

MINUTES OF THE ANNUAL GENERAL MEETING OF COPYRIGHT AGENCY LIMITED HELD
WEDNESDAY, 28 NOVEMBER 2012 AT LEVEL 15, 233 CASTLEREAGH STREET, SYDNEY, NEW
SOUTH WALES

The meeting commenced at 4.35 p.m.

Present

Author members

Brian Adams*	Jeremy Fisher	David Tribe
Brownyn Bancroft	Libby Gleeson	Sarah Vorchheimer*
Jose Borghino*	Malcolm Knox	Mary Wyburn
Edmund Campion		

Publisher members

Sarah Vorchheimer* (Aust. Jewish Historical Soc.)	Brain Adams, Sunita Adams (Image Books)
Sandy Grant (Hardie Grant)	Jose Borghino* (APA)
David Barnett (Pearsons)	Lucy Russell (John Wiley & Sons)
Eleanor Curtain (Eleanor Curtain Publishing)	Jane Burns, Janet George, Christine Jennett
Kathy Bail (UNSW Press)	(Independent Scholars Association Of Australia Inc)

* Denotes members present in the capacity of both author and publisher members.

In attendance

Jim Alexander (Chief Executive)	Brian Johns (Director)	Rod Shanley (Auditor)
Richard Fiora (Legal Adviser)	Anthony Bertini (Director)	Ansari Hamid (Chief Financial Officer)
	Caroline Morgan (Company Secretary)	

Observers

Patricia Adjei	Judy Grady	Karen Pitt
Rosanna Arciuli	James Johnston	Zoe Rodriguez
Libby Baulch	Virginia Morrison	Liz Southwell
Rosie Daniele	Eloise Nolan	Steve Wimmer

1. Quorum and Order of Business

The Chair noted that a quorum was present, declared the meeting open and introduced the directors, the Chief Executive, the Company Secretary, the Chief Financial Officer, the company's external lawyer and the Auditor. The order of business would be as set out in the notice convening the meeting.

2. Apologies

Five apologies had been received from Barry Chant, Anna Hall, John-Paul Langbroek, Helen Macallan and Jennifer Strauss.

3. Proxies

A total of 25 proxies had been received, 19 from author members and 6 from publisher members. 21 proxies were held by the Chair, and the balance was held by Malcolm Knox, Anthony Bertini, Jeremy Fisher and Brian Johns.

4. Declaration of Ballot

This year, nominations were called for the two elected positions on our Board. At the close of nominations, one nomination had been received for each of the positions of elected Publisher Director and elected Author Director, and the Chair declared Malcolm Knox and Eleanor Curtain elected to the Board as author and publisher directors respectively.

The Chair congratulated Malcolm Knox on election to his third term on the Board, and acknowledged that as a published author and journalist, Malcolm has represented those key constituencies on the Board since first elected in 2006. In addition, we thank him for his able leadership of the Audit and Finance Committee.

The Chair welcomed Eleanor Curtain to the Board, noting that she will bring over 30 years of publishing experience to the Board, plus her earlier experience as a teacher.

Eleanor replaced Rod Martin as the elected publisher director, Rod having served his maximum permitted term as a Copyright Agency director. A publisher, with a successful exporting business, Rod was actively involved in the company's international relationships and has contributed to the company's high international profile.

The Chair formally thanked Rod on behalf of all members for his significant contribution to Copyright Agency.

5. Announcement of Director Appointments

The Australian Society of Authors had re-nominated Libby Gleeson to serve as one of their two appointed directors.

Libby had been nominated for a two year term, to expire at the 2014 AGM, at which time she will have served nine years and will no longer be eligible for reappointment to the Board. The meeting was advised that when the company moved to three year terms for directors and a nine year maximum term in 2007, authority was reserved until 2012 for the general meeting to approve any adjustment of terms to support the orderly staggered retirement of one author director, one publisher director and one independent director each year.

The meeting agreed to approve a final term of two years for Libby Gleeson as an ASA director until the 2014 AGM.

The meeting was also advised that the Board intended to re-appoint Brian Johns as one of the two independent directors under article 35(b) of Copyright Agency's constitution at its next meeting.

6. Presentation of Accounts and Reports, and Questions of the Auditor

The Directors' report and audited financial statements for the year ending 30 June 2012 were presented to and considered by the meeting.

One member commented on the results produced by application of conventional accounting ratios to the company's operating accounts. The company's auditor, Rod Shanley, reminded the meeting that as Copyright Agency draws its operating expenses as required from its trust account, application of those ratios to the operating account is not a useful analysis. The company seeks to

transfer fees to its operating expenses in a timely manner, to ensure that the maximum amount of interest is earned for members on the bulk of its invested trust funds.

In response to a question on the amount allocated to amortisation and depreciation, the Chair commented that a significant investment had been made in the last financial year in new systems, which would be depreciated over the five year period of implementation,

In response to a comment that most of the trust account was held with the Myer Family Company, the meeting was advised that this organisation is an independent investment manager, appointed in 2011 after a tender and selection process. The Board is satisfied that the Myer Family Company Ltd is providing quality investment advice on an arm's length basis.

7. Chair's address

The following is a summary of the Chair's address.

The Chair commenced by thanking the Chief Executive and Copyright Agency management team for the continuing consistent performance and good results for members.

The company has had to change how it does business, and change perceptions by potentially hostile users to those which demonstrate engagement and responsiveness to changes in our shifting external environment. Our new logo is a component of that strategy, as is the implementation of a Technical Advisory committee for the Board, which brings together representatives of new technology companies and financial institutions and allows the company to look at other ways of doing business now and in the future

Highlights of the last year include the election of Jim Alexander as Vice President of IFRRO, our peak international body, which reflects the company's position and status internationally.

On the home front, our long term action on behalf of the copyright rights of surveyors is in the home straight and we anticipate a decision by the Copyright Tribunal early in 2013 on a rate and other terms for government use of those works.

This year also saw an increase in our commitment to fostering the rights of visual artists, both in the strong performance of the resale royalty schemes and, since July, in our management of the operations of Viscopy.

This year will see a review of copyright laws by the Australian Law Reform Commission. There is no doubt that there are powerful forces that will seek to use the review as an opportunity to portray the company and its members as an obstacle to access to content.

Sadly, those forces include GAFA – Google, Amazon, Facebook and Apple – which are seen as the keeper of the future, whereas we are perceived as trying to protect vested interests and current economic models. These organisations have the ear of governments, despite recent public criticism, both in Australia and internationally, for poor corporate citizenship and their comparatively low contribution to public revenue.

This is an issue we cannot be passive about. We do need to offer new ideas and insights and prove to our government that the rightsholders we represent make a massive contribution to national development. We must all argue persuasively and in many forums that the current copyright regime benefits the community.

Copyright Agency is well placed to support our members. We have an effective Board and a good management team. We have implemented new activities and will continue to meet the challenges before us.

8. CEO's report

The following is an edited version of the address of the Chief Executive Officer, Jim Alexander. [The slide presentation given by the CEO is available at www.copyright.com.au]

The CEO highlighted the growth in revenue to \$126.1 million, and the low – bearing in mind our substantial investment in new systems - expenditure to revenue ration of 14.2%. allowing \$85.80 of every \$100 collected to be available for payment to members.

During the year, our membership increased to 24,342 and we implemented an improved claims process and enhanced online facilities to speed up payments. Over \$1 billion has now been paid to members since 1989, which demonstrates the significance of the statutory licence schemes to our quality Australian educational publishing industry.

After two years the resale royalty scheme has now exceeded expectations, with constructive engagement of commercial galleries and auction houses contributing to its success. It has generated over \$835,000, of which payments have been made to over 430 artists, 90% of whom are living artists and around 60% of whom are Indigenous artists.

As in previous years, we see the use of our members' works rising, and this is reflected in increased fees available for payment to creators and rightsholders. Licensing revenue has included a 4.5% increase in the more difficult area of commercial licensing; and education revenue has exceeded \$100 million for the first time. Government revenue has however decreased by over 6%, primarily as the result of restructures and reduction in staff numbers.

We have invested in technology and now see an increasing number of distribution payments claimed via members' online accounts and made by electronic funds transfer. New initiatives include the launch of RightsPortal and usage tracking in the education sector via learning management systems.

The Cultural Fund supports the creators of Australian content in new endeavours and in their professional development. Over \$12 million has been allocated to the cultural community since 1995, and in 2012 almost \$1.5 million was awarded across a number of projects, including \$162,000 in career development grants.

The coming year will see the first full year of the Viscopy service agreement; the uptake of our new branding to provide a clearer recognition of what this organisation represents; the review of the resale royalty schemes and, most importantly, the Australian Law Reform Commission enquiry.

9. Questions and Comments on the Management of the Company

The Chair opened the floor for questions and comments on the management of the company. A representative of the Independent Scholars Association of Australia formally thanked the company for their Cultural Fund grant and acknowledged the enormous benefit it had provided to their organisation.

The Chair acknowledged that the Cultural Fund, lead by Brian Johns with other members of the Board, has been a vital contributor to changing perceptions of Copyright Agency. It has allowed us to learn more about our members and the community and we are proud of the projects it has supported, which we publish on the company's website.

The Chair acknowledged that in the last two years distributions to members had exceeded revenue. Obviously this will not continue and had only been made possible as our improved systems had allowed speedier payments and supported identification of the owners of older allocations. The company is required to manage payments in compliance with a number of rules and trust obligations.

Finally members were encouraged to read the company's submission to the Australian Law Reform Commission, and to engage in the review process in the coming year.

The meeting closed at 5.25 pm.