

COLLECTING SOCIETIES - CODE OF CONDUCT REVIEW

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY (ASDACS) REPORT OF COMPLIANCE 1 July 2019 - 30 June 2020

General Section

The Australian Screen Directors Authorship Collecting Society Ltd (ASDACS) was incorporated in 1995. ASDACS' collects and distributes secondary royalty income for audio-visual directors, which arise from the screening of their work both internationally and domestically.

Compliance Section

Legal Framework (Code, Clause 2.1)

There was no change during the Review Period. However, ASDACS has made an application to the Australian Competition and Consumer Commission (ACCC) to seek authorisation on behalf of its current and future screen director members to alter its constitution to provide that:

- *members must assign their copyrights under the 'retransmission scheme' to ASDACS (that is, any copyrights in a film that is included in the retransmission of a free-to-air broadcast under the Copyright Act 1968 (Cth) (**Copyright Act**)), and*
- *ASDACS collect the money paid by retransmitters to Screenrights (who is the declared collecting society appointed under the Copyright Act) under the retransmission scheme, and distribute it to relevant directors and overseas collecting societies.*

A final determination is expected July / August 2020. The full application and responses are available on the ACCC Public register at: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australian-screen-directors-authorship-collecting-society-ltd-asdacs>.

ASDACS Privacy Policy, 2019 Annual Accounts and Articles of Association and Memorandum are made available on the ASDACS website <https://asdacs.com.au/about>.

ASDACS consists of one full-time staff member and three casual staff members. The staff list is available on the ASDACS website <https://asdacs.com.au/about#our-staff>.

ASDACS is not a declared society under the *Copyright Act 1968*, and is therefore not required to comply with the Attorney General's Guidelines for Collecting Societies. Nevertheless, ASDACS constitutional rules are largely modelled on these guidelines.

The Australian Directors Guild (ADG) continues to administer ASDACS through a services contract. However, ASDACS is legally governed by a separate board and acts in accordance with its own constitutional rules.

Members (Code, Clause 2.2)

As at 30 June 2019, ASDACS had 1180 members. By the end of the period under review, the membership had grown to 1267, an increase of 7%. 1006 members were Australian, 175 New Zealander and 86 were international residents for tax purposes.

During the reporting period, ASDACS introduced a new online membership portal to allow members easy access to distribution statements, warranty submissions, updates to credits and personal details. Secure sign in and registration is available to approved members and their beneficiaries via the ASDACS website: www.asdacs.com.au.

As previously reported, in addition to its constitution, the ASDACS website features a FAQ section with information sheets aimed to provide members with access to information and resources, available at: <https://asdacs.com.au/faqs>.

All staff are trained to readily respond to members queries and complaints, in accordance with its complaints policy located here: <https://asdacs.com.au/about#policies>.

There was no change to the membership rules during the review period and membership eligibility remains open to audio-visual directors.

Licensees (Code, Clause 2.3)

ASDACS does not grant licences to use copyright works.

Distribution of Remuneration and Licences (Code, Clause 2.4)

As previously reported, ASDACS does not collect licence revenue, but instead collects royalties generated from secondary rights. Secondary royalty income for the 2019 calendar year period totalled \$1,982,630. This includes a small amount of domestic retransmission royalty revenue totalling \$10,867 received from Screenrights.

A total of \$27,697 bank interest earned on ASDACS income over the 2019 calendar year will be distributed evenly to its members in accordance with its constitutional rules.

ASDACS distributes domestic and international income collected the prior calendar year to members on an annual basis. During the year under review, \$1,267,898 of secondary royalties collected in the 2018 year were distributed to the members.

In accordance with ASDACS' constitutional rules, after four years, undistributed funds are transferred into a development fund and put toward the benefit of the members. During the year, the development fund decreased by \$42,851 due to \$39,595 used on database development (online membership portal, IDA Exports) and transfers of \$8,182 from the Fund in respect of distributions made to members during the year from closed funds. Expired distributions of \$4,926 were allocated to the development fund.

As reported previously, the ASDACS distribution rules and practices were updated in June 2019 to include requirements as per the Code of Conduct changes introduced 1 July 2019. In particular, the guideline maintains that the membership will be consulted prior to making any substantive changes to its distribution rules and practises and affirms that a detailed report on undistributed funds will be made available to its members. A plain English distribution rules and practices guideline is also available on the ASDACS website: <https://asdacs.com.au/faqs>.

Collecting Society Expenses (Code, Clause 2.5)

ASDACS' members received the full amount of gross royalties that ASDACS has received from reciprocal collecting societies internationally for their works, less the following amounts:

1. **Administrative fee:** administrative fee of 15 per cent, which covers ASDACS' operational expenses.
2. **Membership fee:** membership fee of 10 per cent, waived for members of the Australian Directors' Guild (ADG), the Directors and Editors Guild of New Zealand (DEGNZ), beneficiaries and retirees.
3. **Cultural Purposes Fund:** cultural fund fee of 4 per cent. In 2019, \$79,305 was transferred to the fund; \$75,000 of which was granted to the Australian Directors Guild; \$55,000 of which went toward the 2019 ADG Awards and \$20,000 granted to the 2020 ADG Awards (postponed from May 2020 to October 2020 due to COVID-19 restrictions). \$14,500 was granted to the Directors and Editors Guild of New Zealand (DEGNZ) and \$1000 was donated to the Australian International Documentary Conference (AIDC) for an event creche. (see cultural fund reports for more detail attached).

Governance and Accountability (Code, Clause 2.6)

At its Annual General Meeting, seven members were appointed to the ASDACS' Board in accordance with its' constitutional rules. The list of the board members appointed is available at: <https://asdacs.com.au/about#our-board>.

As mentioned previously, the 2019 audited ASDACS Annual Accounts are made available on the ASDACS website at <https://asdacs.com.au/about#governance>. The annual report includes detail on collections, administration expenses, distributed funds and undistributed funds.

ASDACS is also a member of CISAC (the International Confederation of Societies of Authors and Composers) and abides by CISAC professional rules and standards, including the submission of an annual financial declaration, completion of a professional rules questionnaire and Asia-Pacific Committee Territory/Society Reports.

Staff Training (Code, Clause 2.7)

During the period, the ASDACS full-time staff member ensured all staff were aware of the code and gave further training on ASDACS' complaints handling procedure, as outlined in the ASDACS complaints policy available at <https://asdacs.com.au/about#policies>.

Education and Awareness (Code, Clause 2.8)

The ASDACS website www.asdacs.com.au continues to promote the importance of copyright and makes detailed reference to the nature of copyright as administered by societies in Australia and overseas, addressing the functions and policies of ASDACS in particular.

ASDACS continued to send a quarterly e-news and Social media (Twitter, Facebook and LinkedIn) to keep members informed and aware of its work and progress.

ASDACS also continues to promote fair remuneration for screen directors. This is in alignment with the broader international Writers and Directors Worldwide 'Audio-visual campaign', which is aimed at gaining an unassignable and un-waivable right to remuneration for audio-visual authors across the globe.

ASDACS Code of Conduct Compliance 2019-20

As previously reported, ASDACS is a member of the Asia-Pacific Audio-visual Alliance for Writers and Directors, aimed as a platform for audio - visual creators to share, connect and communicate, advocate for stronger copyright protections and further their interests in Asia-Pacific. A follow up meeting was held in October 2019 in Busan, Korea, to further formalise the Alliance.

Plain English distribution rules and practices guidelines, as well as information sheets on retransmission rights, undistributed funds and distribution practices are available to members on the ASDACS website. ASDACS also makes its documents available on the new Code of Conduct for Copyright Collecting Societies website introduced 1 July 2019.

Reporting by Declared Collecting Societies (Code, Clause 2.9)

As previously noted, ASDACS is not a declared Collecting Society under the Act.

Complaints and Disputes (Code, Clause 3)

The July 2019 to June 2020 reporting period covers the distribution of 2018 royalty income. During this time, no formal complaints were lodged.

In accordance with the recommendations of the Code Reviewer in the Report of Review of Copyright Collecting Societies Compliance with their Code of Conduct for the Year 1 July 2012 to 30 June 2012, ASDACS changed its process for the recording of complaints. Therefore, any complaints received by ASDACS during the Review Period are identified in a specific Complaints Register, separate to other general interactions with members.

Publicity and Reporting (Code, Clause 4)

ASDACS publicises the Code and its adherence to it, on its website and in all relevant information documents are provided to members and potential members.

The Code is posted on the ASDACS website within a comprehensive section called Governance, where interested observers can also find the latest Report on Compliance, the Triennial Review of the Operations of the Code 2017 and the 2020 Call for Submissions. Members can download these documents or request hard copies from the office.

As noted previously, ASDACS also makes its documents available on the new Code of Conduct for Copyright Collecting Societies website at: <https://www.copyrightcodeofconduct.org.au/collecting-societies> (introduced 1 July 2019).

Annual Compliance Monitoring and reporting (Code, Clause 5.2)

In order to improve the capture and exploitation of data to achieve better business practices, ASDACS has upgraded its database to allow the transfer of its repertoire of members works to the International Documentation on Audio-visual Works (IDA) database: <https://www.ida-net.org>. IDA is a non-profit international audio-visual rights management system, owned by CISAC, that Authors Societies consult to get accurate information on audio-visual works and rights owners. ASDACS continues to update and add new works to IDA on a regular basis.

Additional information

Please find the following supporting documentation under separate cover:

1. ASDACS' Quarterly Enews to members.
2. The ADG Cultural Fund Report.
3. The DEGNZ Cultural Fund Reports (a & b).
4. AIDC Application request
5. ASDACS' 2019 Annual Accounts.