

**MINUTES OF THE ANNUAL GENERAL MEETING OF COPYRIGHT AGENCY LIMITED
HELD THURSDAY 30 NOVEMBER 2017 IN THE REMINGTON ROOM, LEVEL 5, THE SMC
CENTRE 66 GOULBURN STREET, SYDNEY, NSW**

The meeting commenced at 4.35 p.m.

Present

Author members

Wendy Bean, Libby Gleeson, Pamela Gray, Fiamma (Fi) Kitching, Benython Oldfield, Helen O'Neill, Christopher Pash, Sarah Vorchheimer

Publisher members

Brian Adams (Cengage Book Co), David Barnett (Pearson), Elko Bron (McGraw Hill), Sophie Conomos (HarperCollins Publishers), Jane Curry (Ventura Press), Cath Godfry (Medical Journal of Australia), Susan Murray (Sydney University Press), Sarah Vorchheimer (Ausutralian Jewish Historical Society)

In attendance

Kim Williams AO (Chair)	Dr Oliver Watts (Director)	Adam Suckling (CEO)
Bronwyn Bancroft (Director)	Josephine Johnston (Company Secretary)	Richard Fiora (Banki Haddock Fiora)
Anthony Bertini (Director)	Chris Allenby (KPMG)	Tanya Kaye (KPMG)
Lucrezia Russell (Director)		
Judy Grady	Libby Baulch	Nicholas Pickard
Angelique Kurylo	Jenelle Dellar	Sue Nelson
Charli Hutchinson	Virginia Morrison	Melissa Willan
Nicola Evans	Rosanna Arculi	Jenny Ryan
Catherine Ferrari	Rosie Daniele	Susan Cole
Johanna Roberts		

Quorum and Order of Business

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

Agenda Item 1 - Apologies

Apologies were received from three members.

Agenda Item 2 - Proxies

A total of 4 valid proxies had been received, all from author members. Three proxies were held by the Chair, and the other by Lucrezia Russell.

Agenda Item 3 - Announcement of new director appointments

The Chair acknowledged that the following directors were due to finish their terms at the AGM:

- Helen O'Neill, ASA appointed director
- David Barnett, APA appointed director
- Bronwyn Bancroft, independent director.

Both Helen O'Neill and David Barnett had been re-appointed and were eligible to serve another three year term.

The Chair acknowledged the remarkable contribution of Bronwyn Bancroft who has served on the Board for nine years. The Chair expressed his thanks on behalf of the Company and personally for Bronwyn's never-ending energy and very substantial commitment.

The Chair noted that Bronwyn is a highly accomplished artist, with a deep knowledge of the visual arts sector and the difficulties for all artists, and particularly for indigenous artists, in sustaining their practice. The Chair also noted that Bronwyn has made a huge contribution to all aspects of the operation of the Copyright Agency, including on our Cultural Fund deliberations where she brought knowledge, passion and reasoned arguments to supporting really important projects. The Chair stated that he was confident in saying that those projects have made a difference.

The Chair also welcomed two new appointments as directors, welcoming Dr Oliver Watts and Jason Eades.

The Chair noted that Oliver has served on the Viscopy Board since 2016 and that Oliver is an artist, theorist and curator. The Chair noted that Oliver is currently lecturing at the National Institute of Dramatic Arts and is an honorary associate of the Sydney College of the Arts at the University of Sydney. Further, he has curated extensively both in Australia and internationally and has also been published as a critic and a theorist in various magazines and academic journals.

The Chair also welcomed Jason Eades, with immediate effect from the meeting the following day, as an independent director replacing Bronwyn Bancroft. The Chair noted that Jason has extensive experience in the not-for-profit sector, strong visual arts credentials, standing with the indigenous and creative community and a well-developed business sense. Jason currently holds the position of Director, Consulting with Social Ventures Australia. The Chair noted that Jason was born and raised in Gunnai country in South-East Victoria.

Agenda Items 4 and 5 - Presentation of Accounts and Reports, and Questions of the Auditor

The Directors' report and audited financial statements for the year ending 30 June 2017 were presented to and considered by the meeting, and members were invited to put questions to the auditor. There were no questions.

Agenda Item 6 - Chair's address

The Chair made the following remarks on the state of copyright, set out in full.

When I spoke to you at this time last year, it was not long before the Productivity Commission's final report into Australia's intellectual property arrangements was tabled in Parliament.

You might recall the Commission's draft report had made some exceedingly worrying and we firmly believe, wrong-footed recommendations amounting to throwing out our world leading copyright exceptions in favour of a notoriously uncertain US doctrine known as Fair Use.

This doctrine would undermine the effective licensing system that has evolved here in Australia. Ours is freely acknowledged internationally as one of the best licensing regimes in the world. It enables teachers and students to share and copy from almost every book, magazine, image or journal published in the world for less than the cost per student of a single book each year.

Not only did this recommendation expose a deep level of naivety about the existing balance within Australia's copyright ecosystem, it displayed a disdain bordering on contempt for creators. Personally I found the tonality and rejectionism of creators' arguments evident in the report wholly unacceptable – especially from an expert body which is meant to maintain a position of dignified rigour.

Predictably, the Commission's final report trod the same path – favouring a watering down of our copyright exceptions which would seriously undermine creators' rights. Moreover, the report regarded those opposing creators' rights as if they were disinterested players presenting objectively fair positions. Nothing could be further from the truth, they were simply self-advocates for pretty aggressive anti-copyright positions.

To be clear, if the position proposed by the commission was adopted the approach would have meant large organisations could have used the work of our members for little or no payment. Not only would this mean less money for publishers, authors and visual artists, it would have severely undermined the economic basis for remuneration to Australian creative work.

This approach necessitated a vigorous response from the Copyright Agency and from our partners in the sector. We are all acutely aware of how fragile creative life can be – and how vital copyright is to ensuring the continued rights of artists to control the permissions and terms for the use of their work. It is theirs after all. Copyright is of course central to the economic settings that reward the creation of new Australian works for Australian audiences.

I have said it before, but it's worth repeating, watering down copyright protections will not drive innovation. The key drivers of innovation are: a clear operating framework – which our copyright regime provides - a business culture that supports risk taking; access to capital and talented, skilled people. Disturbingly the Productivity Commission had nothing to say on these key drivers.

And I mean nothing to say! Now for someone who has spent his life running companies that have invested, innovated and taken new products to Australians and the world, I found their report staggeringly poor in content and quality of analysis and thinking. They also sought to attack our right to challenge the approach proposed.

Fortunately, we are in a position to be able to prosecute the case against Fair Use because our Board, some years ago, determined that money should be set aside over a period of time for this purpose.

This 'Future Fund' was first considered after drastic copyright changes were implemented in Canada in 2012. These changes caused a rapid and serious decline in revenue to copyright owners.

On our soil, similar proposals have been mooted for some time.

The Future Fund was established, therefore, to keep the business running during any such period, as there would be a necessity for strategic litigation (which is very expensive), campaigning and advocacy.

The Future Fund was funded over a period of time and is capped at \$15 million dollars.

As I wrote in the The Age and the Sydney Morning Herald in May, "any board that does not provision for the risk of a calamitous regulatory change that is being pushed by entities as powerful as the lobbying group, the Australian Digital Alliance, would be guilty of extreme negligence."

I'm happy to say that our arguments to date have helped persuade the government to consider this issue more thoroughly. The opposition has also been measured in its response.

The case we have put, along with our creative industry partners, has been reinforced and given life of immeasurable value by you, our members. Many members passionately and articulately shared their concerns about the potential for ineffective copyright to negatively impact on their livelihoods and future work.

I want to pay tribute to our members for engaging so quickly and responsively on this issue. It really made politicians sit up and take notice and when it comes to copyright, that's not the easiest thing to do!

So, the Government is listening to a degree and will do a further round of consultation in the New Year. I can assure you that we will continue to put the concerns of our members forthrightly, and vigorously, to the parliament and media equally.

The role of copyright in helping to sustain Australia as not only a creative nation, but a nation with a fine functioning education system is vitally important. We'll continue to make the case for its integrity and for the inalienable right of creators to control the permission and terms for the use of their own work.

There's much more I could say but Adam will cover most of the year's highlights in his report.

Cultural Fund

One thing that is very pleasing to report is a renovated focus for our Cultural Fund with an even greater emphasis on supporting Australian writing, publishing and the visual arts.

The Fund has given more than \$24 million dollars in grants to the Australian creative community since its inception in the mid-1990s.

It provides vital Fellowships for Authors and Publishers. It is also responsible for creating Reading Australia which continues to grow and flourish. This is an outstanding resource for teachers to help them draw on Australian fiction and non-fiction books, plays and poetry in the general course of their work to enhance thinking and literacy in students.

We reviewed the operation of the Cultural Fund during 2017 amending our approach to ensure we fund projects that are even more clearly aligned with our members and key stakeholders.

From 2018, our grants will offer enhanced support for individual creators; new leadership and partnership opportunities for the writing, publishing and visual arts sectors; and support for more cross-industry collaborations, including with key writers' festivals around the country.

In an exciting initiative, we will be awarding an extra Fellowship in 2018 for authors of Non-Fiction Writing, together with a Visual Arts Fellowship. We will also support a National Fellowship for Teachers of English through the Reading Australia program. These will all be launched in the New Year.

In terms of the performance of the Copyright Agency – on behalf of our members – I am pleased to say that we have had a strong year, with record net income of \$126.6m. We also made distributions to members of close to \$120 million over the year. This money comprises a critical input into supporting Australian publishers, writers and visual artists and allowing them to continue to produce great Australian works. All that is undertaken of course assists the quality of thought and endeavour generally in Australia.

Agenda Item 7 - CEO's report

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

Adam Suckling noted that the aim of the Copyright Agency is to support members and everything it does is in support of its 40,000 direct and indirect members.

The CEO noted the following three areas he would cover:

- Financial results
- Outline of the six ways Copyright Agency served its members
- The recent merger with Viscopy.

Financial highlights

Net income (total income minus costs of running the business) was a record \$126.6m for 2016/17. Distributions were \$117.83m – an increase of 2%. The CEO noted that the cost ratio was 14.1%, reduced by 0.2% from the previous year.

Serving our members

First: making sure that members are paid when their work is used.

Second: enforcing our members' rights where necessary.

Third: running our operations as efficiently as possible while investing in the future.

Fourth: advocacy for our members' rights in Canberra.

Fifth: supporting our members through the Cultural Fund and Reading Australia.

Sixth: keeping our members updated with what is happening in copyright.

The CEO spoke to each of these points.

On the first point, the focus is on licensing and innovation. The CEO noted that the agreement with the schools' sector (worth approximately \$60m per annum) had rolled over for another 12 months and that Copyright Agency is looking to introduce a new, innovative licence model for media monitoring organisations to ensure that users of quality journalism

are paying a fair rate. The CEO also noted an increase in commercial licensing sales (approx. 13%) and growth and improvements in the LearningField service.

On the second point, the CEO noted that it had been necessary to commence proceedings against the NSW State Government in the Copyright Tribunal as they had been the only Government in Australia to fail to pay a fair rate to creators and had not done so for five years. Regrettably this course of action was therefore necessary to protect the rights of members.

On the third point, the CEO reported various actions in a large program of work, including moving systems into the cloud, introducing a new finance system (to be implemented in 2018) and commencing work to review the distribution approach.

On policy and advocacy, the CEO reported that the Copyright Agency had represented members' interests strongly in Canberra including running the Free is Not Fair and This Book Changed My Life campaigns.

On the fifth point, the CEO noted key achievements from the Cultural Fund and Reading Australia, including delivering \$2.3m in grants for the Cultural Fund and growing the number of subscribers to Reading Australia to 10,700.

Finally, the CEO reported that the memberships of both Viscopy and Copyright Agency had voted to merge and create a new class of members: artists. The CEO noted that the benefits of the merger included the ability to reduce administrative fees taken from Viscopy members, serve a larger group of creative Australians, advocate in Canberra on behalf of more creators and drive internal efficiencies.

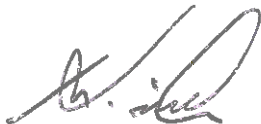
Questions and Comments on the Management of the Company

The Chair opened the floor for questions and comments on the management of the company.

Sarah Vorchheimer, and author member and also representing the Australian Jewish Historical Society, which is a publisher member, queried whether with the VISCOPY merger, and the advent of new technologies, had the Company thought about widening its membership to include other rightsholders? For example online industries and film makers. The CEO commented that this was not contemplated at this stage.

The meeting then closed at 5.15 pm.

Signed as a correct record.



Chair

4/4/18