

# Chair's message



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## The Copyright Agency delivered satisfactory results for members and licensees in FY18.

It slightly surpassed its budget targets, continued to implement its transformation program, decided to provide money back to members from the Future Fund, advocated for sensible modernisation of copyright settings, and completed the merger of Copyright Agency and Viscopy.

Last financial year, the Copyright Agency delivered solid financial results. It collected \$152m in revenue and distributed \$124m to publishers, writers and visual artists. The CEO's report provides more details on the organisation's operational performance.

While this is a good result, like every organisation in the world, Copyright Agency faces challenges and opportunities driven by the truly transformative power of digital technology, including rapidly emerging technologies like artificial intelligence and blockchain. For companies that produce or license content, these impacts – both positive and negative – are profound. Think of the different fortunes of Kodak and Netflix.

With this change front and centre, the Board approved management's

transformation program two and a half years ago to renovate the way the organisation serves members and licensees. There are a number of strands to this program including: investing in new cloud-based finance and distribution systems so that we can continue to pay and provide better services to members; re-configuring licensing arrangements; and developing new digital licensing products for the education sector.

Needless to say, digital technology also presents real, character forming challenges. One of the most important changes brought by digital technology is that it enhances the ease with which our customers can copy and communicate our members' content. However, a challenge is that the value of such new forms of copying and sharing has not been agreed between the parties, or considered by the Copyright Tribunal. Moreover, there are, in some cases, unsettled questions of law and disagreements over the most efficient and accurate way of measuring usage. Therefore, we have lodged an action in the Tribunal against Universities Australia in order to settle such profoundly fundamental questions.

Much of the debate around copyright policy reform is driven by digital developments and differing views on the best way to balance the interests of rights holders and large technology companies, and some ideological players at large and in education.

In Canada, the tech companies and academic ideologues won, and the Government changed the copyright regime. This led to the education sector refusing to pay a fair rate for copyright material, resulting in an 80% collapse in licensing revenue, and severe damage to publishers and writers.

In 2013, your Board decided to set aside money for targeted advocacy and/or strategic litigation in the event of the threat of Canadian-style radical changes being made to the

Copyright Act here. This Future Fund grew to \$15 million.

The Board was clear with members it would review the fund periodically and this year resolved to maintain the fund but reduce the overall cap from \$15m to \$12m. The return to members will be phased over three years in a manner consistent with our distribution policy.

This is not to say that the Copyright Agency has not advocated strongly on behalf of members with policy makers in Canberra. We have been a very active and diligent respondent to recent discussion papers on modernising the regime. It appears that policy makers are open to sensible changes that respect the rights of creators, the importance of the copyright regime to underpinning billions of dollars of investment, and its centrality to supporting and sustaining Australian creators.

While the policy signs are encouraging, nothing is ever finalised until a Bill has actually been passed.

Finally, last financial year we formalised the merger with our sister rights management organisation for visual artists, Viscopy. Members of both organisations overwhelmingly voted at the AGM to support the significant change, which has driven efficiencies and ensures we can increase distributions to visual artists through a reduction in fees.

My thanks to my fellow Board directors, to CEO Adam Suckling and his executive team, and to all the devoted employees of the agency who are deeply committed and knowledgeable.

There is much to be proud of and you can read about it in the pages of this report.

With every best wish,

A handwritten signature in black ink, appearing to read 'Kim Williams'.

**Kim Williams AM**