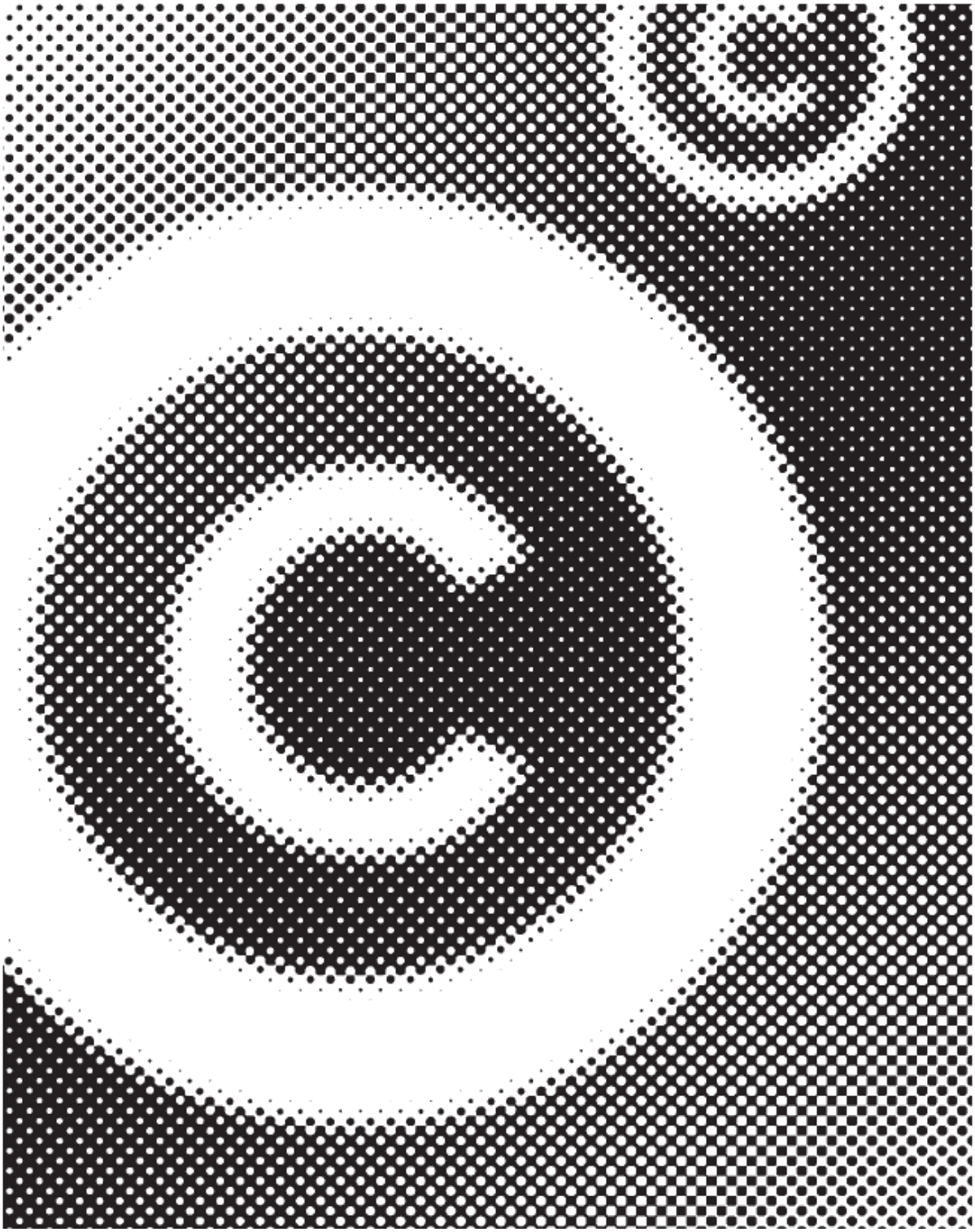
COPYRIGHTAGENCY

ANNUAL REPORT 2010–11



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CHAIR'S REPORT

At last year's annual general meeting Copyright Agency members voted to increase the share of licensing fees directed to the Cultural Fund from 1.0% to 1.5%. This decision has contributed to an increase in the breadth of activities we have been able to support. The fund isn't the most important thing Copyright Agency undertakes, but it is something the Board is proud to see flourish and something that enables us to contribute to the educational and cultural communities in a way that can make a real difference.

The Cultural Fund is emblematic of the role Copyright Agency plays in the creative communities and is bringing us closer to our membership as we develop new projects.

A video outlining a range of funded projects is on our website at www.copyright.com.au. The Copyright Agency's core business has again produced very strong results for members with distributions of more than $120 million.

We have been improving our processes to return a higher percentage of usage fees faster to members and management has achieved just that in 2010–11. There may still be small gains to be made on your behalf, but the pattern has improved so dramatically over the last five years we have to acknowledge that we cannot continue to distribute more than the fees we collect.

There are raging debates about the cost and role of content particularly in the education sector and it is for the Board and Management to demonstrate just what a dynamic and flexible tool the statutory licence has proved.

We are confident that allowing schools and universities to access and reuse content under this licence has ensured liberal and valuable use of content that other forms of control or licensing could not deliver. It is a licence that has rewarded creators, but enabled teachers free rein to use the best and most appropriate sources for a very low per student head cost.

We remain firmly of the view that the current laws will adapt with the schools as they undertake more and more interesting and exciting digital uses of content. A year ago we undertook the role of managing the resale royalty scheme for visual artists. Again there has been some anxiety and controversy as the scheme has been rolled out, but we are delighted to say that after our first year it has exceeded our expectations and that the artists and galleries are now engaging very positively with Copyright Agency to ensure its success.

With all our activities we are very mindful of the constricting economic circumstances and both our expenditure and management of your Trust Fund represent a conservative approach to the market situation. We have now completed a highly successful and important new investment in systems that we believe will reduce costs over the years ahead and that will help us enhance equity as we distribute to members. This year we roll out direct payments in a very ambitious change and it is a step we hope will improve understanding of the Copyright Agency and improve the member experience.

Finally, a paragraph of congratulations to Jim Alexander and all his team for the work they contributed to the outstanding result we report to you this year. A lot of complex and difficult challenges have arisen and been met and the organisation ends the year stronger for that effort.

Sandy Grant
Chair

CEO REPORT

We celebrated a significant milestone in marking the first full year of operation of Australia's resale royalty scheme for visual artists. Despite a flat market, the scheme generated $325,000 in royalties for Australian artists. More than 1500 works were eligible for royalties under the scheme, created by 300 artists, many of whom were Indigenous.

We have chosen to reflect and celebrate the early success of the resale royalty scheme through the design and artwork in this review. Through it, we pay our tribute to Australian artists.

More broadly, the use of members' works rose again this year, reflected in increased fees and payments to creators and rightsholders. In 2010–11, the Copyright Agency's income (comprised of licensing fees and interest) was $123 million. We paid more than $120 million to rightsholders, including authors, journalists, visual artists, photographers and publishers. These payments to rightsholders take the total payments to more than $900 million since 1989. More than $1 billion will have been paid by 2012. This is a measure of the level of access to, and use of members' works over the period and an indication of the significance of the statutory licence to the Australian publishing industry. We often hear from creators, and small and major publishers alike of the ways in which Copyright Agency payments sustain their activities, most significantly in educational publishing. Ensuring fair payment for the use of works is dependent upon both the cooperation of licensees and the Copyright Agency's own processes and systems. Steady progress has been made during 2010–11 on a business systems improvement program, which saw the launch of an online member facility. This allows members to register shares in works which in turn enables payment to be made under the new direct payment service commencing in November 2011.

Copyright Agency's efforts to provide licensing solutions that provide greater access to content are reflected in our year-on-year growth in usage fees. The growth from commercial licensing activities makes this particularly evident. Usage fees increased by 17% to $16 million during 2010–11. Fees from government increased by 8% to $10 million, with licence fees collected from educational institutions steady at $90 million, reflecting the negotiated 'flat' usage fees for increased access to works.

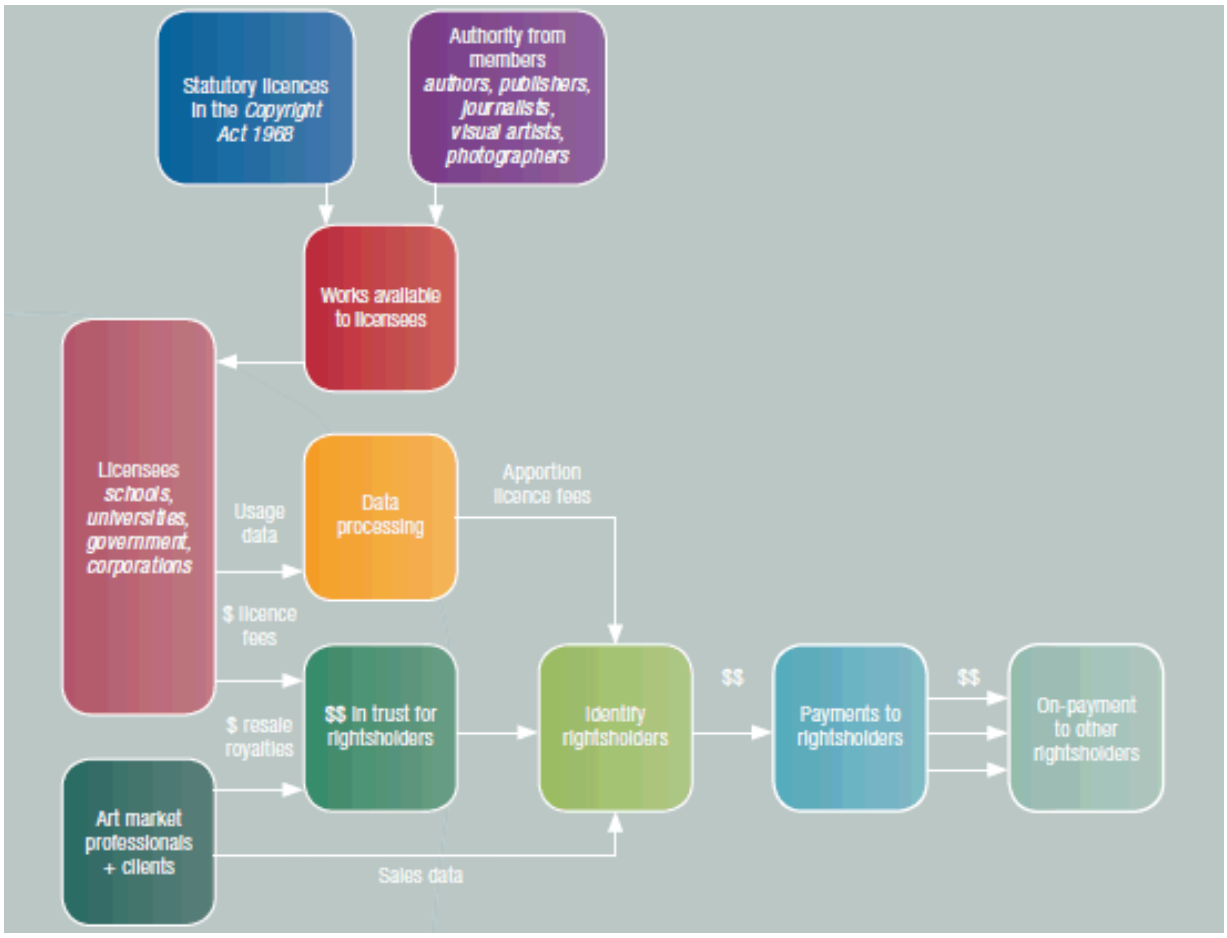
In recognition of the above, let me make my thanks to Copyright Agency's staff, members, licensees, Board and other stakeholders for another positive year. The coming year will see the release of some major reports with particular relevance to the Copyright Agency's business. We have recently received the final report of the Book Industry Strategy Group, and there will be progress on the Commonwealth Attorney-General's reference to the Australian Law Reform Commission. Discussions about a national cultural policy will continue and we will see an outcome from the Minister for Communication's convergence review. All of these activities will present opportunities and challenges which, I believe, we are better than prepared to take on.

Jim Alexander
Chief Executive Officer

ABOUT US

We are a not for profit rights management organisation with more than 20,000 members. We collect copyright fees and royalties for rightsholders, who include writers, artists and publishers. We have been appointed by the Australian Government to manage licence schemes for the education and government sectors, and the artists' resale royalty scheme. We also manage other licence schemes as an agent for our members.

OUR BUSINESS AT A GLANCE



OUR PEOPLE

BOARD OF DIRECTORS

There are 10 directors on the Copyright Agency board. In 2010–11 they were:

- Author director elected by Copyright Agency's author members: Malcolm Knox
- Publisher director elected by Copyright Agency's publisher members: Rodney Martin
- Two directors appointed by the Australian Society of Authors: Jeremy Fisher and Libby Gleeson
- Two directors appointed by the Australian Publishers Association: Martin Spears and Lucy Russell
- Four independent directors appointed by the Board: Sandy Grant, Brian Johns, Bronwyn Bancroft and Anthony Bertini

See our website for the current members of the board.

OUR TEAM

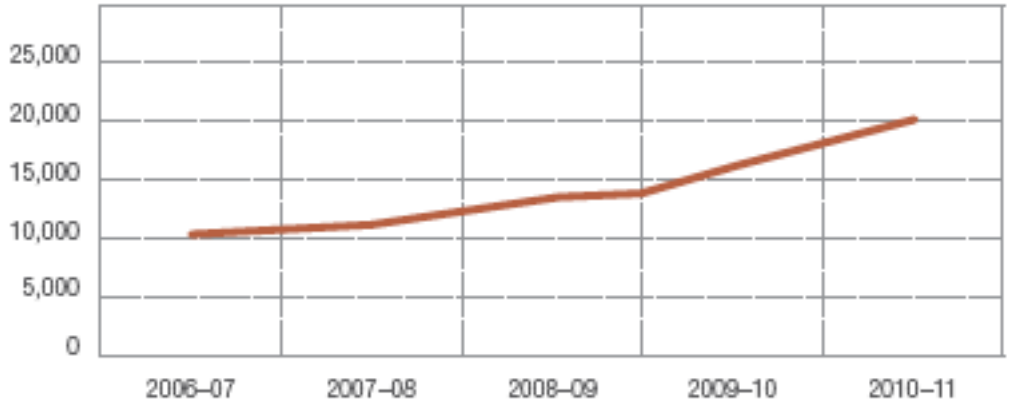
Copyright Agency's 100 staff work to support government policies to ensure easy access to content at a fair price. A wide range of specialists contribute to this effort, working in IT, works and rights research, usage data processing, legal affairs, membership services, statutory and commercial licensing, financial services, human resources and administration.

OUR MEMBERS

Our members are people and organisations who own rights in text and images. They include writers, journalists, artists, photographers and publishers. About 60% of our members are creators.

Membership is free. Members join so they can claim copyright fees collected under statutory licences, and, if they choose, to appoint us as their non-exclusive agent to license their works. Our appointment by the government to manage statutory licences requires rightsholders to become members to claim payment from a statutory licence. We hold money collected for non-members' works in trust until they become members. Our membership has doubled over the last five years.

MEMBERSHIP GROWTH SINCE 2006



JUST LIKE BEING THERE... COPYRIGHT AGENCY MEMBER PRESENTATIONS NOW AVAILABLE ONLINE

This year Copyright Agency made life a little easier for its members. Those who weren't able to make the annual member seminar in Sydney on 25May were able to view all of the presentations online – including a full video of each presentation, complete with viewable slides. During 2010–11 Copyright Agency streamlined its approach to member seminars and will now hold one seminar each year, reaching across the entire country with this new way of presenting seminar content. We also introduced a series of smaller networking events for members. These smaller events provide members with an opportunity to meet with Copyright Agency representatives and other creators in a relaxed, social setting that allows people to share ideas and opinions over a drink and a canapé.

FOCUS ON CORPORATIONS

In 2010–11, we implemented a number of strategies to increase the uptake of voluntary licences by corporate users of copyright material. These strategies include direct marketing, new licence offerings and the launch of an online licensing portal. Our licences provide significant business benefits, allowing companies to quickly and legally communicate copyright content to staff and clients. As a result, fees from corporate licensees increased by 17%.

WHAT THE MARKET WANTS: DEVELOPING CORPORATE LICENCES BASED ON USE

Copyright Agency has a track record of working closely with all of its corporate licensees to ensure that licence agreements remain dynamic and tailored to the needs of businesses, associations and non-profit organisations. During 2010–11, we expanded the range of permissions relating to works represented by the New Media Licence Schemes.

The redeveloped New Media Licence Schemes allow licensees to use the works Copyright Agency represents in the following ways:

- print, photocopy, scan or email content internally;
- include content in a slide or other presentation directly to an audience physically present;
- supply content electronically to external advisers for legal proceedings;
- supply content electronically as part of filing or obtaining regulatory approval; and
- for health and pharmaceutical companies:
    - supply content electronically to health professionals legitimately requesting medical information in relation to the use of the licensee's products; and
    - supply electronic copies to other organisations in relation to the use or support of any of the licensee's products, where the receiving organisation also holds a current Copyright Agency licence.

Copyright Agency always attempts to approach licensing arrangements in ways that ensure any changes to how licensees can use copyright works does not conflict with the current or developing business models of rightsholders.

OUR BUSINESS GOES ONLINE

In 2010–11 Copyright Agency launched two online portals:

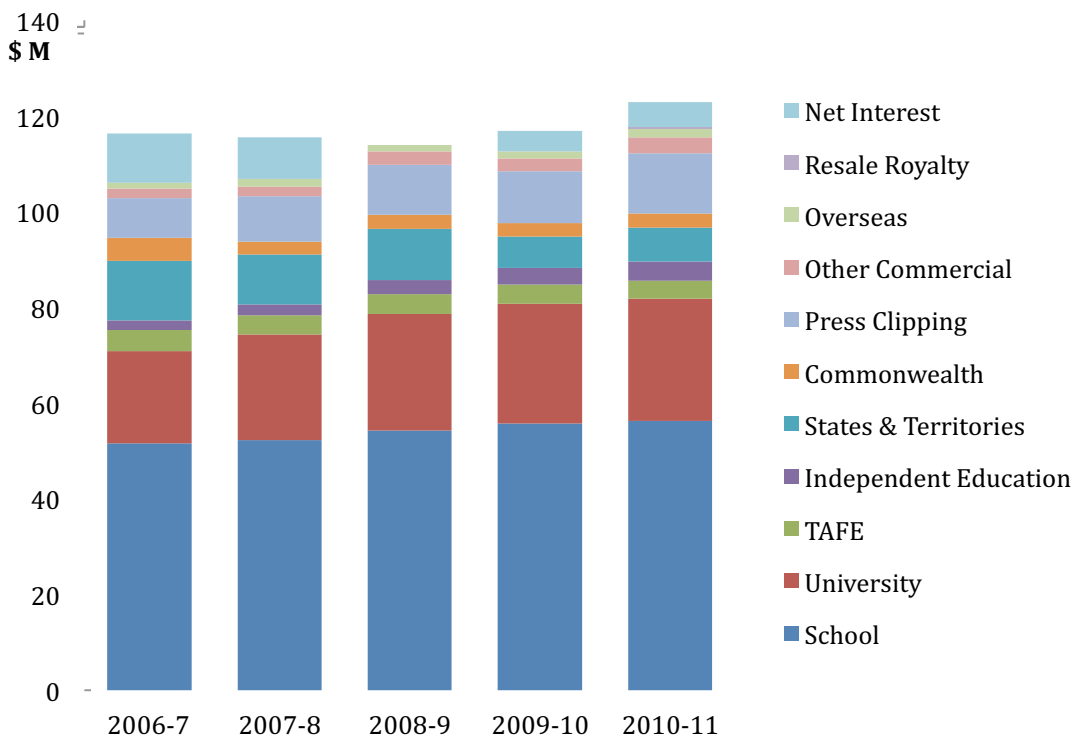
1. for rightsholders – to apply for membership and manage their accounts; and

2. for licensees – to clear rights for individual works, and to apply for, or renew, their annual blanket licences.

We also launched Facebook pages for members, the resale royalty scheme and our Cultural Fund, and started using Twitter.

LICENCE FEES

The following shows a breakdown of the licence fees we have received, and net interest, over the last five years.



LICENCE AGREEMENTS

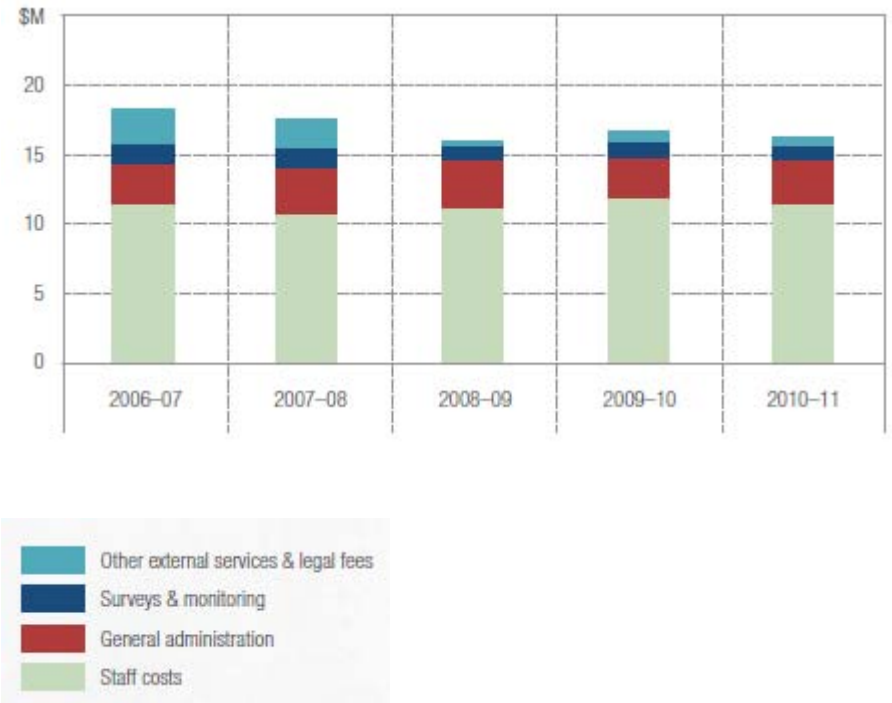
Most of our licence agreements are based on an agreed upfront rate, to enable licensees certainty for budgeting and other purposes.

For example, the fees paid for schools for the period 2009–12 are based on a flat, capped per capita rate. In negotiating this rate, both Copyright Agency and schools' representatives made an assessment of the likely levels of usage over the three year period having regard to past usage data.

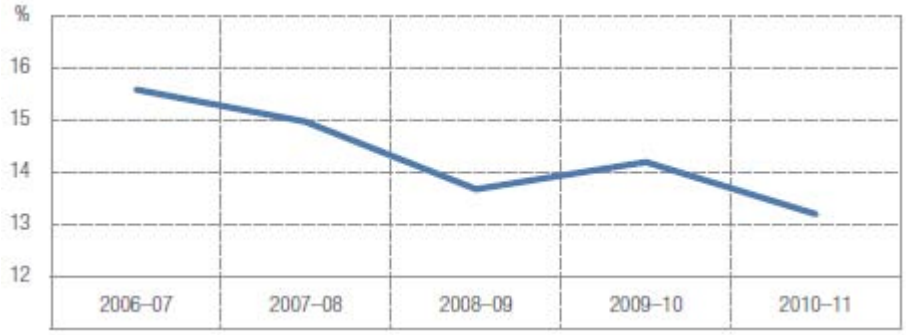
EXPENDITURE

A significant component of our expenditure relates to identifying rightsholders entitled to payment, and calculating the proportions of licence fees allocated to those rightsholders on the basis of usage information provided by licensees.

EXPENDITURE 2006–11



EXPENDITURE TO REVENUE RATIO 2006–11



PAYMENTS TO RIGHTSHOLDERS

HOW WE ALLOCATE COPYRIGHT FEES TO RIGHTSHOLDERS

There is information on our website about how we determine the distribution of licence fees to rightsholders.

We allocate and distribute copyright fees in accordance with our legal obligations (including under the Copyright Act and regulations, and fiduciary obligations), and in accordance with the Attorney-General's Department Guidelines for collecting societies.

Our obligations include holding money in trust for non-members for a minimum period, not discriminating between members and non-members, and not discriminating between local and foreign rightsholders.

DISTRIBUTION PROCESS

The process of distributing licence fees from statutory licences includes:

- processing of usage data including quality assurance, audits and, in some cases (such as schools), in accordance with detailed processing protocols required by licensees;
- allocation of licence fees to rightsholders as equitably as possible having regard to available data;
- notification to rightsholders who are members that payment has been allocated to them, requesting them to warrant that they are entitled to receive the payment and will on-pay any other rightsholders entitled to a share of the payment;
- identification and location of rightsholders who are not members, inviting them to become a member (which is free, but required by the Guidelines), and to claim the allocated payment; and
- payment (usually by EFT) of allocated amounts on receipt of the warranty confirming entitlement.

DATA USED FOR DISTRIBUTIONS

We receive information from licensees about their usage of copyright material in reliance on the licences we manage.

While licensees are entitled to provide 'full records' of their use, they choose instead to participate in surveys of usage by small samples of users.

The information from these surveys is used for two separate purposes:

- to assist with the estimation of the amount of copyright material a class of licensees is using in reliance on a licence and, in some cases, the relative proportions of types of content (such as artistic works and poetry): 'volume estimates'; and
- to assist with the equitable distribution of licence fees to rightsholders.

The second purpose requires more information than the first. Consequently, some usage records that are used for volume estimates are not used for distribution. In our distribution processes, we seek to identify and use usage records for which there is a reasonable prospect of identifying a rightsholder.

RELATIONSHIP BETWEEN LICENCE PERIOD AND USAGE DATA PERIOD

In most cases, the usage data we use to distribute licence fees relates to an earlier period than the one to which the licence fees relate. We do this so that licence fees can be distributed more quickly – for most licence pools, within the year of receipt.

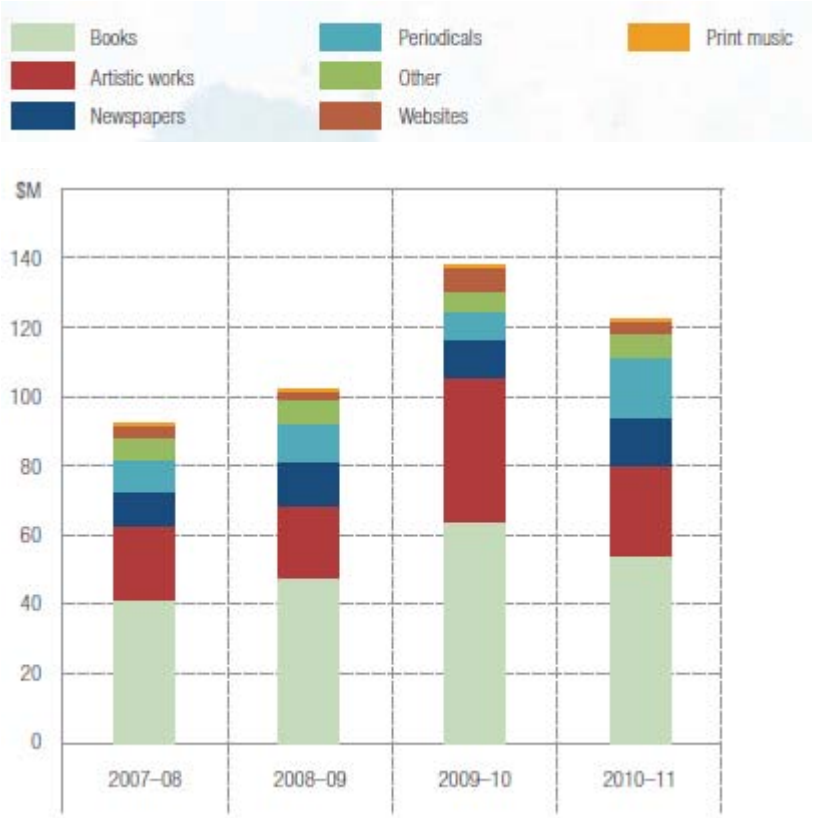
DISTRIBUTION OF FUNDS WHERE WE DO NOT HAVE ACTUAL USAGE DATA

In some cases, we do not have usage data from the licensees covered by a licence. In these cases, we distribute the licence fees based on *presumed* rather than *reported* usage. This is in accordance with the Attorney-General's Department guidelines for collecting societies.

LICENCE FEES THAT ARE 'UNDISTRIBUTABLE'

Under our current processes, we do not allocate payment to a work unless there is a reasonable prospect of identifying and contacting the rightsholder. We hold the payment in trust for up to four years while we do this. A very small proportion of allocated payments are not claimed in the four year period. The amounts are 'rolled over' and included in the next distribution of licence fees from the same source (for example, universities).

DISTRIBUTION OF PAYMENTS BY CONTENT TYPE 2006–11



PAYMENTS TO MULTIPLE RIGHTSHOLDERS IN A WORK

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

In 2010–11, where there was more than one rightsholder in a work, we paid one rightsholder on their undertaking to on-pay any amounts due to other rightsholders. If one of the rightsholders was an author (creator) member, we paid them on their undertaking to on-pay any amounts due to others, such as a publisher or illustrator. Although author members received priority for payment, many authors preferred to receive payments via their agents or publishers rather than manage the on-payments to other rightsholders.

In 2010-11, we made payments of nearly $15 million directly to creators on their undertaking to on-pay other rightsholders, and more than $87 million to publishers on their undertaking to on-pay any amounts due to other rightsholders. A further $1.9 million was paid to rightsholders via Australian collecting societies, and the balance ($17 million) to rightsholders via overseas collecting societies.

We do not have sufficient information about specific contractual arrangements to determine the exact proportion of payments to either creators or publishers.

In 2010, we began collecting information from members about payment share arrangements between authors and publishers, to enable us to make direct payments.

LICENCE FEES HELD IN TRUST FOR RIGHTSHOLDERS

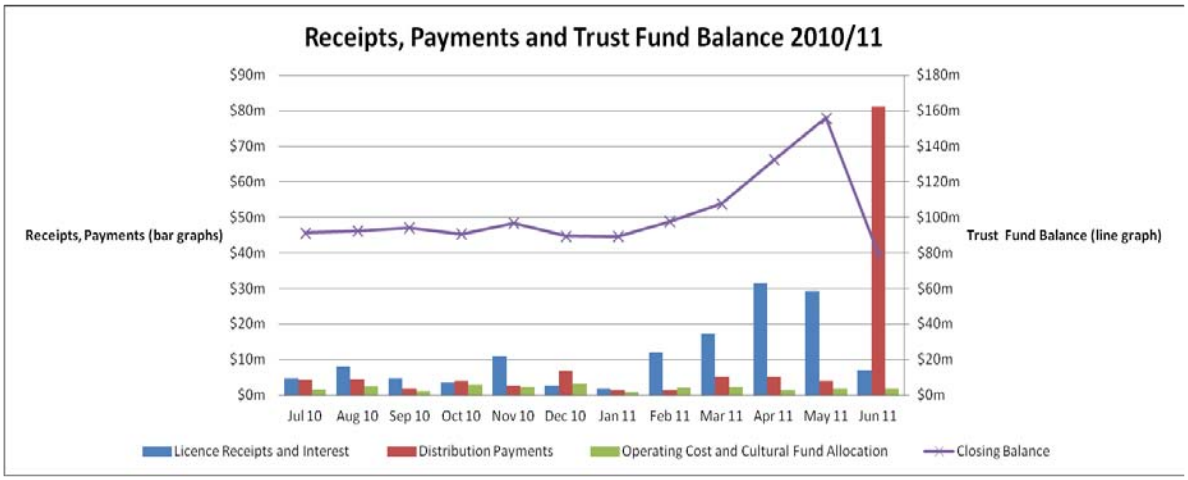
At any given time, we are holding money for rightsholders that is awaiting payment. The reasons that the licence fees may not have been paid at a given date include:

- the fees have recently been 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.

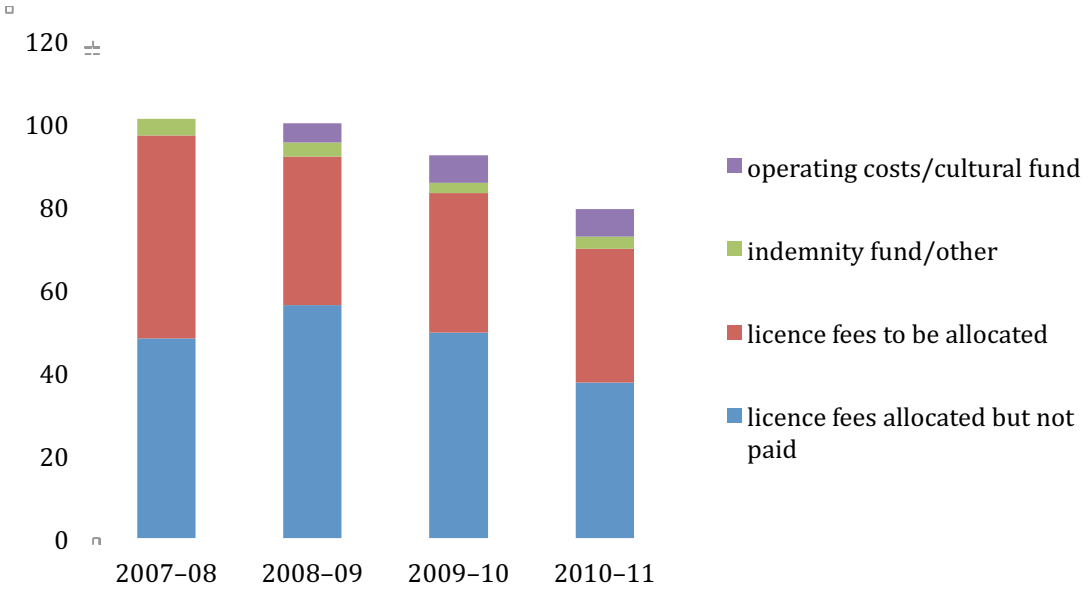
The Financial Statements include a statement showing the amount of money in the trust fund at 30 June 2010, the money paid into and out of the account in the course of the year, and the balance at 30 June 2011.

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. At most times, except when we have recently received a large payment of licence fees that have not yet been allocated, most of the money in the fund is allocated payments in the process of being paid to rightsholders.

PAYMENTS INTO AND OUT OF TRUST FUND 2010–11



TRUST FUND BALANCE 2007–11



ROYALTIES FOR ARTISTS

In its first year of operation, the artists' resale royalty scheme generated:

- more than $325,000
- from 1500 resales
- for 300 artists

RESALE ROYALTY: A YEAR IN REVIEW

Copyright Agency celebrated a significant milestone in marking the first full year of operation of Australia's resale royalty scheme for visual artists. Despite a flat market over the year, the scheme generated $325,000 in royalties for Australian artists. More than 1500 works were eligible for royalties under the scheme, created by 300 artists, many of whom were Indigenous. We have heard directly from some Indigenous artists, expressing their delight in receiving their first payments.

The Indigenous art market involves more changes of ownership than other areas and there has been a high proportion of royalties payable on Indigenous works. In fact, approximately 60% of the royalties were for Indigenous artists. In some cases, the artists live in remote areas and can be difficult to reach, but Copyright Agency is successfully reaching artists through a variety of means, including through Indigenous art centres and agents. We have been engaging with Indigenous art centres and artists in remote areas, including by travelling to art centres, and attending important gatherings of artists and art centres such as the Darwin Art Fair, the Garma Festival and the annual general meetings of some of the art centres' umbrella organisations.

We believe that a large part of the scheme's success is due to the participation of the art dealers, galleries and auction houses and their provision of sales information. This in turn has been facilitated by the appointment of specialist staff members to assist artists and art market professionals in the day-to-day operation of the scheme. Copyright Agency has been providing particular support to art market professionals – dealers, galleries and auction houses – to help them meet their obligations under the scheme relating to reporting of resales and payment of royalties and to help incorporate these obligations into their business practices.

Artists receive similar support and guidance on the scheme from our Visual Artists Manager, while our Indigenous Communications Coordinator has been instrumental in the level of participation in the scheme by Indigenous artists in remote communities.

CULTURAL FUND

At the 2010 AGM, our members authorised an increased allocation of licence fees to the Copyright Agency Cultural Fund, from 1% to 1.5%. The Fund supports a wide variety of projects that assist writers, artists, publishers and others in the Australian cultural community.

There is more information on our website about the projects we have supported, some of which feature in a short film we have produced to celebrate the Cultural Fund's contribution to creativity in Australia. There is a link to the video from our website.

CULTURAL FUND HIGHLIGHT: BRINGING PEOPLE ALIVE

Poetry has had such an impact on shaping Australia's identity and the sharing of uniquely Australian stories over the years – so much so, that most of us carry the likeness of two of our most prominent poets in our pockets on the ten dollar note.

A website launched during 2010–11 is giving Australian poetry a new lease on life, exposing poets to new markets and, importantly, creating opportunities for additional income.

On 25 May the Governor of NSW, Professor Marie Bashir, hosted an event at Government House to celebrate the launch of the Australian Poetry Library (APL) website and pay tribute to many of Australia's talented past and present poets. The APL is an online archive of Australian poetry and resources focused on providing an income stream for Australian poets and new educational materials for teachers and students.

The website was the brainchild of poet John Tranter, and features over 42,000 poems from more than 200 of Australia's most revered poets and this number will increase as more works are added to the site. The APL allows readers to download and print poetry for a small fee, part of which makes its way back to the rightsholders through the Copyright Agency.

Schools will also see real benefits. In Australia there are approximately 286,000 teachers preparing daily lesson plans for more than 3.5 million students. With the APL it is hoped that teachers will integrate more Australian content into their English classrooms – and why wouldn't they? The APL is a joint initiative between the University of Sydney, the Copyright Agency Cultural Fund and the Australian Research Council, and will contribute to the ongoing development and preservation of Australia's cultural heritage, which is cause for celebration.

It may have been three years in progress, but it was well worth the wait. To find out more go to www.poetrylibrary.edu.au.

PROJECTS SUPPORTED BY THE CULTURAL FUND IN 2010–11

Project	$	Description
ArtLink	$60,000 over 3 years	Produce an annual Indigenous edition of *ArtLink – ArtLink Indigenous,* to give Indigenous artists a voice and to document change and development in the sector.
Arts Law Centre of Australia	$46,500	Develop a toolkit for drafting wills and administration of estates to assist Indigenous artists to value and manage their intellectual property rights, and to run training sessions and workshops in remote communities.
Australian Embassy Beijing	$30,000	Host Australian Writers' Week in China in March 2011, including a series of literary and publishing events in Beijing, Chengdu and Anhui Province to promote Australian literature.
Australian Historical Association	$30,000 over 3 years	Bursaries to postgraduate students to attend the Association's annual conference, and run professional writing workshops and provide follow-up mentoring. This project aimed to assist students in making the transition into becoming professional historians, capable of writing history at a level publishable in professional journals.
Black Mermaid Productions	$10,000	Develop a Comics/Graphic Novels Portfolio Masterclass Program with the Australian Society of Authors.
Creative Clunes Inc.	$10,000	Bring writers to the town of Clunes in Victoria for their annual festival *Clunes Back to Booktown*.
RMIT University	$30,000 over 2 years	Develop a comprehensive statistical mapping of retail book sales in Australia for the ten-year period January 2002–December 2011. This information will be publicly available for the first time.
Art Gallery of New South Wales	$16,840	Run an Aboriginal Artist in Residence Research Program during NAIDOC week. During the residency, artists researched and engaged with the Gallery's ATSI collection, met curators and artists, received specialised, tailored professional development training and had the opportunity to develop networks.
Australian Poetry Centre	$5,000	Run a national symposium in Newcastle in October 2011 for leading poets and representatives of key poetry organisations around the country to discuss what is currently happening to poetry in Australia; how it's promoted, distributed, sold and how to best to collaborate with the newly created national poetry organisation, Australian Poetry.
Castlemaine State Festival	$5,000	Support artists' fees, workshops and materials at the 2011 Castlemaine State Festival.
Centre for Contemporary Photography	$10,000	Support the Centre for Contemporary Photography's 2011 documentary photography prize and touring exhibition.
China Arts Projects	$10,000	Write and publish a book in English and Chinese about an exhibition that toured China and Australia.
Extempore	$2,830	Support towards a prize for writing inspired by jazz, which will be published in the jazz journal, *Extempore*.
New England Writers Centre	$6,000	Support the Youth Online project, where primary and secondary school students from remote and regional New England were mentored by Australian professional authors.
South Coast Writers Centre	$10,000	Bring together Indigenous authors and educators for the 2011 Indigenous Writers and Educators Symposium.
Victorian Indigenous Art Awards	$13,000	Support towards prizes at the Victorian Indigenous Art Awards 2011 for works on paper and for sculpture.
Watermark Literary Society	$3,000	Bring four authors to its biennial event, the Watermark Literary Muster 2011.

Project	$	Description
Australian Publishers Association	$137,750	Support the APA's internships program in 2011 in five publishing houses across Australia.
Australian Society of Authors	$121,500 over 3 years	Develop a Professional Development Program by providing seminars for Australian authors across three main areas (business, craft and inspirational/behavioural), online information resources for authors.
Australian Children's Literature Alliance	$60,000 over 2 years	Support the Australian Children's Laureate Program, to promote the importance of reading and engagement with books in a series of public events across Australia.
Australian Writers' Guild	$50,000	Develop an e-commerce website to promote, market and sell Australian film and television scripts: Australian Screenwriting Online.
Ballarat Writers Inc.	$5,000	Support the Ballarat Writers and Illustrators Festival , including presentation and travel costs of featured authors, illustrators and industry experts.
The Big Issue	$15,000	Produce the annual Big Issue fiction edition, featuring work by established and up-and-coming Australian authors.
Chamber Made Opera	$6,000	Run a week-long professional development workshop for librettists.
Currency House	$10,000	Support the creation of video presentations by selected authors to be posted to Currency House's website and followed by a one month online chat room where the author could interact with the audience.
The Dreaming	$10,000	Support for the literature program for The Dreaming festival, a multi-arts, multi-venue festival, showcasing the diversity of the world's Indigenous cultures and their artistic production
Freeplay	$6,000	Support the Freeplay Festival, a festival that focuses on the creative and artistic side of game development, with a special emphasis on digital art and introducing graphic novelists to games.
J M Coetzee Centre for Creative Practice Master Classes	$20,000	Run intensive professional writing master classes in July 2011, providing writers in Australia with the opportunity to work under the guidance of acclaimed master practitioners to develop and enhance their skills.
Malthouse Theatre	$30,000	Provide a six-months internship for a female director.
Malthouse Theatre The Engine Room	$30,000	Support intense script development of new Australian theatre work in 2011.
Media Entertainment and Arts Alliance	$10,000	Support the Freelance Conference, held in May 2011. Themed Cash for Content, the conference is aimed at developing business skills amongst freelance journalists.
Melbourne PEN FreeSpeak	$10,000	Support for three events across Victoria, authors' presentation and travel costs, and payment to authors to publish selected writing from the events.
Melbourne Writers' Festival	15,850	Produce a free tabloid newspaper Drawn from Life to be distributed before and during the 2011 festival. It showcased the works of Victorian and international graphic novelists and illustrators.
Miles Franklin Literary Award	$50,000	Support two events to promote and celebrate the 2011 Miles Franklin short-listed authors: a consumer event for a general reading audience and a publishing industry soiree for publishers, authors and booksellers. Copyright Agency also supported cash prizes for each of the short-listed authors.
Museums & Galleries NSW	$100,000 over 2 years	Offer an Artist and Curator in Residence program in 2011 and 2012.

Project	$	Description
National Year of Reading 2012 Festival of Indigenous Reading, Writing and Storytelling	$15,000	Support the costs for Indigenous authors and illustrators to attend precursor events and the festival.
PlayLab Lab Rats program	$15,000	Run a series of creative and professional development activities for emerging playwrights in Queensland.
Public Interest Journalism Foundation	$10,000	Support the News News 2011 Conference, held in conjunction with the Melbourne Writers' Festival. The conference included roundtables, panel sessions and workshops for journalists.
Society of Editors (NSW)	$11,000	Support for travel and presentation costs of an international expert to give the keynote address at the National Editors Conference, and bursaries for five emerging editors to attend the conference.
Style Council	$5,060	Support for venue hire and presenters' travel costs for the Style Council's public forum on controversies and changing details of the English Language, entitled 'What's New?'.
University of Technology, Sydney	$300,000 over 3 years	Writer in Residence Non-Fiction, a Chair in Australian Poetry and scholarships for authors to obtain teaching qualifications.
University of Western Sydney	$10,000	Organise the China Australia Literary Forum, a high-level exchange between Chinese and Australian authors.
Wet Ink	$30,000 over 3 years	Run a short story competition, providing winners, runners-up and short-listed authors with prize money for their stories.
Wheeler Centre	$20,000	Commission long form literary reviews from writers who are featured at the Centre in its public program over the course of a year.
University of Wollongong Writing and Region	$60,000	Copyright Agency funding supported the University of Wollongong's Writers in residence, UK placement and Community and Culture projects in 2011 and 2012.
Yarra Plenty Regional Library	$3,480	Support for Yarra Plenty Regional Library's Festival of Stories for school-aged children.
Adelaide Writers' Week	$15,000	A Schools Day where international, national and local writers presented to secondary school students and the dedication program for the 2012 Writers' Week.
Ampersand Magazine	$10,000	Commission contributions from artists and authors to create the autumn 2012 edition of the magazine.
Association of Stories in Macao	$10,000	Bring Chinese translators and poets to Australia to undertake intensive translation workshops with the Australian poets whose works they will translate into Chinese.
Australian Book Review	$66,000 over 3 years	Develop Australian Book Review's online promotion into the Asian-Pacific region, to build ABR's readership and profile and that of the Australian books reviewed.
Bankstown Youth Development Service	$10,000	Support the costs of running BYDS's Westside Writers' Groups in 2012.
Bathurst Regional Council and the Australian Fossil & Mineral Museum	$11,000	Support for the *Scattered Bones* project, a joint initiative of Bathurst Regional Council and the Australian Fossil and Mineral Museum. Author Paul Stafford ran writing workshops for students in Indigenous schools in NSW using video conferencing technology.
Charles Sturt University Journalism Internships	$30,000	Provide journalism internships for final year journalism students. They were given the opportunity to take on an internship at a foreign media outlet, where they learnt about journalistic practices in other countries.

Project	$	Description
Children's Book Council of Australia	$10,000	Bring a number of Australian authors to the Children's Book Council of Australia biennial conference of children's authors and illustrators, to be held in Adelaide in June 2012.
Cultural Partnerships Australia	$60,000	Establish a curatorial exchange program which will invite young Chinese curators to meet and work with established and emerging Indigenous artists, curators and gallery directors in Australia. Their aim is to develop Chinese appreciation of Australian art, Indigenous cultural and Australian curatorial practices.
Griffith REVIEW 2011	$20,000	Encourage emerging writers through the 2011 GREW Prize. Two promising young writers received editing assistance and mentorship from Griffith REVIEW and fellowship at Varuna Writers' House.
Global Poetics Tour	$8,474	Bring three of the world's best poetry slam poets to Australia to tour in August and September 2011, to strengthen the profile and presence of Australian slam poetry and to introduce Australian slam poets to three of the world's best.
Griffin Theatre	$90,000 over 3 years	Support Griffin Theatre's emerging playwrights' residency and the Griffin Manuscript Prize.
History Council of South Australia	$1,600	Present an annual lecture to celebrate the 175th anniversary of European settlement in South Australia.
Kaldor Public Art Projects	$49,000	Kaldor Public Art Projects used Copyright Agency funding for their *InTouch: Contemporary Art in Primary Schools* project. They developed unique software modules for interactive whiteboards to provide a wider engagement with contemporary art in Australia.
Kaldor Public Art Projects	$49,500	Support from the Copyright Agency Cultural Fund went towards KPAP's National Public Program Strategy project, in which two major international contemporary artists toured Australia to give presentations aimed at both the tertiary/professional artists' sector and at the schools sector. Events were videoed and made available online.
Kids' Own Publishing	$11,000	With the support of the Copyright Agency Cultural Fund, Kids' Own Publishing brought in authors and illustrators to run workshops with children as they create their own books. This was part of a project called *The Book Factory*.
Manning Clark House	$28,500	Manning Clark House used Copyright Agency funding to support the costs of two month-long residencies at the House for writers of Indigenous Australian History.
Meanjin	$24,000	*Meanjin* used support from the Cultural Fund to commission biographical works, photography and short written pieces about the photography.
National Association for the Visual Arts	$149,700 over 3 years	With the support of the Copyright Agency Cultural Fund, the National Association for the Visual Arts developed and delivered a distance education package of online courses for visual artists, craftspeople and designers to assist in building their careers.
Ned Kelly Awards for Australian Crime Writing	$14,000	The Ned Kelly Awards celebrate Australian Crime Writing and are highly regarded by writers, publishers, booksellers and the reading public in Australia and overseas. Support from the Copyright Agency Cultural Fund went towards prize money for the 2011 Awards and judges' fees.
New Mardi Gras	$4,500	In 2011 the Copyright Agency Cultural Fund supported an exhibition at the Mardi Gras Gallery. In 2012, Copyright Agency funding supported a short story competition that was held in conjunction with the Mardi Gras.

Project	$	Description
Northern Rivers Writers Centre	$23,000	Support from the Copyright Agency Cultural Fund went towards the Northern Rivers Writers Centre's Outreach Projects At Large initiative for remote areas in the region. Support also enabled the Centre to bring writers from Western Australia, Northern Territory and South Australia to the Byron Bay Writers' Festival.
Perth International Arts Festival	$18,000	The Perth International Arts Festival will used support from the Copyright Agency Cultural Fund to bring Australian authors from outside Western Australia to Perth for the 2012 Perth Writers' Festival. This enabled the festival to present a publishing seminar and accompanying workshop series.
Platform Contemporary Art Spaces	$1,800	Copyright Agency funding supported a showcase of emerging curators and artists at Platform Contemporary Art Space and at the Platform main exhibition.
Power Institute of the University of Sydney	$20,000	The Power Institute of the University of Sydney provides a space for the creation, discussion and dissemination of ideas about art in Australia and worldwide. Funding from the Copyright Agency Cultural Fund went towards a new series called *New Eyes, New Voices*, where novelists, critics, playwrights, poets and writers were invited to choose a work by a contemporary Australian artist and prepare a piece of writing on it for public presentation.
Queensland Art Gallery	$20,000	Support from the Copyright Agency Cultural Fund went towards an artist's research and development fellowship at the Queensland Art Gallery. This was undertaken by artist Deborah Kelly.
Queensland University of Technology	$17,984	Funding from the Copyright Agency Cultural Fund went towards bringing Dr Anita Heiss to Queensland University of Technology for an Indigenous Writer-in-residence program.
RMIT	$100,000 over 2 years	Funding will be used to support a writer-in-residence program and to run a non-fiction writing conference, *NonfictionNOW*, in consultation with the University of Iowa's writing school.
Salt Water Murris Quandamooka	$5,000	The Salt Water Murris Quandamooka is a non-profit organisation predominantly comprised of direct descendents of the original Nunukul, Ngugi and Gorenpul clans and supports the maintenance and promotion of culture of the Quandamooka region. Support from the Copyright Agency Cultural Fund enabled artists from the SWMQ to attend the 2011 Cairns Indigenous Art Fair.
Scenic World	$5,000	Scenic World in the Blue Mountains used support from the Copyright Agency Cultural Fund to produce a catalogue to complement its *Sculpture at Scenic World* sculpture prize and exhibition.
Southern Cross University	$7,000	Southern Cross University hosted the 2011 annual conference for the Australasian Association of Writing Programs. Support from the Copyright Agency Cultural Fund went towards bringing local and international authors to the conference and to provide bursaries for students to attend.
State Library of Victoria	$45,000 over 3 years	The State Library of Victoria used Copyright Agency funding to tour Australian authors to public libraries in regional Victoria for public events such as readings and speeches.
State Library of Queensland	$85,920.30	Copyright Agency funding went towards the costs of running the second year of the Black & Write Indigenous Editing and Writing Project, which includes writing fellowships and editing mentorships for Indigenous authors and editors.

Project	$	Description
Sydney PEN	$45,000 over 3 years	Sydney PEN is an association of Australian writers and readers, publishers and human rights activists that promotes the right to freedom of expression for writers, editors and translators. With the support of the Copyright Agency Cultural Fund, Sydney PEN will run a three year essay and lecture series with the aim of raising awareness of the issues surrounding freedom of expression.
Sydney Story Factory	$1,000	Sydney Story Factory is a place for children to develop their love of words, where volunteers offer free help with any writing project a child can imagine. Support from the Copyright Agency Cultural Fund covered the cost of transport and materials for the workshops in terms 2 and 3 of 2011.
Tasmanian Poetry Festival	$5,400	With the support of the Copyright Agency Cultural Fund, the Tasmanian Poetry Festival was able to bring poets from the mainland to Launceston for the festival.
Tom Bass Sculpture Studio School	$10,000	With Copyright Agency funding, the Tom Bass Sculpture Studio School ran an emerging sculptor program, which provided artistic and professional development and training to support an emerging sculptor over a twelve month period.
Ubud Writers & Readers Festival	$5,000	In October 2011 the 8th International Ubud Writers & Readers Festival took place in Bali, Indonesia. With the support of the Copyright Agency Cultural Fund two Australian authors were be able to attend.
University of Sydney Journalism Internships	$10,000	Send a number of students on internship programs at English language media outlets in Asia. The program allowed students to practice journalism, engage with new media systems and experience the work expectations and communication environment of their host country.
University of New England	$8,000	Symposium to set up an editorial steering committee to commence work on a website that will support the teaching of Australia's top books. This is part of a digital libraries project, a joint venture between various industry partners, including the Copyright Agency Cultural Fund, the Australian Society of Authors and the National Library of Australia.
University of New England Children's Literature Residencies	$90,000 over 3 years	Residencies for children's books authors and illustrators in the Armidale region of NSW – to focus on their own creative works and to conduct a number of workshops, talks, masterclasses and community talks.
Varuna the Writers' House and Batchelor Institute of Indigenous Tertiary Education	$4,800	Indigenous students' writing residencies at Varuna.
Victorian Indigenous Art Awards	$13,000	Prizes for the winners and runners up in two categories of the Victorian Indigenous Art Awards: for works on paper and three-dimensional works.
Victoria University	$45,000	Commission journal articles by authors from the western Melbourne region, run a festival for writers from western Melbourne and mentor the students who work on the journal.
Victorian Association for the Teaching of English	$10,000	Sponsorship for National conference for English teachers in Melbourne in December 2011.
We Australians	$12,000	Artist development workshops, leading up to exhibition, public forum and publication.

Project	**$**	**Description**
Word Travels	$10,000	National slam poetry performance competition.
Write As Rain	$2,178	Write As Rain Literature Festival for Children & Young People, held in Castlemaine.

ENGAGEMENT

Our stakeholders include members, other rightsholders, licensees, art market professionals, governments, the education sector, cultural institutions and the arts community.

We engage with our stakeholders in a variety of formal and informal ways, including through events, our magazine (Calendar), e-communications and member surveys.

The following list some of the ways in which we engaged with our stakeholders in 2010–11.

EVENTS

when	what	who	where
Jul 2010	Associations National Forum Conference	licensees	Brisbane
	Resale royalty information sessions	artists; art market professionals	Sydney
	Resale royalty information sessions	artists; art market professionals	Canberra
Aug 2010	Resale royalty information sessions	artists; art market professionals	Melbourne
	Resale royalty information sessions	artists; art market professionals	Darwin
	Resale royalty information sessions	artists; art market professionals	Alice Springs
	Resale royalty information sessions	artists; art market professionals	Cairns
	Resale royalty information sessions	artists; art market professionals	Brisbane
	Resale royalty information sessions	licensees	Adelaide
Sep 2010	Resale royalty information sessions	licensees	Perth
	Presentation to Public Relations Institute of Australia members	licensees	
	Presentation to Chartered Secretaries Association members	licensees	NSW
	Presentation to Chartered Secretaries Association members	licensees	VIC
Nov 2010	ACLA Conference	licensees	
	RMIA Conference	licensees	
	Stakeholder cocktail function	all stakeholders	
Feb 2011	Workshop for Australian Library and Information Association (ALIA) members	licensees	NSW
May 2011	Local Government Managers Australia (LGMA) Conference	licensees	QLD
	ARCS Conference	licensees	NSW
	Annual seminar	all stakeholders	Sydney
	Copyconnect	members	Melbourne
	launch Australian Poetry Library	All	
Jun 2011	Copyconnect	members	Perth

2011 SEMINAR: THE FUTURE OF CREATIVITY

The 2011 seminar was held in Sydney on Wednesday 25 May, at Australian Technology Park (ATP), Eveleigh and focused on how developing technology has been impacting authors, artists and publishers.

At the seminar, we spoke about usage surveys, websites and copyright notices, and direct payments according to notified payment shares. Representatives from Australia Council for the Arts spoke about funding available for writers and artists and NBNCo gave an introduction to the National Broadband Network.

We finished the afternoon with a sneak peak at the results of the digital publishing survey we conducted in May, followed by a panel discussion where industry experts joined us to talk about how technology has been impacting us and what it could mean in the future.

This year we recorded the seminar and it is available to view on our website, with accompanying presentation slides and other resources that were made available at the event.

CEO BOARDROOM MEETINGS

In order to exchange information with Australia's major educational publishers about digital publishing trends, CAL held CEO Boardroom Meetings with key publishers during the year.

CALENDAR AND E-COMMUNICATIONS

Communication	Recipients	Issues
e-Calendar	17,000	July 2010 October 2010 December 2010 March 2011 June 2011
Calendar (print version)	600	July 2010 October 2010 December 2010 March 2011 June 2011
e-News	11,000	3 Dec 2010 17 December 2010 7 January 2011 21 January 2011 4 February 2011 24 February 2011 11 March 2011 25 March 2011 8 April 2011 21 April 2011 6 May 2011 20 May 2011 3 June 2011 17 June 2011

MEMBER SURVEY ON TRENDS IN DIGITAL PUBLISHING

In May 2011, we conducted a survey of members to learn more about their views of, and experiences with digital publishing in Australia. Over 2,000 members responded, making this survey the largest of its kind in the Australian publishing environment. The survey was sent to all members, ranging from international publishers to self-published authors, asking about their digital experiences and thoughts on the future.

The key findings were:

- Both authors and publishers think the benefits of digital publishing far outweigh any of the downsides;
- Around half of all authors and publishers create digital products;
- The majority of publishers are still developing their digital strategies;
- Only 15% of publishers have a competitively differentiating digital strategy;
- To date, 26% of publishers have no digital strategy at all;
- Digital publishing currently contributes less than 5% to the income of most authors and publishers – however, around 10% of authors and 14% of publishers currently make more than half their income from digital publishing;
- Lower costs and improved access to markets are the greatest benefits for authors and publishers alike;
- Technical expertise, market dominance of multinationals and piracy are the three concerns shared by authors and publishers;
- Low-level technical skills are the most significant barrier to market entry;
- Authors and publishers share some common views in relation to e-book royalties;
- 2/3 of CAL members believe that digital sales will eventually overtake print for the Australian publishing industry as a whole; and
- Of all the 2,090 CAL members surveyed, almost 19% own an iPad and over 12% own a Kindle.

There is more information about the survey on our website.

POLICY AND ADVOCACY

During 2010–11 CAL was actively involved in seeking to influence developments in the policy environment to the benefit of its members.

Our engagement on these issues included consultations with stakeholders, formal submissions to governments and other bodies, informal representations and meetings, and participation in forums.

Submissions in 2010–11 included:

- Response to call for evidence by the Independent Review of Intellectual Property and Growth – March 2011
- Submission to Inquiry by House Standing Committee on Infrastructure and Communications into the role and potential of the National Broadband Network – February 2011
- Submission to Book Industry Strategy Group – January 2011
- The Cooper Review and investment in the Australian art market: letter to the Minister for Financial Services, Superannuation and Corporate Law - July 2010

We publish our submissions on our website.

INTERNATIONAL AFFILIATIONS

We and our representatives actively participate in developing the international copyright framework through our membership of, and active participation in, the International Federation of Reproduction Rights Organisation (IFRRO).

Chief Executive Jim Alexander is an IFRRO Board member, chair of the Education and Enforcement Task Force, and a member of the Newspaper and Periodicals Working Group and Visual Arts Working Group.

Caroline Morgan, General Manager, Business Services chairs the Asia-Pacific Committee and the Legal Issues Forum.

Karen Pitt, General Counsel, is a member of the Nominating and Asia-Pacific Committees.

In 2011, Copyright Agency was accepted as a member of CISAC, the International Confederation of Societies of Authors and Composers.[1]

In 2010–11, Copyright Agency staff participated in the following:

What	Where	When	Who
Copyright Seminar	Yogyakarta, Indonesia	29 September 2010	Michael Lijic
IFFRO AGM 2010	Boston, Massachusetts	25 to 28 October 2010	Jim Alexander, Caroline Morgan, Karen Pitt, Michael Lijic
Book Fair Seminars	Sharjah, United Arab Emirates	3 & 4 November 2010	Jim Alexander
Symposium Enhancing the Culture of Reading and Books in the Digital Age	Tokyo, Japan	1–2 December 2010	Jim Alexander, Caroline Morgan
Licence negotiations with universities	Manila, Philippines	18 January 2011	Karen Pitt
IFRRO Board meeting	Madrid, Spain	28– 29 January 2011	Jim Alexander
World Copyright Summit 2011 "Creating value in the digital economy / Create-Connect –Respect"	Brussels/Belgium	6– 8 June 2011	Jim Alexander, Caroline Morgan, Libby Baulch
Meeting with European Union on resale royalty	Brussels/Belgium	6 June 2011	Caroline Morgan, Libby Baulch
IFRRO Board meeting	Brussels/Belgium	8 June 2012	Jim Alexander
IFRRO Business Models Forum, European Group meeting	Brussels/Belgium	9–10 June 2011	Jim Alexander, Caroline Morgan, Libby Baulch

[1] www.cisac.org

STAFF REMUNERATION AND PERFORMANCE

EMPLOYEE REMUNERATION

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 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.

MANAGEMENT REMUNERATION

Our performance management and remuneration review process is overseen by the Board. The Chief Executive and senior staff are offered a competitive fixed remuneration package that is reviewed annually based on: current market data; the capabilities, qualifications and experience of each incumbent; and the performance and contribution of each incumbent.

We report on staff remuneration and performance at a level comparable to that required for listed companies under the *Corporations Act 2001.*

Remuneration range* '000	100–149	150–199	200–249	250–299	300–349	350k+
Staff in range 2010–11	20	6	1	1	0	1

*includes superannuation but not incentive payments

DIRECTORS' REMUNERATION

Any proposed changes to directors' remuneration must be approved by members at a general meeting.

GOVERNANCE AND COMPLIANCE

CORPORATE GOVERNANCE AND COMPLIANCE

Our Corporate Governance Statement, published on our website, expresses our commitment to accountability and transparency in its relationships with stakeholders.

LEGAL COMPLIANCE

We comply with:

- the Corporations Act 2001 and associated regulations;
- the Copyright Act 1968 and associated regulations;
- our Constitution;
- the Attorney-General's Guidelines for Copyright Collecting Societies;
- Australian consumer law;
- the Privacy Act 1988, National Privacy Principles and our privacy policy;
- any other applicable legislation, relevant decisions of courts or tribunals (including the Copyright Tribunal) and other binding legal requirements, conditions or guidelines that apply to us;
- our Corporate Governance Statement; and
- the Code of Conduct for Copyright Collecting Societies.

PRIVACY

We are committed to protecting the privacy of individuals and have had a privacy policy in place since September 2001. The policy is published on our website (there is a link from the footer).

RISK MANAGEMENT

We acknowledge the risks associated with the increasingly complex nature of its activities, due to factors including changing user requirements and simultaneous projects and initiatives being undertaken at any one time across the business. We have developed a series of business continuity plans to ensure that our business could continue to operate effectively under unforeseen circumstances.

ATTORNEY-GENERAL'S DEPARTMENT'S GUIDELINES FOR COLLECTING SOCIETIES

As the declared collecting society for Part VB of the Copyright Act, CAL complies with the Attorney-General's Department's Guidelines for Declaration of Collecting Societies. The guidelines are available from our website.

COLLECTING SOCIETIES CODE OF CONDUCT

We adhere to the Collecting Societies Code of Conduct. The objectives of the Code are:

(a) to promote awareness of and access to information about copyright and the role and function of collecting societies in administering copyright on behalf of members;

(b) to promote confidence in collecting societies and the effective administration of copyright in Australia;

(c) to set out the standards of service that members and licensees can expect from collecting societies; and

(d) to ensure that members and licensees have access to efficient, fair and low cost procedures for the handling of complaints and the resolution of disputes involving collecting societies.

Matters covered in the Code include governance and accountability, education and awareness, and complaints and disputes.

We report annually to the Code Reviewer, a former Federal Court judge. We submitted our report on our 2010–11 compliance with the Code on in July 2011, including on our management of complaints and disputes.

Our Service Charter sets out the service level standards members and licensees can expect to receive when dealing with us, and reflects our obligations under the Code of Conduct.

As well as our Service Charter, there is information on our website about our complaints handling procedures and dispute resolution procedures. These include mediation and expert determination service for disputes between rightsholders about entitlement to payments, funded by us.

The Code, and the Code Reviewer's reports, are available from our website.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors present their report together with the financial report of Copyright Agency Limited (CAL) for the year ended 30 June 2011 and auditors report thereon.

Directors' names

The names of the directors in office at any time during or since the end of the year are:

Bronwyn Bancroft

Anthony Bertini

James Bradley resigned 25 November 2010

Jeremy Fisher appointed 25 November 2010

Libby Gleeson, AO

Alexander Grant

Brian Johns, AO

Rodney Martin

Malcolm Knox

Lucrezia Russell

Martin Spears

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results and review of operations

The surplus of the company for the year after providing for income tax amounted to $2,846,246.

Operating costs of the company are reimbursed from the trust account held on behalf of the company's members. During the year, the company has invested $3,011,048 in developing software which has been recognised as an intangible asset of the company at balance date. The reimbursement of these costs is included as revenue and the resulting asset will be amortised over its useful life to reflect the benefits to the company and its members. As the amortisation expenses are recognised, the company's accumulated funds will progressively return to historical levels. The company's practice to only hold cash and cash equivalents to cover forecast expenses remains unchanged.

During the year the company also continued its commitment to pay distibutions to members on a more timely basis, subject to the its underlying principles and policies on equity, and the result is that the trust account balance has reduced significantly again this year.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

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DIRECTORS' REPORT

Principal activities

The principal activity of the company during the year was that of a copyright collecting society.

No significant change in the nature of these activities occurred during the year.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

The company is limited by guarantee. No dividends are permitted to be paid under the constitution of the company.

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DIRECTORS' REPORT

Information on directors and company secretary

Bronwyn Bancroft	Director
Qualifications	Dip. VComms, Master of Studio Practice, MVA (Painting)
Experience	Australian artist who has served on the boards of Viscopy, the National Indigenous Arts Advocacy Association, the National Gallery of Australia, the Museum of Contemporary Art and Designer Aboriginals Pty Ltd.
Special responsibilities	Independent Director since 20 November 2008. Member of CAL's Branding and Cultural Fund Committees.
Anthony Bertini	Director
Qualifications	BA
Experience	Chairman of Thumper One Pty Ltd, a corporate advisory firm investing in and incubating new technologies in three key sectors: ICT, Clean Tech and Medical Devices. Former publisher of IPC Magazines Australia and founder of Hyro Ltd. Current directorships include The Biennale of Sydney, Wavefront Biometrics Pty Ltd and Hydrogen Assist Pty Ltd.
Special responsibilities	Independent director since May 2010. Member of CAL's Audit and Finance and IT Strategy Committees.
James Bradley	Director
Qualifications	BA (Hons) LLB GDLP
Experience	Author and critic.
Special responsibilities	Australian Society of Authors appointed Director 2004 - 2010.
Jeremy Fisher	Director
Qualifications	DCA, MA, BA, Dip DesStud, Dip Ed
Experience	Author, Senior Lecturer in Writing, School of Arts, University of New England, former Executive Director of the Australian Society of Authors.
Special responsibilities	Australian Society of Authors appointed Director since 2010. Member of CAL's IT Strategy, Cultural Fund and Branding Committees.
Libby Gleeson, AO	Director
Qualifications	BA (HONS), DIP ED, CERT TESOL
Experience	Former high school and tertiary education teacher, widely published writer of children's and youth literature. Adjunct Professor, Faculty of Education and Social Work, University of Sydney; a director of Bookmite Pty Limited since 1996 and OzAuthors 2000-04; former Treasurer and Chair of the Australian Society of Authors. AM, 2007 for services to literature and literacy education; winner of the 2005 Meritorious Service to Public Education and Training Award.
Special responsibilities	Australian Society of Authors appointed Director since 2005. Member of CAL's Cultural Fund and Branding Committees.

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DIRECTORS' REPORT

Alexander Grant	Chair
Qualifications	BA
Experience	Chief Executive, Hardie Grant Publishing; former CEO Reed Books UK; former Managing Director Reed Books Australia; past President and Director of Australian Publishers Association; Director of Explore Australia Pty Ltd; Chair of Hardie Grant Magazines; Chair of Hardie Grant Egmont; Director of Hardie Grant Books.
Special responsibilities	Australian Publishers Association appointed Director since 2002 then independent director since November 2009. Member of CAL's Audit and Finance, IT Strategy and Branding Committees.
Brian Johns, AO	Director
Qualifications	Honorary Doctorate Social Sciences, RMIT, Doctor of the University, QUT.
Experience	Adjunct Professor Creative Industries Faculty QUT 2000-04; former Managing Director Australian Broadcasting Corporation and Special Broadcasting Services; former Chair Australian Broadcasting Authority; former Publishing Director Penguin Books Australia; journalist and news executive.
Special responsibilities	Independent Director since 2001 and Chair 2003-2009. Convenor of CAL's Cultural Fund Committee and member of CAL's Audit and Finance Committee.
Rodney Martin	Director
Qualifications	DIPT (ADV), BED, MBA, FEA
Experience	Founder of Era Publications; former Director of the Exporters' Club in Adelaide; Convenor of the Adelaide Publishing Cluster; Convenor of the Family Business Australia Hall of Fame, former director of Australian Multimedia Enterprise Limited.
Special responsibilities	Publisher elected Director since 2004. Convenor of CAL's IT Strategy Committee and member of CAL's Audit and Finance and Branding Committees.
Malcolm Knox	Director
Qualifications	BA (HONS), M PHIL
Experience	Author and journalist.
Special responsibilities	Author elected Director since 2006. Convenor of CAL's Audit and Finance Committee and member of CAL's Cultural Fund Committee.
Lucrezia Russell	Director
Qualifications	BA
Experience	General Manager of John Wiley & Sons Higher Education Division since 1995, former Convenor of the APA Tertiary and Professional Committee.
Special responsibilities	APA appointed Director since 1 July 2010. Member of CAL's Audit and Finance, IT Strategy and Branding Committees.

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DIRECTORS' REPORT

Martin Spears	Director
Qualifications	BA
Experience	Former director of Australian Publishers Association; former convenor of the Schools Educational Publishing Committee; Managing Director Pearson Education Australia.
Special responsibilities	Australian Publishers Association appointed Director since 2003. Member of CAL's IT Strategy and Cultural Fund Committees.
Caroline Morgan	Company secretary
Qualifications	BA, LLB, MBA
Experience	CAL General Manager since 2003.
Special responsibilities	Company secretary

Meetings of directors

Directors	Directors' meetings		Audit and Finance committee meetings		Member Relations and Communications committee meetings		Cultural Fund committee meetings		Branding committee meetings		IT Strategy committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Bronwyn Bancroft	7	6	-	-	1	1	5	4	1	-	-	-
Anthony Bertini	7	7	7	7	-	-	-	-	-	-	4	4
James Bradley	3	3	2	1	-	-	-	-	-	-	-	-
Jeremy Fisher	4	4	-	-	-	-	3	3	1	1	2	2
Libby Gleeson, AO	7	7	-	-	1	1	5	5	1	1	-	-
Alexander Grant	7	7	7	7	1	1	-	-	1	1	5	5
Brian Johns, AO	7	7	7	5	-	-	5	5	-	-	-	-
Malcolm Knox	7	6	7	6	1	1	5	4	-	-	-	-
Rodney Martin	7	7	7	7	1	1	-	-	1	1	5	5
Lucrezia Russell	7	6	3	3	-	-	-	-	1	1	4	3
Martin Spears	7	6	-	-	-	-	5	4	-	-	5	4

Indemnification of officers

The company has paid premiums to insure each of the following directors and officers against liabilities for costs and expenses incurred by them in defending any legal expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium paid in this financial year was $8,500 and covered:

- James Bradley
- Anthony Bertini
- Bronwyn Bancroft
- Lucrezia Russell
- Martin Spears
- Malcolm Knox
- Jim Alexander
- Brian Johns
- Rodney Martin
- Caroline Morgan
- Libby Gleeson
- Alexander Grant
- Jeremy Fisher
- Ansari Hamid

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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DIRECTORS' REPORT

Directors' remuneration

Under Article 38 of CAL's Constitution, Directors' remuneration is determined by the Company in general meeting.

Details of the nature and amount of each element of the emoluments of each director of the company are as follows:

	Base Remuneration $	Superannuation Contributions $	Total $
Bronwyn Bancroft	27,900	-	27,900
Anthony Bertini	27,900	-	27,900
James Bradley	10,157	914	11,071
Jeremy Fisher	15,439	1,390	16,829
Libby Gleeson, AO	25,596	2,304	27,900
Alexander Grant	55,800	-	55,800
Brian Johns, AO	27,900	-	27,900
Rodney Martin	25,596	2,304	27,900
Malcolm Knox	25,596	2,304	27,900
Lucrezia Russell	25,596	2,304	27,900
Martin Spears	25,596	2,304	27,900

Signed on behalf of the board of directors.

Director: _____
Alexander Grant

Director: _____
Brian Johns, AO

Dated this 26th day of August 2011

PITCHER PARTNERS
ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

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Pitcher Partners, including Johnston Rorke,
is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COPYRIGHT AGENCY LIMITED

In relation to the independent audit for the year ended 30 June 2011, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

R M SHANLEY
Partner
26 August 2011

PITCHER PARTNERS
Sydney

An independent New South Wales Partnership. ABN 35 415 759 892
Liability limited by a scheme approved under Professional Standards Legislation

an independent member of
BAKER TILLY
INTERNATIONAL

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue	4	19,457,698	16,797,206
Less: expenses			
Depreciation and amortisation expense	5	(555,916)	(429,531)
Employee benefits expense		(10,642,464)	(10,369,476)
Occupancy expenses		(1,025,025)	(933,128)
Finance costs	5	-	(1,831)
Consultancy costs		(90,206)	(135,137)
Sampling costs		(949,692)	(1,170,782)
Legal costs		(184,581)	(156,425)
Directors fees		(306,898)	(260,455)
Funds management costs		-	408
Employment taxes and costs		(426,811)	(850,567)
IT costs		(386,286)	(434,225)
Office running costs		(452,058)	(399,243)
Other expenses		(1,591,515)	(1,622,510)
		(16,611,452)	(16,762,902)
Surplus before income tax expense		2,846,246	34,304
Income tax expense		-	-
Net surplus from continuing operations		2,846,246	34,304
Other comprehensive income for the year		-	-
Total comprehensive income		2,846,246	34,304

The accompanying notes form part of these financial statements.

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 $	2010 $
Current assets			
Cash and cash equivalents	7	1,208,857	695,020
Receivables	8	51,798	40,561
Other assets	11	966,655	981,518
Total current assets		2,227,310	1,717,099
Non-current assets			
Intangible assets	10	3,519,993	677,115
Property, plant and equipment	9	1,045,953	1,002,303
Total non-current assets		4,565,946	1,679,418
Total assets		6,793,256	3,396,517
Current liabilities			
Payables	12	2,422,425	1,821,817
Provisions	13	745,887	845,998
Total current liabilities		3,168,312	2,667,815
Non-current liabilities			
Payables	12	56,160	73,440
Provisions	13	663,761	596,485
Total non-current liabilities		719,921	669,925
Total liabilities		3,888,233	3,337,740
Net assets		2,905,023	58,777
Accumulated funds			
Retained surplus		2,905,023	58,777
Total accumulated funds		2,905,023	58,777

The accompanying notes form part of these financial statements.

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
Total accumulated funds		
Balance at beginning of the year	58,777	24,473
Movements in accumulated funds from:		
Retained surplus	2,846,246	34,304
Balance at the end of the year	2,905,023	58,777
Retained surplus		
Balance at beginning of the year	58,777	24,473
Profit for the year	2,846,246	34,304
Total comprehensive income	2,846,246	34,304
Balance at the end of the year	2,905,023	58,777

The accompanying notes form part of these financial statements.

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Cash flow from operating activities			
Receipts from customers		19,411,327	18,713,144
Payments to suppliers and employees		(15,993,479)	(17,974,346)
Interest received		116,778	33,548
Finance costs		-	(1,831)
Net cash provided by operating activities	15(b)	3,534,626	770,515
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		250	1,568
Payment for property, plant and equipment		(431,927)	(262,049)
Payment for intangible assets		(3,090,662)	(588,195)
Payment of grants from Cultural Fund		(1,784,887)	(1,141,867)
Receipts allocated to Cultural Fund		2,286,437	1,218,685
Net cash provided by / (used in) investing activities		(3,020,789)	(771,858)
Cash flow from financing activities			
Repayment of borrowings		-	(27,961)
Net cash provided by / (used in) financing activities		-	(27,961)
Reconciliation of cash			
Cash at beginning of the financial year		695,020	724,324
Net increase / (decrease) in cash held		513,837	(29,304)
Cash at end of financial year	15(a)	1,208,857	695,020

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Copyright Agency Limited as an individual entity. Copyright Agency Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (Continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	5-33%	Straight line
Office equipment at cost	5-20%	Straight line
Furniture, fixtures and fittings at cost	1-20%	Straight line
Computer equipment at cost	20-40%	Straight line
Pooled assets less than $1,000	19-38%	Diminishing value

(d) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Specific provisions, applicable to copyright collecting societies, ensure (a) copyright income collected and held on behalf of the members, pending allocation to the member; and (b) non copyright income that falls within certain limits, are not subject to income tax.

(f) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(g) Borrowing costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(j) Financial instruments

Classification

The company classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(k) Intangibles

Internally developed software

Internally developed software is initially recorded at the purchase price and amortised on a straight line basis over the period of 5 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

There is not expected to be any significant impact on the entity's financial report on the initial application of Australian Accounting Standards issued at reporting date but not yet effective.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. No estimates or assumptions are considered to have the potential to materially impact the assets of liabilities of the company in the next financial year.

(a) Impairment of internally developed software

Intangible assets with a indefinite life or are not yet available for use are required to be tested for impairment annually at balance date. Intangible assets with a finite life are required to be tested for impairment annually at each reporting date where any indicators of impairment exist in relation to the continued use of the asset by the company. Indicators of impairment include technology changes, adverse changes in the economic or political environment or future expectations.

Internally developed software has been tested for impairment by determining the recoverable amount of the asset. The recoverable amount of assets is based on value-in-use calculations. These calculations are based on current financial forecasts and projected cash flows approved by management covering a period not exceeding five years. Management’s determination of cash flow projections are based on past performance and its expectation for the future.

	2011 $	2010 $

	2011 $	2010 $
NOTE 4: REVENUE		
Rendering of services	18,922,563	16,495,955
Interest income	111,747	59,589
Other revenue	423,388	241,662
Total revenue	19,457,698	16,797,206
NOTE 5: OPERATING PROFIT		
Profit / (losses) before income tax has been determined after:		
Finance costs	-	1,831
Depreciation	374,995	412,964
Amortisation	180,921	16,567
Loss on disposal/revaluation of non current assets	280	16,339
Remuneration of auditors for:		
Pitcher Partners		
- Auditor's remuneration - audit fees	36,000	35,000
- Auditor's remuneration - other services	4,000	4,000
- Auditor's remuneration - audit fees - distributions	17,000	12,500
	57,000	51,500
NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the company		
- short-term employee benefits	754,022	740,355
	754,022	740,355
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	1,000	800
Cash at bank	1,207,857	694,220
	1,208,857	695,020

	2011 $	2010 $

NOTE 8: RECEIVABLES

CURRENT		
Trade debtors	51,798	40,561

It is expected that all trade debtors will be received when due. There are no trade debtors that are past due at reporting date.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements		
At cost	147,309	145,929
Accumulated amortisation	(48,504)	(35,753)
	98,805	110,176
Office equipment, furniture and computer equipment		
Office equipment, furniture and computer equipment at cost	3,571,312	3,154,895
Accumulated depreciation	(2,624,164)	(2,262,768)
	947,148	892,127
Total property, plant and equipment	1,045,953	1,002,303

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Leasehold improvements		
Opening carrying amount	110,176	108,443
Additions	1,380	18,300
Amortisation expense	(12,751)	(16,567)
Closing carrying amount	98,805	110,176
Office equipment, furniture and computer equipment		
Opening carrying amount	892,127	1,079,249
Additions	430,547	243,749
Disposals	(530)	(17,907)
Depreciation expense	(374,995)	(412,964)
Closing carrying amount	947,149	892,127

	2011 $	2010 $
NOTE 10: INTANGIBLE ASSETS		
Internally developed software at cost	3,688,163	677,115
Accumulated amortisation and impairment	(168,170)	-
	3,519,993	677,115

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Internally developed software at cost		
Opening balance	677,115	-
Additions	3,011,048	677,115
Amortisation expense	(168,170)	-
Closing balance	3,519,993	677,115

NOTE 11: OTHER ASSETS

CURRENT		
Prepayments	199,339	214,202
Lease security deposit	767,316	767,316
	966,655	981,518

		2011	2010
		$	$
NOTE 12: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		845,065	818,313
Cultural fund		897,374	395,824
Deferred revenue		621,137	544,524
GST credits		41,569	45,876
Lease incentive		17,280	17,280
		2,422,425	1,821,817
NON CURRENT			
Unsecured liabilities			
Lease incentive		56,160	73,440

It is expected that all trade creditors, accrued expenses and GST payable will be paid when due. The are no amounts that are past due at reporting date.

NOTE 13: PROVISIONS			
CURRENT			
Employee benefits	(a)	615,736	591,077
Restructure costs		130,151	254,921
		745,887	845,998
NON CURRENT			
Employee benefits	(a)	663,761	596,485
(a) Aggregate employee benefits liability		1,279,496	1,187,562

	2011 $	2010 $

NOTE 13: PROVISIONS (CONTINUED)

(b) Reconciliations

Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year

Restructure costs		
Opening balance	254,921	81,537
Additional amounts recognised	130,151	254,921
Amounts used	(239,399)	(75,537)
Unused amounts reversed	(15,522)	(6,000)
Closing balance	130,151	254,921

Provision for Restructuring Costs
A provision for restructuring costs has been recognised for estimated redundancy, recruitment and consulting costs in relation to the restructuring of the divisions within the company. The provision has been recognised as a liability as the expenditure has been committed to at balance date.

Provision for Non Current Employee Entitlements
A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than one year	1,192,716	1,141,583
- later than one year and not later than five years	3,998,148	4,714,357
- later than five years	-	306,359
	5,190,864	6,162,299

	2011 $	2010 $

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	1,000	800
Cash at bank	1,207,857	694,220
	1,208,857	695,020

(b) Reconciliation of cash flow from operations with profit after income tax

Profit from ordinary activities after income tax	2,846,246	34,304
Adjustments and non-cash items		
Amortisation	180,921	16,567
Depreciation	374,995	412,964
Net (gain) / loss on disposal of property, plant and equipment	280	16,339
Changes in assets and liabilities		
(Increase) / decrease in receivables	(11,237)	(5,540)
(Increase) / decrease in other assets	14,863	64,898
Increase / (decrease) in payables	161,393	5,053
Increase / (decrease) in provisions	(32,835)	225,930
	688,380	736,211
Cash flows from operating activities	3,534,626	770,515

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties otherwise stated.

The only related party transactions during the year were distributions to directors made under the constitution to copyright holders from trust declared distribution pools.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2011, of the company, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2011, of the company.

NOTE 18: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $20 each towards meeting any outstandings and obligations of the company. At 30 June 2011 the number of members was 20,010.

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Copyright Agency Limited
Level 15
233 Castlereagh Street
Sydney NSW 2000

NOTE 20: STATEMENT OF OPERATIONS BY SEGMENTS

The company was established in 1974 to act as agent for its members authors and publishers to collectively administer the copying of their works in educational institutions and other organisations. The company commenced business in 1986 and is based in Sydney.

Copyright Agency Limited has been declared by the Commonwealth Attorney General to be the collecting society to administer the statutory licence created under Part VB of the Copyright Act 1968, for the copying and communication of copyright material by educational institutions, institutions assisting handicapped readers and institutions assisting intellectually handicapped persons.

Copyright Agency Limited has been declared by the Copyright Tribunal as the collecting society to administer the statutory licence in Division 2 of Part VII of the Copyright Act 1968 in relation to government copies of works and published editions of works, other than works included in a sound recording, cinematograph film or a television or sound broadcast.

Copyright Agency Limited has been appointed by the Australian Government as the collecting society under the Resale Royalty Right for Visual Artists Act 2009 for collection of resale royalties payable in respect of artworks of eligible artists.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 - 23, are in accordance with the *Corporations Act 2001*:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at 30 June 2011 and performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Alexander Grant

Director: _____
Brian Johns, AO

Dated this 26th day of August 2011

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COPYRIGHT AGENCY LIMITED

We have audited the accompanying financial report of Copyright Agency Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PITCHER PARTNERS

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COPYRIGHT AGENCY LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion, the financial report of Copyright Agency Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

R M SHANLEY

Partner

26 August 2011

PITCHER PARTNERS

Sydney

COPYRIGHT AGENCY LIMITED
ABN 53 001 228 799

TRUST ACCOUNT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
Balance as at 1 July	92,371,097	100,128,004
Add:		
Licence and other copying fees		
- Statutory licence agreements	108,882,301	132,481,237
- Voluntary licence agreements	15,587,950	14,295,282
- Other collecting societies	1,805,632	1,454,599
- Resale royalty	171,685	-
	126,447,568	148,231,118
Interest and investment income received	5,212,559	3,924,486
GST paid by licensees on voluntary licence fees	1,465,151	1,349,620
Less:		
Distributions		
- current year	(121,240,032)	(136,463,008)
- payments in transit from prior year	(1,021)	(4,585,633)
- payments in transit from current year	45,215	1,021
- GST	(1,107,748)	(952,786)
	(122,303,586)	(142,000,406)
Reimbursement of operating costs	(18,908,367)	(16,233,670)
GST paid	(2,118,488)	(1,698,828)
Transfer to Cultural Fund	(2,486,043)	(1,324,954)
Bank and other charges	(1,347)	(4,273)
Balance as at 30 June	79,678,544	92,371,097
Represented by funds held with:		
BT Investment Management	-	60,079,916
Cash at bank	79,678,544	32,291,181
	79,678,544	92,371,097

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NOTES TO TRUST ACCOUNT STATEMENT

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trust account statement is a special purpose financial report that has been prepared in accordance with with requirements of Copyright Act 1968, Trustee Act 1925, the company's constitution and guidelines for Copyright Collecting Societies issued by the Attorney General's Department.

The statement is prepared on a cash basis.

NOTE 2: FAIR VALUE OF FUNDS HELD

The fair value of listed investments included in funds held are based on quoted market bid price at balance date adjusted for transaction costs expected to be incurred to realise.

NOTE 3: APPLICATION OF FUNDS TO CULTURAL FUND

Following changes to CAL's constitution passed at the 2010 AGM, the Board of Directors has agreed to apply an amount not exceeding 1.5% (increased from 1%) of monies received by the company during the financial year from licence and other copying fees for:

(a) cultural or benevolent purposes in accordance with regulation 23JM (1) (d) of the Copyright Regulations and articles 74(b)(iii) and 83(a)(iv) of the company's Constitution and Rules - in the case of equitable remuneration received by the company under the Copyright Act 1968; and

(b) special purpose (including cultural and/or charitable purposes) in accordance with article 73(b) of the company's Constitution and Rules - in the case of monies received by the company on behalf of members under its voluntary licence agreements and all other revenue.

NOTE 4: FINANCIAL RISK MANAGEMENT

The trust account is subject to interest rate, market and liquidity risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with distributions to members.

The directors of Copyright Agency Limited are responsible for the management of these risks in respect of the trust account funds and appoint professional portfolio managers to prudently manage the funds under strict, risk averse guidelines approved by the Board. These guidelines include capital preservation of members' funds and a return no less than 90 day bank bill rates.

The Audit and Finance Committee have also been delegated responsibility by the Board to monitor the performance of the portfolio managers against these guidelines.

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INDEPENDENT AUDITOR'S REPORT
ON THE TRUST ACCOUNT STATEMENT
TO THE MEMBERS OF
COPYRIGHT AGENCY LIMITED

We have audited the accompanying Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and presentation of this statement in accordance with the cash basis of accounting and compliance with the legal and regulatory requirements applicable to the trust account and set out on this statement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

The Trust Account Statement has been prepared in accordance with the cash basis of accounting for purposes of providing information to the company's members and inclusion in the 2010-2011 Annual Report.

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INDEPENDENT AUDITOR'S REPORT
ON THE TRUST ACCOUNT STATEMENT
TO THE MEMBERS OF
COPYRIGHT AGENCY LIMITED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011, presents fairly, in all material respects, movements in the trust account in accordance with the cash basis of accounting.

Report on Other Legal and Regulatory Requirements

In our opinion, the Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011, and the distribution of fees collected on behalf of members and other copyright owners during the year ended on 30 June 2011, comply with the requirements of:

(a) articles 73 to 76 of Copyright Agency Limited's constitution;

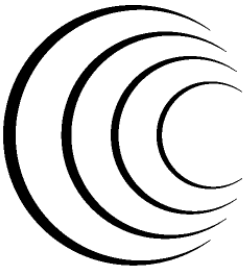
(b) ss 135ZZB and s153F of the Copyright Act 1968;

(c) guidelines for Collecting Societies issued by the Attorney-General's Department; and

(d) provisions of the Trustee Act 1925.

R M SHANLEY
Partner
26 August 2011

PITCHER PARTNERS
Sydney



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Directors' Report and Financial Report
For the year ended 30 June 2011

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DIRECTORS' REPORT

The directors present their report together with the financial report of Copyright Agency Limited (CAL) for the year ended 30 June 2011 and auditors report thereon.

Directors' names

The names of the directors in office at any time during or since the end of the year are:

Bronwyn Bancroft

Anthony Bertini

James Bradley resigned 25 November 2010

Jeremy Fisher appointed 25 November 2010

Libby Gleeson, AO

Alexander Grant

Brian Johns, AO

Rodney Martin

Malcolm Knox

Lucrezia Russell

Martin Spears

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results and review of operations

The surplus of the company for the year after providing for income tax amounted to $2,846,246.

Operating costs of the company are reimbursed from the trust account held on behalf of the company's members. During the year, the company has invested $3,011,048 in developing software which has been recognised as an intangible asset of the company at balance date. The reimbursement of these costs is included as revenue and the resulting asset will be amortised over its useful life to reflect the benefits to the company and its members. As the amortisation expenses are recognised, the company's accumulated funds will progressively return to historical levels. The company's practice to only hold cash and cash equivalents to cover forecast expenses remains unchanged.

During the year the company also continued its commitment to pay distibutions to members on a more timely basis, subject to the its underlying principles and policies on equity, and the result is that the trust account balance has reduced significantly again this year.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

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DIRECTORS' REPORT

Principal activities

The principal activity of the company during the year was that of a copyright collecting society.

No significant change in the nature of these activities occurred during the year.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

The company is limited by guarantee. No dividends are permitted to be paid under the constitution of the company.

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DIRECTORS' REPORT

Information on directors and company secretary

Bronwyn Bancroft	Director
Qualifications	Dip. VComms, Master of Studio Practice, MVA (Painting)
Experience	Australian artist who has served on the boards of Viscopy, the National Indigenous Arts Advocacy Association, the National Gallery of Australia, the Museum of Contemporary Art and Designer Aboriginals Pty Ltd.
Special responsibilities	Independent Director since 20 November 2008. Member of CAL's Branding and Cultural Fund Committees.
Anthony Bertini	Director
Qualifications	BA
Experience	Chairman of Thumper One Pty Ltd, a corporate advisory firm investing in and incubating new technologies in three key sectors: ICT, Clean Tech and Medical Devices. Former publisher of IPC Magazines Australia and founder of Hyro Ltd. Current directorships include The Biennale of Sydney, Wavefront Biometrics Pty Ltd and Hydrogen Assist Pty Ltd.
Special responsibilities	Independent director since May 2010. Member of CAL's Audit and Finance and IT Strategy Committees.
James Bradley	Director
Qualifications	BA (Hons) LLB GDLP
Experience	Author and critic.
Special responsibilities	Australian Society of Authors appointed Director 2004 - 2010.
Jeremy Fisher	Director
Qualifications	DCA, MA, BA, Dip DesStud, Dip Ed
Experience	Author, Senior Lecturer in Writing, School of Arts, University of New England, former Executive Director of the Australian Society of Authors.
Special responsibilities	Australian Society of Authors appointed Director since 2010. Member of CAL's IT Strategy, Cultural Fund and Branding Committees.
Libby Gleeson, AO	Director
Qualifications	BA (HONS), DIP ED, CERT TESOL
Experience	Former high school and tertiary education teacher, widely published writer of children's and youth literature. Adjunct Professor, Faculty of Education and Social Work, University of Sydney; a director of Bookmite Pty Limited since 1996 and OzAuthors 2000-04; former Treasurer and Chair of the Australian Society of Authors. AM, 2007 for services to literature and literacy education; winner of the 2005 Meritorious Service to Public Education and Training Award.
Special responsibilities	Australian Society of Authors appointed Director since 2005. Member of CAL's Cultural Fund and Branding Committees.

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DIRECTORS' REPORT

Alexander Grant	Chair
Qualifications	BA
Experience	Chief Executive, Hardie Grant Publishing; former CEO Reed Books UK; former Managing Director Reed Books Australia; past President and Director of Australian Publishers Association; Director of Explore Australia Pty Ltd; Chair of Hardie Grant Magazines; Chair of Hardie Grant Egmont; Director of Hardie Grant Books.
Special responsibilities	Australian Publishers Association appointed Director since 2002 then independent director since November 2009. Member of CAL's Audit and Finance, IT Strategy and Branding Committees.
Brian Johns, AO	Director
Qualifications	Honorary Doctorate Social Sciences, RMIT, Doctor of the University, QUT.
Experience	Adjunct Professor Creative Industries Faculty QUT 2000-04; former Managing Director Australian Broadcasting Corporation and Special Broadcasting Services; former Chair Australian Broadcasting Authority; former Publishing Director Penguin Books Australia; journalist and news executive.
Special responsibilities	Independent Director since 2001 and Chair 2003-2009. Convenor of CAL's Cultural Fund Committee and member of CAL's Audit and Finance Committee.
Rodney Martin	Director
Qualifications	DIPT (ADV), BED, MBA, FEA
Experience	Founder of Era Publications; former Director of the Exporters' Club in Adelaide; Convenor of the Adelaide Publishing Cluster; Convenor of the Family Business Australia Hall of Fame, former director of Australian Multimedia Enterprise Limited.
Special responsibilities	Publisher elected Director since 2004. Convenor of CAL's IT Strategy Committee and member of CAL's Audit and Finance and Branding Committees.
Malcolm Knox	Director
Qualifications	BA (HONS), M PHIL
Experience	Author and journalist.
Special responsibilities	Author elected Director since 2006. Convenor of CAL's Audit and Finance Committee and member of CAL's Cultural Fund Committee.
Lucrezia Russell	Director
Qualifications	BA
Experience	General Manager of John Wiley & Sons Higher Education Division since 1995, former Convenor of the APA Tertiary and Professional Committee.
Special responsibilities	APA appointed Director since 1 July 2010. Member of CAL's Audit and Finance, IT Strategy and Branding Committees.

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DIRECTORS' REPORT

Martin Spears	Director
Qualifications	BA
Experience	Former director of Australian Publishers Association; former convenor of the Schools Educational Publishing Committee; Managing Director Pearson Education Australia.
Special responsibilities	Australian Publishers Association appointed Director since 2003. Member of CAL's IT Strategy and Cultural Fund Committees.
Caroline Morgan	Company secretary
Qualifications	BA, LLB, MBA
Experience	CAL General Manager since 2003.
Special responsibilities	Company secretary

Meetings of directors

Directors	Directors' meetings		Audit and Finance committee meetings		Member Relations and Communications committee meetings		Cultural Fund committee meetings		Branding committee meetings		IT Strategy committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Bronwyn Bancroft	7	6	-	-	1	1	5	4	1	-	-	-
Anthony Bertini	7	7	7	7	-	-	-	-	-	-	4	4
James Bradley	3	3	2	1	-	-	-	-	-	-	-	-
Jeremy Fisher	4	4	-	-	-	-	3	3	1	1	2	2
Libby Gleeson, AO	7	7	-	-	1	1	5	5	1	1	-	-
Alexander Grant	7	7	7	7	1	1	-	-	1	1	5	5
Brian Johns, AO	7	7	7	5	-	-	5	5	-	-	-	-
Malcolm Knox	7	6	7	6	1	1	5	4	-	-	-	-
Rodney Martin	7	7	7	7	1	1	-	-	1	1	5	5
Lucrezia Russell	7	6	3	3	-	-	-	-	1	1	4	3
Martin Spears	7	6	-	-	-	-	5	4	-	-	5	4

Indemnification of officers

The company has paid premiums to insure each of the following directors and officers against liabilities for costs and expenses incurred by them in defending any legal expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium paid in this financial year was $8,500 and covered:

- James Bradley
- Anthony Bertini
- Bronwyn Bancroft
- Lucrezia Russell
- Martin Spears
- Malcolm Knox
- Jim Alexander
- Brian Johns
- Rodney Martin
- Caroline Morgan
- Libby Gleeson
- Alexander Grant
- Jeremy Fisher
- Ansari Hamid

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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DIRECTORS' REPORT

Directors' remuneration

Under Article 38 of CAL's Constitution, Directors' remuneration is determined by the Company in general meeting.

Details of the nature and amount of each element of the emoluments of each director of the company are as follows:

	Base Remuneration $	Superannuation Contributions $	Total $
Bronwyn Bancroft	27,900	-	27,900
Anthony Bertini	27,900	-	27,900
James Bradley	10,157	914	11,071
Jeremy Fisher	15,439	1,390	16,829
Libby Gleeson, AO	25,596	2,304	27,900
Alexander Grant	55,800	-	55,800
Brian Johns, AO	27,900	-	27,900
Rodney Martin	25,596	2,304	27,900
Malcolm Knox	25,596	2,304	27,900
Lucrezia Russell	25,596	2,304	27,900
Martin Spears	25,596	2,304	27,900

Signed on behalf of the board of directors.

Director: _____
Alexander Grant

Director: _____
Brian Johns, AO

Dated this 26th day of August 2011

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF COPYRIGHT AGENCY LIMITED

In relation to the independent audit for the year ended 30 June 2011, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

R M SHANLEY
Partner
26 August 2011

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue	4	19,457,698	16,797,206
Less: expenses			
Depreciation and amortisation expense	5	(555,916)	(429,531)
Employee benefits expense		(10,642,464)	(10,369,476)
Occupancy expenses		(1,025,025)	(933,128)
Finance costs	5	-	(1,831)
Consultancy costs		(90,206)	(135,137)
Sampling costs		(949,692)	(1,170,782)
Legal costs		(184,581)	(156,425)
Directors fees		(306,898)	(260,455)
Funds management costs		-	408
Employment taxes and costs		(426,811)	(850,567)
IT costs		(386,286)	(434,225)
Office running costs		(452,058)	(399,243)
Other expenses		(1,591,515)	(1,622,510)
		(16,611,452)	(16,762,902)
Surplus before income tax expense		2,846,246	34,304
Income tax expense		-	-
Net surplus from continuing operations		2,846,246	34,304
Other comprehensive income for the year		-	-
Total comprehensive income		2,846,246	34,304

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 $	2010 $
Current assets			
Cash and cash equivalents	7	1,208,857	695,020
Receivables	8	51,798	40,561
Other assets	11	966,655	981,518
Total current assets		2,227,310	1,717,099
Non-current assets			
Intangible assets	10	3,519,993	677,115
Property, plant and equipment	9	1,045,953	1,002,303
Total non-current assets		4,565,946	1,679,418
Total assets		6,793,256	3,396,517
Current liabilities			
Payables	12	2,422,425	1,821,817
Provisions	13	745,887	845,998
Total current liabilities		3,168,312	2,667,815
Non-current liabilities			
Payables	12	56,160	73,440
Provisions	13	663,761	596,485
Total non-current liabilities		719,921	669,925
Total liabilities		3,888,233	3,337,740
Net assets		2,905,023	58,777
Accumulated funds			
Retained surplus		2,905,023	58,777
Total accumulated funds		2,905,023	58,777

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
Total accumulated funds		
Balance at beginning of the year	58,777	24,473
Movements in accumulated funds from:		
Retained surplus	2,846,246	34,304
Balance at the end of the year	2,905,023	58,777
Retained surplus		
Balance at beginning of the year	58,777	24,473
Profit for the year	2,846,246	34,304
Total comprehensive income	2,846,246	34,304
Balance at the end of the year	2,905,023	58,777

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Cash flow from operating activities			
Receipts from customers		19,411,327	18,713,144
Payments to suppliers and employees		(15,993,479)	(17,974,346)
Interest received		116,778	33,548
Finance costs		-	(1,831)
Net cash provided by operating activities	15(b)	3,534,626	770,515
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		250	1,568
Payment for property, plant and equipment		(431,927)	(262,049)
Payment for intangible assets		(3,090,662)	(588,195)
Payment of grants from Cultural Fund		(1,784,887)	(1,141,867)
Receipts allocated to Cultural Fund		2,286,437	1,218,685
Net cash provided by / (used in) investing activities		(3,020,789)	(771,858)
Cash flow from financing activities			
Repayment of borrowings		-	(27,961)
Net cash provided by / (used in) financing activities		-	(27,961)
Reconciliation of cash			
Cash at beginning of the financial year		695,020	724,324
Net increase / (decrease) in cash held		513,837	(29,304)
Cash at end of financial year	15(a)	1,208,857	695,020

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Copyright Agency Limited as an individual entity. Copyright Agency Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (Continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	5-33%	Straight line
Office equipment at cost	5-20%	Straight line
Furniture, fixtures and fittings at cost	1-20%	Straight line
Computer equipment at cost	20-40%	Straight line
Pooled assets less than $1,000	19-38%	Diminishing value

(d) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Specific provisions, applicable to copyright collecting societies, ensure (a) copyright income collected and held on behalf of the members, pending allocation to the member; and (b) non copyright income that falls within certain limits, are not subject to income tax.

(f) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(g) Borrowing costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings.

Borrowing costs are expensed as incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(j) Financial instruments

Classification

The company classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(k) Intangibles

Internally developed software

Internally developed software is initially recorded at the purchase price and amortised on a straight line basis over the period of 5 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

There is not expected to be any significant impact on the entity's financial report on the initial application of Australian Accounting Standards issued at reporting date but not yet effective.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. No estimates or assumptions are considered to have the potential to materially impact the assets of liabilities of the company in the next financial year.

(a) Impairment of internally developed software

Intangible assets with a indefinite life or are not yet available for use are required to be tested for impairment annually at balance date. Intangible assets with a finite life are required to be tested for impairment annually at each reporting date where any indicators of impairment exist in relation to the continued use of the asset by the company. Indicators of impairment include technology changes, adverse changes in the economic or political environment or future expectations.

Internally developed software has been tested for impairment by determining the recoverable amount of the asset. The recoverable amount of assets is based on value-in-use calculations. These calculations are based on current financial forecasts and projected cash flows approved by management covering a period not exceeding five years. Management’s determination of cash flow projections are based on past performance and its expectation for the future.

	2011 $	2010 $

	2011 $	2010 $
NOTE 4: REVENUE		
Rendering of services	18,922,563	16,495,955
Interest income	111,747	59,589
Other revenue	423,388	241,662
Total revenue	19,457,698	16,797,206
NOTE 5: OPERATING PROFIT		
Profit / (losses) before income tax has been determined after:		
Finance costs	-	1,831
Depreciation	374,995	412,964
Amortisation	180,921	16,567
Loss on disposal/revaluation of non current assets	280	16,339
Remuneration of auditors for:		
Pitcher Partners		
- Auditor's remuneration - audit fees	36,000	35,000
- Auditor's remuneration - other services	4,000	4,000
- Auditor's remuneration - audit fees - distributions	17,000	12,500
	57,000	51,500
NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the company		
- short-term employee benefits	754,022	740,355
	754,022	740,355
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	1,000	800
Cash at bank	1,207,857	694,220
	1,208,857	695,020

	2011 $	2010 $

NOTE 8: RECEIVABLES

CURRENT		
Trade debtors	51,798	40,561

It is expected that all trade debtors will be received when due. There are no trade debtors that are past due at reporting date.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements		
At cost	147,309	145,929
Accumulated amortisation	(48,504)	(35,753)
	98,805	110,176
Office equipment, furniture and computer equipment		
Office equipment, furniture and computer equipment at cost	3,571,312	3,154,895
Accumulated depreciation	(2,624,164)	(2,262,768)
	947,148	892,127
Total property, plant and equipment	1,045,953	1,002,303

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Leasehold improvements		
Opening carrying amount	110,176	108,443
Additions	1,380	18,300
Amortisation expense	(12,751)	(16,567)
Closing carrying amount	98,805	110,176
Office equipment, furniture and computer equipment		
Opening carrying amount	892,127	1,079,249
Additions	430,547	243,749
Disposals	(530)	(17,907)
Depreciation expense	(374,995)	(412,964)
Closing carrying amount	947,149	892,127

	2011 $	2010 $
NOTE 10: INTANGIBLE ASSETS		
Internally developed software at cost	3,688,163	677,115
Accumulated amortisation and impairment	(168,170)	-
	3,519,993	677,115

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Internally developed software at cost		
Opening balance	677,115	-
Additions	3,011,048	677,115
Amortisation expense	(168,170)	-
Closing balance	3,519,993	677,115

NOTE 11: OTHER ASSETS

CURRENT		
Prepayments	199,339	214,202
Lease security deposit	767,316	767,316
	966,655	981,518

		2011	2010
		$	$
NOTE 12: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		845,065	818,313
Cultural fund		897,374	395,824
Deferred revenue		621,137	544,524
GST credits		41,569	45,876
Lease incentive		17,280	17,280
		2,422,425	1,821,817
NON CURRENT			
Unsecured liabilities			
Lease incentive		56,160	73,440

It is expected that all trade creditors, accrued expenses and GST payable will be paid when due. The are no amounts that are past due at reporting date.

NOTE 13: PROVISIONS			
CURRENT			
Employee benefits	(a)	615,736	591,077
Restructure costs		130,151	254,921
		745,887	845,998
NON CURRENT			
Employee benefits	(a)	663,761	596,485
(a) Aggregate employee benefits liability		1,279,496	1,187,562

	2011 $	2010 $

NOTE 13: PROVISIONS (CONTINUED)

(b) Reconciliations

Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year

Restructure costs		
Opening balance	254,921	81,537
Additional amounts recognised	130,151	254,921
Amounts used	(239,399)	(75,537)
Unused amounts reversed	(15,522)	(6,000)
Closing balance	130,151	254,921

Provision for Restructuring Costs
A provision for restructuring costs has been recognised for estimated redundancy, recruitment and consulting costs in relation to the restructuring of the divisions within the company. The provision has been recognised as a liability as the expenditure has been committed to at balance date.

Provision for Non Current Employee Entitlements
A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than one year	1,192,716	1,141,583
- later than one year and not later than five years	3,998,148	4,714,357
- later than five years	-	306,359
	5,190,864	6,162,299

	2011 $	2010 $

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	1,000	800
Cash at bank	1,207,857	694,220
	1,208,857	695,020

(b) Reconciliation of cash flow from operations with profit after income tax

Profit from ordinary activities after income tax	2,846,246	34,304
Adjustments and non-cash items		
Amortisation	180,921	16,567
Depreciation	374,995	412,964
Net (gain) / loss on disposal of property, plant and equipment	280	16,339
Changes in assets and liabilities		
(Increase) / decrease in receivables	(11,237)	(5,540)
(Increase) / decrease in other assets	14,863	64,898
Increase / (decrease) in payables	161,393	5,053
Increase / (decrease) in provisions	(32,835)	225,930
	688,380	736,211
Cash flows from operating activities	3,534,626	770,515

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties otherwise stated.

The only related party transactions during the year were distributions to directors made under the constitution to copyright holders from trust declared distribution pools.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2011, of the company, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2011, of the company.

NOTE 18: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $20 each towards meeting any outstandings and obligations of the company. At 30 June 2011 the number of members was 20,010.

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Copyright Agency Limited
Level 15
233 Castlereagh Street
Sydney NSW 2000

NOTE 20: STATEMENT OF OPERATIONS BY SEGMENTS

The company was established in 1974 to act as agent for its members authors and publishers to collectively administer the copying of their works in educational institutions and other organisations. The company commenced business in 1986 and is based in Sydney.

Copyright Agency Limited has been declared by the Commonwealth Attorney General to be the collecting society to administer the statutory licence created under Part VB of the Copyright Act 1968, for the copying and communication of copyright material by educational institutions, institutions assisting handicapped readers and institutions assisting intellectually handicapped persons.

Copyright Agency Limited has been declared by the Copyright Tribunal as the collecting society to administer the statutory licence in Division 2 of Part VII of the Copyright Act 1968 in relation to government copies of works and published editions of works, other than works included in a sound recording, cinematograph film or a television or sound broadcast.

Copyright Agency Limited has been appointed by the Australian Government as the collecting society under the Resale Royalty Right for Visual Artists Act 2009 for collection of resale royalties payable in respect of artworks of eligible artists.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 - 23, are in accordance with the *Corporations Act 2001*:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at 30 June 2011 and performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Alexander Grant

Director: _____
Brian Johns, AO

Dated this 26th day of August 2011

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COPYRIGHT AGENCY LIMITED

We have audited the accompanying financial report of Copyright Agency Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PITCHER PARTNERS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COPYRIGHT AGENCY LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion, the financial report of Copyright Agency Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

R M SHANLEY

Partner

26 August 2011

PITCHER PARTNERS

Sydney

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TRUST ACCOUNT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
Balance as at 1 July	92,371,097	100,128,004
Add:		
Licence and other copying fees		
- Statutory licence agreements	108,882,301	132,481,237
- Voluntary licence agreements	15,587,950	14,295,282
- Other collecting societies	1,805,632	1,454,599
- Resale royalty	171,685	-
	126,447,568	148,231,118
Interest and investment income received	5,212,559	3,924,486
GST paid by licensees on voluntary licence fees	1,465,151	1,349,620
Less:		
Distributions		
- current year	(121,240,032)	(136,463,008)
- payments in transit from prior year	(1,021)	(4,585,633)
- payments in transit from current year	45,215	1,021
- GST	(1,107,748)	(952,786)
	(122,303,586)	(142,000,406)
Reimbursement of operating costs	(18,908,367)	(16,233,670)
GST paid	(2,118,488)	(1,698,828)
Transfer to Cultural Fund	(2,486,043)	(1,324,954)
Bank and other charges	(1,347)	(4,273)
Balance as at 30 June	79,678,544	92,371,097
Represented by funds held with:		
BT Investment Management	-	60,079,916
Cash at bank	79,678,544	32,291,181
	79,678,544	92,371,097

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NOTES TO TRUST ACCOUNT STATEMENT

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trust account statement is a special purpose financial report that has been prepared in accordance with with requirements of Copyright Act 1968, Trustee Act 1925, the company's constitution and guidelines for Copyright Collecting Societies issued by the Attorney General's Department.

The statement is prepared on a cash basis.

NOTE 2: FAIR VALUE OF FUNDS HELD

The fair value of listed investments included in funds held are based on quoted market bid price at balance date adjusted for transaction costs expected to be incurred to realise.

NOTE 3: APPLICATION OF FUNDS TO CULTURAL FUND

Following changes to CAL's constitution passed at the 2010 AGM, the Board of Directors has agreed to apply an amount not exceeding 1.5% (increased from 1%) of monies received by the company during the financial year from licence and other copying fees for:

(a) cultural or benevolent purposes in accordance with regulation 23JM (1) (d) of the Copyright Regulations and articles 74(b)(iii) and 83(a)(iv) of the company's Constitution and Rules - in the case of equitable remuneration received by the company under the Copyright Act 1968; and

(b) special purpose (including cultural and/or charitable purposes) in accordance with article 73(b) of the company's Constitution and Rules - in the case of monies received by the company on behalf of members under its voluntary licence agreements and all other revenue.

NOTE 4: FINANCIAL RISK MANAGEMENT

The trust account is subject to interest rate, market and liquidity risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with distributions to members.

The directors of Copyright Agency Limited are responsible for the management of these risks in respect of the trust account funds and appoint professional portfolio managers to prudently manage the funds under strict, risk averse guidelines approved by the Board. These guidelines include capital preservation of members' funds and a return no less than 90 day bank bill rates.

The Audit and Finance Committee have also been delegated responsibility by the Board to monitor the performance of the portfolio managers against these guidelines.

PITCHER PARTNERS
ACCOUNTANTS AUDITORS & ADVISORS

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INDEPENDENT AUDITOR'S REPORT
ON THE TRUST ACCOUNT STATEMENT
TO THE MEMBERS OF
COPYRIGHT AGENCY LIMITED

We have audited the accompanying Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and presentation of this statement in accordance with the cash basis of accounting and compliance with the legal and regulatory requirements applicable to the trust account and set out on this statement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

The Trust Account Statement has been prepared in accordance with the cash basis of accounting for purposes of providing information to the company's members and inclusion in the 2010-2011 Annual Report.

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INDEPENDENT AUDITOR'S REPORT
ON THE TRUST ACCOUNT STATEMENT
TO THE MEMBERS OF
COPYRIGHT AGENCY LIMITED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011, presents fairly, in all material respects, movements in the trust account in accordance with the cash basis of accounting.

Report on Other Legal and Regulatory Requirements

In our opinion, the Trust Account Statement of Copyright Agency Limited for the year ended 30 June 2011, and the distribution of fees collected on behalf of members and other copyright owners during the year ended on 30 June 2011, comply with the requirements of:

(a) articles 73 to 76 of Copyright Agency Limited's constitution;

(b) ss 135ZZB and s153F of the Copyright Act 1968;

(c) guidelines for Collecting Societies issued by the Attorney-General's Department; and

(d) provisions of the Trustee Act 1925.

R M SHANLEY
Partner
26 August 2011

PITCHER PARTNERS
Sydney