

**MINUTES OF THE ANNUAL GENERAL MEETING OF COPYRIGHT AGENCY LIMITED HELD
THURSDAY, 25 NOVEMBER 2010 AT THE MINT AUDITORIUM, MACQUARIE STREET, SYDNEY, NEW
SOUTH WALES**

The meeting commenced at 4.35 p.m.

Present

Author members

Brownyn Bancroft	Libby Gleeson	Christopher Shain
David Beirman	Martin Gold	Jozef Szekeres
James Bradley	Pamela Gray	John Tranter
Edmund Campion	Robert Gray	Lyn Tranter
Jean Chapman*	Stephen Kelen	David Tribe
John Dale	Angelo Loukakis*	Sarah Vorchheimer*
Julie Ditrich	Wilfrid Prest	Anna Ward
Jeremy Fisher	Judith Ridge	Elisabeth Wynhausen
Josephine Fisher	Judith Rodriguez	
Oliver Freeman	Rosie Scott	

Publisher members

Angelo Loukakis* (ASA)	Sunita Adams (Image Books)
Delwyn Everard (Arts Law Centre)	Brian Adams (Image Books)
Mary Anne Reid (Australian Copyright Council)	Lucy Russell (John Wiley & Sons)
Sarah Vorchheimer* (Aust. Jewish Historical Soc.)	Jean Chapman* (Kalianna Productions)
Kim Tran (Carer NSW)	Rose Solomon (Little Red Apple Publishing)
Ngan Duong (Carer NSW)	Lucia Casorie (Orff Schulwerk Ass. of NSW Inc.)
Phuong Vo (Carer NSW)	Martin Spears (Pearson Education)
Katharine Brisbane (Currency House)	Tim Moore (Photolibrary)
Priscilla Yates (Currency House)	Stephen Wilson (Primary English Teaching Ass.)
Ross Martin (Educational Supplies)	Marti Ellen (Sunshine Educational)
Rod Martin (Era Publications)	Kathy Bail (UNSW Press)
Sandy Grant (Chair) (Hardie Grant)	Vicki Bell (Vicki Bell)

* Denotes members present in the capacity of both author and publisher members.

In attendance

Jim Alexander (Chief Executive)	Brian Johns (Director)	Rod Shanley (Auditor)
Richard Fiora (Legal Adviser)	Caroline Morgan (Company Secretary)	

Observers

Rosanna Arciuli	Ranmali Gunasekara	Paul Murton
Sneha Balakrishnan	Ansari Hamid	Eloise Nolan
Libby Baulch	Sean Harnett	Karen Pitt
Paul Bootes	Lucy Kinnear	Zoe Rodriguez
Rosie Daniele	Monica Kluegel	Liz Southwell
Lucinda Edwards	Michael Lijic	Richard Volpato
Judy Grady	Ross McCaul	Michael Whalan

1. 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 Chief Financial Officer, the company's external lawyer and the Auditor. The order of business would be as set out in the notice convening the meeting.

2. Apologies

Apologies were received from Gerard Ganglbauer, Evelyn Wallace-Carter, Garth Nettheim and Elisabeth Holdsworth.

3. Proxies

A total of 59 proxies had been received, 43 from author members and 16 from publisher members. 46 proxies were held by the Chair, and the balance were held by Libby Gleeson, Malcolm Knox, Jeremy Fisher, Rosanna Arciuli, Paul Bootes and Zoe Rodriguez.

4. Announcement of New Director Appointments

The Chair announced that James Bradley's current term expired at this meeting and the Australian Society of Authors [ASA] had nominated Dr Jeremy Fisher to succeed him.

The Chair acknowledged James' contribution to CAL, as an intelligent and thoughtful Director for the last six years. James had contributed to a balanced Board over that period, bringing together a strong advocacy of authors' interests with the interests of CAL as a whole.

Dr Jeremy Fisher is appointed to CAL's Board by the ASA until the 2013 AGM. Jeremy can also be expected to make an excellent contribution to CAL, bringing to the Board his past experience as a publisher, CAL employee and Executive Director of the ASA, and his current role as an author and academic at the University of New England, Armidale.

The meeting was also informed that the Australian Publishers Association [APA] had re-appointed Lucy Russell to CAL's Board, for her first full term until the 2013 AGM. Lucy joined the Board in July 2010 and has also brought a varied experience to CAL via her past experience as a university tutor, as a campus bookstore manager and as a published author in economics. Lucy is currently the General Manager of the Higher Education Group at John Wiley & Sons Australia.

The members present were also advised that, following the meeting, the Board intended to re-appoint Brian Johns as one of the two independent directors appointed under article 35(b) of CAL's constitution; and to re-appoint Anthony Bertini and the Chair as the two independent directors appointed under article 35(a) of the Constitution.

This will also be the first full term for Anthony Bertini, who joined CAL's Board in May 2010. Anthony brings a diverse set of skills and experience to CAL including 15 years in magazine publishing and marketing, six years as a director of the Sydney Biennale and his current role providing a range of investment and advisory services for new technology companies.

5. Presentation of accounts and reports in question of the auditor

The 2009-10 Annual Report of the company incorporating the financial statements, Directors' report, and Auditor's report for the year ending 30 June 2010 was presented to and considered by the meeting.

A member queried the results of various accounting ratios as applied to CAL's operating accounts in the published financial statements. CAL's auditor, Rod Shanley, commented that applying such ratios sheds little light on the financial stability of a company which draws its operating expenses from a considerably larger trust account. The auditor added that he was confident that there were sufficient assets in CAL's trust account to cover all current liabilities.

That member also queried the methodology for assigning a value for assets including software and systems that are in development. The auditor noted that such items are subject to depreciation when implemented, and that the values set out in the balance sheet adequately represent the value of this project for CAL and its members.

Information was also sought on the exchange of fees between CAL and foreign organisations, particularly the UK Authors Licensing and Collecting Society. Caroline Morgan indicated that CAL works closely with the UK societies to ensure that they can identify Australian recipients of works identified in monitoring the schemes they manage. Caroline offered to provide further information on payments to the member seeking that information after the meeting.

6. Special Resolution

The members present viewed a presentation outlining the work of the Cultural Fund and the benefits it delivers to CAL's members and other stakeholders. The Chair then put the special resolution to the meeting, to increase the maximum amount which may be allocated by the Board to the Cultural Fund from 1% to 1.5% of total revenue in any year.

The Chair added that this proposal would affect distributions to CAL members and therefore is a decision which quite properly should be made by the members on whose behalf CAL's revenue is collected. The Chair invited questions and comments on the motion.

Two members spoke against the motion, and asked for more information on the governance and allocation rules of the Cultural Fund Committee.

The chair of the Cultural Fund Committee, Brian Johns, replied that the funding guidelines are published on CAL's website. CAL's Cultural Fund Manager checks that all grant applications conform to the guidelines and then prepares them for consideration by the Cultural Fund Committee, which is itself a subcommittee of Board members. The committee's recommendation for funding then go to the Board for approval.

The representative of the Arts Law Centre indicated that her organisation supported the resolution. She added that the funding the Arts Law Centre receives from the Cultural Fund goes a long way to helping creators at the start of their careers who simply do not have an income which would allow them to obtain legal advice from any other source.

One member indicated that he supported the motion and enquired whether a full list of all projects supported by the Cultural Fund could be included in the annual report. The Chair indicated that a complete list was published on CAL's website and particular projects were featured in *Calendar* and in the current annual report.

As the resolution appeared to have majority support of the members present, the Chair put it to the meeting as a special resolution for voting on a show of hands.

Voting was 34 in support and two opposed. The Chair then declared the resolution passed as a special resolution.

7. Chair's address

The following is a summary of the Chair's address.

CAL is a very well managed organisation and we owe a great deal to the work of the current team. It is a difficult time for copyright and collecting societies according to the reports we receive from our foreign colleagues.

However, there are continuing priorities: including the implementation of the new business systems we are currently working on; meeting the substantial challenges to copyright in the digital arena and delivering on the new services we have taken on, including the rights of surveyors and the management of the resale royalty scheme.

Our industry is changing and the way people consume content is changing; and it is changing in a complex and speedy way. There is no room for complacency around what we have achieved to date – we must continue to develop responses to a radically changing environment.

The Chair concluded by formally thanking the Board and announcing that he looked forward to another good year for CAL and its members.

8. CEO's report

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

In the past year CAL has focussed on improving the quality of the data it collects in schools, acknowledging that this has a direct impact on licensing revenue; policy issues such as response to user pressure to expand copyright exceptions for works available in digital form; and the continuing redevelopment of CAL's processes and systems, including those that will be required for implementation of CAL*direct*.

The highlights for the year were CAL's highest ever distribution payment to members of \$136.5 million, the increase in member numbers and the fact that we have maintained costs at the level of the previous year.

Another highlight was CAL's appointment to manage the new resale royalty scheme, after a contested government tender process. Since appointment CAL has undertaken an extensive information campaign for artists and art market professionals has developed a website and other tools for monitoring resales. To date, we have almost 7,500 reported resales and over 200 artists eligible for royalty payments of over \$30,000.

CALs' licensing revenue of \$112.6 million includes the growing sector of commercial licensing [now \$13.6 million]. This has been achieved while keeping costs down to 14% of revenue.

In the coming year, CAL will implement its new payments system. We will build new member portals which will provide increased efficiency and effectiveness of CAL's processes and systems and will allow CAL to offer new services such as transactional online licensing and a web-based member portal.

The coming year will also present several new challenges: we hope to be able to provide payments to surveyors for the use of their plans after lengthy litigation; we must respond to policy challenges particularly those that seek to limit the value of internet based information; and CAL must extend its reach into new areas of rights management.

CAL considers it an honour to work on behalf of Australia's creators and publishers and to be able to continue to invest in and support our collective future, and the future of Australian copyright.

11. Questions and Comments on the Management of the Company

The Chair opened the floor for questions, and commenced by responding to a question he had already received on notice regarding the salaries paid to the three CAL staff whose annual salaries exceed \$200,000. This information is published in CAL's annual reports, and is done so voluntarily.

CAL is a highly specialised organisation, operating in a complex legal environment and reliant on sophisticated IT systems. The Board takes the view that if CAL is to maximise returns to our members, then we must engage well qualified and well paid staff, and we ask members to support us in this strategy.

Questions were asked on CAL's management of particular expense items, including printing costs. Jim Alexander noted that CAL seeks to limit the number of paper copies of the annual report in order to keep costs down - the report is published on CAL's website, and paper copies are only provided to member who so request.

Additional information was sought on the remuneration package paid to CAL's CEO, as the range published in the annual report was over \$350,000 without an upper limit. The Chair responded that the total amount was uncertain as it includes an at-risk component.

Further details on some of the items listed in CAL's financial statements, including employee benefits and consulting costs. The Chair offered to arrange for the member to meet with CAL's Chief Financial Officer to explore these issues. The Chair confirmed that CAL stands by its remuneration policy and that the Board considers that the company is managed carefully and frugally.

One member asked what proportion of CAL's revenue is for digital use and whether implementation of *CALdirect* will increase revenue. The Chair replied that *CALdirect* would increase the number of direct recipients of CAL payments but would not affect revenue.

In relation to the respective proportions of digital and paper copying revenue, where CAL has negotiated lump sum or a per student rate, the payments are not allocated between digital and non-digital use. However, surveys show a rapid increase in use of digital content in universities. Digital use in schools is not increasing at such a high rate although around one quarter of pages identified in our schools surveys are identified as digital use. CAL is working with universities to assess how they use copyright material digitally, to inform and assist future negotiations.

The Chair thanked the other Board members and all CAL staff for their support and contribution throughout the year. Finally the Chair thanked all CAL members, noting that CAL is its members, and that the roles of the Board and CAL staff are to serve the members and respond to their needs.

The meeting closed at 5.40 p.m.

Signed as a correct record.

Chair

Date