

**MINUTES OF THE ANNUAL GENERAL MEETING OF COPYRIGHT AGENCY LIMITED
HELD WEDNESDAY 28 NOVEMBER 2018 IN THE REMINGTON ROOM,
SMC CONFERENCE AND FUNCTION CENTRE, 66 GOULBURN STREET, SYDNEY, NSW**

The meeting commenced at 4.30 p.m.

Present

Author members

Chris Pash
Helen O'Neill
Robyn Short
Anthony Bertini
*Sarah Vorchheimer

Publisher members Australian School

Library Association
Independent Scholars Association of
Australia
Ventura Press
Pearson Australia Group Pty Ltd
Chancellor Masters and Scholars of the
University of Cambridge
*Australian Jewish Historical Society
Incorporated

Visual Artist

Oliver Watts

In attendance

Kim Williams (Chair)
David Barnett (Director)
Anthony Bertini (Director)
Jane Curry (Director)
Kate Harrison (Director)
Helen O'Neill (Director)
Christopher Pash (Director)
Lucy Russell (Director)
Dr Oliver Watts (Director)
Adam Suckling (CEO)
Josephine Johnston
(Company Secretary)

Observers

Kate Haddock (Banki Haddock Fiora)	Sue Nelson
Richard Fiora (Banki haddock Fiora)	Guy Johnson
Chris Allenby (KPMG)	Melissa Willan
Libby Baulch	Charli Hutchison
Malcolm Bell	Kate Pasterfield
Rosanna Arciuli	Jeremy Jacobs
Rosie Daniele	

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.

1. Apologies

Apologies were received from Adele Ferguson (director), Jason Eades (director), [TBA].

2. Proxies

A total of nine proxies had been received, five from author members, one from a publisher member and three from artist members. All proxies were held by the Chair.

3. Declaration of nominations and election of author, publisher and artist directors

Nominations were called for during 2018 for the three elected positions on Copyright Agency's Board. The Chair noted that since the merger of the memberships of Copyright Agency and Viscopy on 1 December 2017, there had been a transitional Board position held by the former Viscopy director, Dr Oliver Watts. The transitional period ended at the 2018 AGM. At the close of nominations, one nomination had been received

for the each of the positions of elected Author Director and Artist Director. As a result, the Chair declared Adele Ferguson and Dr Oliver Watts elected to the Board. There had been two nominations received for the position of elected Publisher Director. Accordingly, elections were held for that position.

The Company Secretary declared that, following completion of counting both paper and electronic ballots, Jane Curry was elected as publisher director for a term of three years from the 2018 AGM.

The Chair welcomed back to the Board each of Adele Ferguson, Dr Oliver Watts and Jane Curry.

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 2018 were presented to and considered by the meeting, and members were invited to put questions to the auditor.

There were no questions of the auditor.

6. Chair's address

The Chair addressed the meeting noting that the transformative power of digital presented both challenges and opportunities to Copyright Agency, like every other organization. The Chair noted the impact on those that produce or license content, comparing the fortunes of Kodak and Netflix. A major change has been the ease with which copying and communication of our members content can occur but the value of this use has not been agreed with our some of our major licensees. Digital usage is a major point of disagreement, as is the best measurement systems for usage.

The Chair noted his preference to resolve matters commercially but also noted that the Copyright Tribunal was established to assist when the parties are too far apart or there is a need to establish markers for the future.

The Chair noted the profound and long-lasting effect of Tribunal decisions on the value of members' content and the ways in which usage is to be measured. The Chair observed that, unfortunately, it was necessary to commence litigation in the Copyright Tribunal against Universities Australia (on behalf of 39 universities) as the issues in dispute had not been capable of resolution and it was necessary to protect members' interests.

The Chair also noted that Copyright Agency is in the Copyright Tribunal with three separate media monitoring companies – Isentia, Meltwater and Stream.

The Chair reported that this will be a very challenging time for the Copyright Agency, expensive and not likely to be resolved quickly. Fees subject to dispute will need to be carefully considered before distributions can be made.

The Chair noted that the Board has set aside a Future Fund, 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. This fund was capped at \$15 million. The Chair reported that this year the Board decided,

after careful consideration of the regulatory and operating environment, to reduce the future fund by 3 million dollars over a 3-year period.

The Chair noted that the Board has also resolved to consider the option of using Funds from the Future Fund to smooth the impact of that litigation on or current members so that they are not left entirely carrying the burden in the next few years.

7. CEO's report

The CEO reported Copyright Agency was slightly ahead of budget on revenue (billing \$152.1m) and distributed \$124m to publishers, writers and visual artists.

The CEO reported that costs were 13.9% of revenue, which is comparable to Copyright Agency's peers. This was slightly below the previous years cost ratio of 14.1%.

The CEO noted the following specific highlights from the year:

- distributed \$124 million to publishers, writers and visual artists, in a timely a manner.
- The Board has authorised investing money in Copyright Agency's systems, many of which are end of life. This is an investment in membership:
 - It will enable Copyright Agency to continue to distribute money, using modern cloud-based systems.
 - It will allow Copyright Agency to provide greater transparency to relevant parties on payments that made.
 - It will allow Copyright Agency to provide members with a much more contemporary portal allowing for more self-service
 - It will allow Copyright Agency to considerably improve its processes and ensure it can operate more efficiently.
- In FY2018 delivered the first phase of the new system.
- Copyright Agency also merged the memberships of Copyright Agency and Viscopy, allowing it to reduce administrative fees for visual artists. They are represented on the Board by Dr Oliver Watts
- Copyright Agency also invested in a new system to support its member services team and making it much easier to answer member's questions on-line.

Close to \$2 million was set aside in our Cultural Fund which is distributed to a wide-range of projects and really helps sustain and nurture Australian talent.

A Reading Australia Fellowship was created for English and literacy teachers, worth \$15,000 – to be awarded for the first time next year.

In terms of licensing solutions and licensing the use of members' work, the CEO noted some highlights of the year include:

- rolling over the schools' agreement for one year
- stronger growth in revenue from private colleges than expected.

- continued to licensing new players in the media monitoring space –including a new entrant called Stream.
- developing a new licensing model for media monitoring companies – to set a fairer rate for print and digital media content.

The CEO noted significant licensing challenges, driven by digital, changing consumption habits and unsettled legal questions. One of these challenges was the Government of NSW, who simply failed to pay the rate other states were paying for over five years. The CEO noted that Copyright Agency had commenced proceedings against the State of NSW in the Copyright Tribunal, in addition to the actions against media monitoring organisations and universities as noted by the Chair.

The CEO highlighted certain operational efficiencies achieved, including consolidating floor space.

The CEO also reported on extensive policy and advocacy work on behalf of members. The CEO noted that things do not look as dire on the policy front as they did a couple of years ago where the Government appeared to be seriously contemplating introducing American-style copyright provisions. These would have made it easier for large companies to use copyright material without paying for it, would have massively increased legal uncertainty and would have meant the production of less Australian content in this country.

The CEO noted that it appears that the Government has moved away from such radical changes and supports a more sensible approach to modernising our Act.

The CEO directed members to further details on the financial year in our Annual Review and accounts.

The CEO thanked the Chair, Kim Williams, and all of the Board for their support and guidance this year.

The CEO also thanked the executive team and all employees of the Copyright Agency for their dedication and hard work over the year.

8. Questions and Comments on the Management of the Company

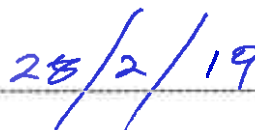
The Chair opened the floor for questions and comments on the management of the company.

The meeting then closed at 4.48 pm.

Signed as a correct record.



Chair



Date