k	\$300–349k	\$350+
Staff in range 2014–15	31	6	2	1	1	1

\*includes superannuation but not incentive payments

## 17 MEMBERS

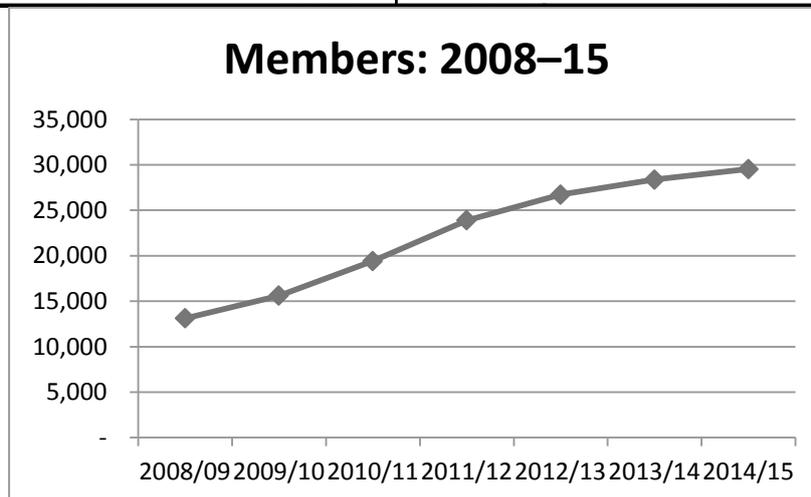
### 17.1 KEY POINTS

- Membership is free
- Anyone with a copyright interest in a ‘work’ can apply for membership<sup>87</sup>
- Applications for membership are approved by the Board
- There are three classes of membership: ‘author’, ‘publisher’ and ‘collecting society’<sup>88</sup>
- Content creators can apply for membership online<sup>89</sup>
- For a number of reasons, we only make payments to members, but our systems enable payment to new members for past usage recorded in surveys of usage
- Payments can be made to a content creator indirectly via a member: unless we have verified information about the ‘payment shares’ for a work, a recipient of a payment must undertake any amounts due to others (e.g. a publisher to authors)
- People can choose to be a member solely for entitlement to any statutory licence compensation allocated for use of their works, or they can choose to also authorise Copyright Agency to license reproduction and communication of their works

### 17.2 MEMBERS AT 30 JUNE 2015

Member type	Number
Creator	20,994
Publisher	8,243
Creator/Publisher	273
Collecting Society	29
<b>Total</b>	<b>29,539</b>

### 17.3 MEMBERS 2008–15



<sup>87</sup> ‘Work’ has the same meaning as that in the Copyright Act. It includes text works, still images and print music. Some owners of copyright are ‘indirect’ members through their membership of Viscopy and AMCOS (who are collecting society members of Copyright Agency). Membership is open to owners of copyright, their agents and licensees.

<sup>88</sup> A member can be both an author and a publisher member. The class of membership determines voting entitlements for the two elected members of the board: the elected ‘author’ and the elected ‘publisher’ director.

<sup>89</sup> [members.copyright.com.au](http://members.copyright.com.au)

## 18 INTERNATIONAL AGREEMENTS AND ENGAGEMENT

### 18.1 KEY POINTS

- The ‘voluntary’ licences offered by Copyright Agency and Viscopy are dependent upon the authorisation given by members to license their content, and the authorisation of foreign content creators through their copyright management organisations (CMOs)
- Copyright Agency and Viscopy therefore have agreements with foreign CMOs that enable us to include foreign works in Australian licences, and foreign CMOs to include Australian works in their licences
- The maintenance of those agreements requires active management, affected by a range of external developments including changes in regulatory frameworks and business practices
- Both Copyright Agency and Viscopy also seek to extend their mandate through arrangements with organisations representing rightsholders in countries not yet covered in our mandates
- This often requires assistance to those organisations to get established and begin operations, particularly in developing countries
- Establishing arrangements with ASEAN countries is an important area of focus
- International engagement also involves services in other countries: for example, Viscopy represents foreign repertoire for New Zealand as well as Australia
- Copyright Agency and Viscopy are members of the International Federation of Reproduction Rights Organisations (IFRRO)<sup>90</sup> and the International Confederation of Societies of Authors and Composers (CISAC)<sup>91</sup>
- Copyright Agency plays an active role on the IFRRO board and Committees<sup>92</sup>

### 18.2 DEVELOPMENTS IN 2014–15

Developments and engagement in 2014–15 included:

- Participation in IFRRO Asia Pacific Committee meeting 18–19 September 2014, Manila Philippines
- Participation in IFRRO Annual World Congress, 27–30 October 2014, Seoul Korea
- Chairing IFRRO Asia Pacific Committee and Legal Issues Forums
- Guest speaker at 9th Beijing International Cultural and Creative Industry Expo, 11 December 2014
- Series of meetings in Malaysia and Singapore to advance Copyright Agency’s international strategy (January to June 2015)
- Negotiations of ASEAN mandate agreements with foreign CMOs
- Seminars to launch joint licence with Singaporean CMO in

<sup>90</sup> [www.ifrro.org](http://www.ifrro.org)

<sup>91</sup> [www.cisac.org](http://www.cisac.org)

<sup>92</sup> Jim Alexander is Vice President of the IFRRO Board, chair of the Education and Enforcement Task Force. Caroline Morgan chairs the Asia-Pacific Committee and the Legal Issues Forum. Karen Pitt is a member of the Nominating and Asia-Pacific Committees. Jim, Caroline and Karen are members of the Newspaper and Periodicals Working Group and the Visual Arts Working Group.

Singapore private education sector (19 Jan and 20 Mar 2015)

- Hosting visit from CEO of Copyright Licensing New Zealand (CLNZ) on range of licensing issues (28–29 Jan 2015)
  - Participation in IFRRO Board Meetings (27 Oct 2014, 10 Feb 2015)
  - Hosting delegation from the Government of Vietnam, the Copyright Office of Vietnam and VIETTRO to attend a series of meetings and training sessions on collective management (April 2015)
  - Meeting with senior level delegation from the National Copyright Administration of China (NCAC), to discuss resale royalty scheme and collective management principles (April 2015)
  - Participation in WIPO Regional Workshop on the Opportunities and Challenges in the Implementation of the Beijing and Marrakesh Treaties 27–29 April 2015, Singapore
  - Series of meetings with European CMOs including CEDAR, BUS, ICLA, BildKunst, DACS, NLA, PLS, and ALCS to coincide with IFRRO mid-term meeting.
  - Participation in IFRRO mid-term meetings Vienna (2–3 June), CISAC General Assembly Meeting Brussels (4 June), PDLN Zurich (7–9 June)
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## 19 POLICY AND ADVOCACY

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### 19.1 KEY POINTS

- We monitor and seek to influence policy developments that affect copyright-based compensation, licence fees and other income
- We form policy positions in consultation with a range of stakeholders, including industry and professional bodies representing content creators
- We are a member of bodies that have a key advocacy role, such as the Australian Copyright Council
- We seek to influence policy at the international level primarily through our membership of IFRRO

### 19.2 DEVELOPMENTS IN 2014–15

- Development of industry code for notices to internet service provider (ISP) customers
- Amendments to enable copyright owners to get a court order requiring ISPs to block access to overseas websites that primarily provide infringing content
- Final report of Competition Policy Review (Harper inquiry)
- Australian government announcement of intention to ratify Marrakesh Treaty for the vision impaired
- Conclusion of Australia–China Free Trade Agreement
- Negotiations on the Trans Pacific partnership agreement
- US Copyright Office report recommending the introduction of a legislative framework for extended collective licensing to enable licensing solutions managed by copyright management organisations for mass digitisation of library collections (after finding the current ‘fair use’ defence to be an inadequate solution)<sup>93</sup>
- Report by PwC on impacts on Canadian authors, publishers and teachers of the education sector’s interpretation of the Canadian ‘fair dealing’ exception for education<sup>94</sup>

### 19.3 SUBMISSIONS AND REPRESENTATIONS IN 2014–15

- Engagement in policy and advocacy included:
- Treasury Department: Response to competition review final report: May 2015
  - Senate Standing Committee on Legal and Constitutional Affairs: Copyright Amendment (Online Infringement) Bill 2015: May 2015
  - Competition Review Panel: Draft Report: Competition Policy Review: November 2014
  - Attorney General’s Department: Online Copyright Infringement Discussion Paper: September 2014
  - Senate Standing Committee on Economics: Australia’s innovation system: July 2014
  - Advocacy, through membership of the Australian Copyright Council, on a range of copyright-related policy issues
  - Advocacy, through membership of Artspeak, on a range of cultural issues

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<sup>93</sup> [copyright.gov/orphan](http://copyright.gov/orphan)

<sup>94</sup> [accesscopyright.ca/media/bulletins/impacts-of-the-education-sector%E2%80%99s-interpretation-of-fair-dealing/](http://accesscopyright.ca/media/bulletins/impacts-of-the-education-sector%E2%80%99s-interpretation-of-fair-dealing/)

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## 20 STAKEHOLDER COMMUNICATION AND ENGAGEMENT

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### 20.1 KEY POINTS

- Copyright Agency's stakeholders include content creators, content users and the Australian government
- Content creator stakeholders include members of Copyright Agency and of Viscopy, potential members, professional organisations for content creators (such as Australian Society of Authors, Australian Publishers Association, Media Entertainment and Arts Alliance, National Association for the Visual Arts, and Australian Institute for Professional Photography), and international affiliates
- Content user stakeholders include people who use content under licences (e.g. teachers, government employees), professional associations for those users (such as teacher associations and unions), and people who negotiate licence fees and other arrangements for their sector (such as Copyright Advisory Group and Universities Australia)
- Copyright Agency's main stakeholder relationship with the Australian government is related to its appointments by the Attorney General and the Minister for the Arts to manage statutory schemes
- Copyright Agency also has a stakeholder relationship with the Australian government, and with State and Territory governments, in their capacity as licensees, and as owners of copyright
- Other important stakeholders include other copyright management organisations (such as Screenrights and APRA|AMCOS), and industry associations for content creators (such as those for music, film, software and games)

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### 20.2 DEVELOPMENTS IN 2014–15

- Campaign for Copyright series of events in major States for members and the public on the importance of copyright for authors, publishers and artists
  - Launch of three new websites (Copyright Agency, Viscopy and Reading Australia)
  - Regular meetings and presentations to staff and boards of key industry organisations
  - CEO Boardroom briefings for key publisher members in Sydney and Melbourne
  - Periodic meetings with the Attorney-General's Department on a range of issues
  - A survey of Copyright Agency and Viscopy members on member satisfaction
  - Monthly eNews to members and other stakeholders
  - Constant engagement with stakeholders via Facebook, Twitter and Instagram
  - Media coverage of Copyright Agency activities and issues
  - Publication of Opinion pieces in media on copyright issues
  - Training sessions about the Copyright Agency's processes with members on request
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## 21 LEARNINGFIELD

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### 21.1 ABOUT LEARNINGFIELD

- An online platform providing access to resources linked to the Australian curriculum and state curriculums<sup>95</sup>
- Available as an ‘all you can eat’ annual subscription, allowing use of all LearningField resources
- A collaboration between Copyright Agency and three founding publishers, open to other participating publishers

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### 21.2 DEVELOPMENTS IN 2014–15

- Subscribers increased from 14 to 49 schools
  - Coverage increased from three states to seven
  - Focus remained years 7–10
  - Increase in participating publishers from 10 to 12
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<sup>95</sup> [copyright.com.au/learningfield](http://copyright.com.au/learningfield)

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## 22 READING AUSTRALIA

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### 22.1 ABOUT READING AUSTRALIA

- An online resource to assist teaching and learning of Australian literature in Australian schools and universities
- Will provide access to teaching materials and other related resources, such as essays by popular authors about the enduring relevance of the works
- Will also enable republication of works that are no longer commercially available
- An initial list of 200 titles was selected by the Australian Society of Authors Council in July 2012
- Copyright Agency's Cultural Fund has contributed significant funds to commission teaching resources
- Initial resources for primary level commissioned by Primary English Teachers Association of Australia, and for secondary level jointly commissioned by Australian Association for the Teaching of English and English Teaching Association NSW

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### 22.2 DEVELOPMENTS IN 2014–15

- development of a new online platform (launched in July 2015)
  - 29 teaching resources for primary texts, and 50 for secondary texts available on the Reading Australia website
  - a further 25 teacher resources commissioned
  - 36 essays available (from Australian Book Review and Griffith Review)
  - 7 further essays commissioned
  - more than 4,000 subscribers to email alerts about Reading Australia – predominantly from the educational sector
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## 23 GOVERNANCE AND ACCOUNTABILITY

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### 23.1 KEY POINTS

- Copyright Agency and Viscopy are signatories to the Collecting Societies Code of Conduct;<sup>96</sup>
- Matters covered in the Code include governance and accountability, education and awareness, and complaints and disputes;
- We report annually to the Code Reviewer on our compliance with the requirements of the Code, and the Code Reviewer's report is published on our website;
- In conjunction with the Government's appointment of Copyright Agency to manage the statutory licence for education in 1990, the Attorney-General's Department developed guidelines for collecting societies;<sup>97</sup>
- Our Constitution (which reflects some of the requirements in the guidelines) is available from our website, as is our Corporate Governance Statement, Client Service Charter, Privacy Policy and profiles of board directors;
- Our Complaints Procedure and Disputes Resolution Procedure are available on our website;
- The Copyright Tribunal has powers to determine aspects of licensing arrangements, including compensation fees payable under statutory licences, and distribution arrangements.

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### 23.2 DEVELOPMENTS IN 2014–15

- Report to Code Reviewer on compliance with the Code of Conduct, and publication of the Code Reviewer's report for 2014–15
  - Review of proposal by NSW Government and Copyright Advisory Group for an amendment to the Code regarding provision of information by declared collecting societies
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<sup>96</sup> The Code is available at [copyright.com.au](http://copyright.com.au).

<sup>97</sup> There are links to the declaration and guidelines at [copyright.com.au/governance](http://copyright.com.au/governance)

## **24 DIRECTORS' REPORT AND FINANCIAL REPORT**

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