

## Chapter 2

### Review of reports

2.1 The committee provides the following comments on the annual reports of the Audio-Visual Copyright Society Limited, Copyright Agency Limited and the Director of National Parks.

#### **Audio-Visual Copyright Society Limited (Screenrights)**

2.2 Screenrights has prepared its annual report in accordance with sections 135ZZV and 183D of the *Copyright Act 1968* (Copyright Act). The annual report for 2016–17 was tabled in the Senate on 6 February 2018.

2.3 Screenrights is an Australian-domiciled company and not-for-profit entity. Its principal activities include: exercising its right as a collecting society under Parts VA, VB and VC (in relation to audio-visual items) of the Copyright Act; and collecting money from educational institutions for distribution to relevant copyright owners.

2.4 In the Chief Executive's Report, Mr Simon Lake outlined Screenrights' achievements in 2016–17, including:

- the collection of \$46.8 million in licence revenue and other income for the film and television industries;
- an increase in the number of titles registered by members by 3.5 per cent to 1.49 million;
- distribution of a record \$1.46 million from overseas societies to members; and
- working with the government and stakeholders to amend the Copyright Act to simplify the statutory licence for education.<sup>8</sup>

#### *Performance reporting*

2.5 Consistent with previous annual reports, Screenrights has provided a detailed overview of its key revenue and expenditure figures for 2016–17. This information is presented in a variety of formats including graphs, tables and diagrams and includes a breakdown of total distributable amounts paid to members, as well as allocations between Australian and overseas rights holders. The continued inclusion of trend data for some categories, such as total licencing revenue, net income and expenditure over the last three reporting periods, was useful for comparative purposes.

2.6 The committee notes that litigation initiated on 3 March 2016 in the Federal Court of Australia by the Australian Writers' Guild and the Australian Writers' Guild

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8 Screenrights, *Annual Report 2016–17*, pp. 6–7.

Authorship Collecting Society remained ongoing during the reporting period.<sup>9</sup> The committee will continue to monitor the progress of the litigation.

### *Financial reporting*

2.7 The annual report notes that Screenrights paid a total of \$43.1 million to its members in 2016–17, the same amount paid in the previous financial year.<sup>10</sup>

2.8 The committee considers that Screenrights has met its reporting obligations and its annual report is 'apparently satisfactory'.

### **Copyright Agency Limited (Copyright Agency)**

2.9 In accordance with its obligations under the Copyright Act and the *Resale Royalty Right for Visual Artists Act 2009*,<sup>11</sup> the Copyright Agency submitted its annual report to the Minister on 3 January 2018. The annual report was subsequently tabled in the House of Representatives and the Senate on 26 March 2018.

2.10 The Copyright Agency is a not-for-profit rights management organisation or 'declared collecting society' and operates as a public company limited by guarantee. The agency is appointed by the Australian Government to manage statutory licences in the Copyright Act as well as the artists' resale royalty scheme. The licences regulate the use of text, images and print music, by educational institutions and people with disabilities, and for reproduction by Commonwealth, state and territory governments.<sup>12</sup> The Copyright Agency assists in reproducing, storing and sharing copyright material whilst delivering fair compensation to the rights owners of content and managing the resale royalty schemes of artists.<sup>13</sup>

### *Performance reporting*

2.11 The Copyright Agency's annual report provides an overview of its principal activities and operations for the reporting period. This includes a helpful outline of the statutory licence schemes in the education and government sectors, as well as commercial and 'voluntary' licences offered by the agency, including relevant developments under each scheme during 2016–17.<sup>14</sup> The annual report also provides a

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9 Screenrights, *Annual Report 2016–17*, p. 20.

10 Screenrights, *Annual Report 2016–17*, p. 6.

11 *Copyright Act 1968*, s. 135ZZD (former) and 183D; *Resale Royalty Right for Visual Artists Act 2009*, s. 37.

12 The statutory licence provisions for people with disabilities were replaced by new exceptions following the passage of the Copyright Amendment (Disability Access and Other Measures) Bill in June 2017.

13 Copyright Agency Limited, *Annual Report 2016–17*, pp. 5–6.

14 Copyright Agency Limited, *Annual Report 2016–17*, pp. 9–17.

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detailed breakdown of payments to content creators by sector, content type and by state and territory.<sup>15</sup>

2.12 In 2016–17, the Copyright Agency paid \$664,491 to 447 artists under the artists' resale royalty scheme.<sup>16</sup> The annual report notes that, as of 30 June 2017, \$5.27 million in royalties had been generated under the scheme and 63 per cent of those receiving royalties were Aboriginal and Torres Strait Islander artists.<sup>17</sup>

2.13 The committee notes that during the reporting period, the Copyright Agency and Viscopy Limited (Viscopy) announced that they had agreed in principle to begin the formal process to merge their memberships. Following approval by the Viscopy and Copyright Agency members, a scheme of arrangement to facilitate the merger was approved by the Supreme Court of New South Wales and the Australian Securities and Investments Commission.<sup>18</sup> On 30 November 2017 the Copyright Agency and Viscopy formally merged.

### *Financial reporting*

2.14 The agency reported an increase in the amount of copyright royalties paid to members from \$115.49 million for the previous reporting period to \$117.83 million in 2016–17.<sup>19</sup> The committee notes that the Copyright Agency recorded a surplus of \$15,950 for 2016–17, compared to \$6,209,029 for the previous reporting period.<sup>20</sup>

2.15 The committee considers the Copyright Agency's Annual Report 2016–17 to be 'apparently satisfactory'.

### **Director of National Parks**

2.16 As noted by the committee in its *Annual reports (No. 1 of 2018)*, the Director of National Parks was granted an extension of time for the late tabling of its annual report for 2016–17.<sup>21</sup> The annual report was subsequently presented out of session to the President of the Senate on 20 December 2017 and tabled in the Senate on 5 February 2018.

2.17 The Director of National Parks is a corporate Commonwealth entity established as a corporation sole under the *Environment Protection and Biodiversity*

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15 Copyright Agency Limited, *Annual Report 2016–17*, pp. 22–27.

16 Copyright Agency Limited, *Annual Report 2016–17*, pp. 3 and 20.

17 Copyright Agency Limited, *Annual Report 2016–17*, p. 20.

18 Copyright Agency Limited, *Annual Report 2016–17*, p. 18.

19 Copyright Agency Limited, *Annual Report 2016–17*, Directors' Report, p. 1.

20 Copyright Agency Limited, *Annual Report 2016–17*, Directors' Report, p. 1.

21 *Journals of the Senate*, No. 67, 19 October 2017, p. 2135.

*Conservation Act 1999* (EPBC Act). The corporation is constituted by the person appointed to the office named the Director of National Parks.<sup>22</sup>

2.18 Under the EPBC Act, the Director of National Parks' functions include:

- managing Commonwealth reserves and conservation zones;
- protecting biodiversity and heritage in Commonwealth reserves and conservation zones;
- carrying out research relevant to Commonwealth reserves;
- cooperating with other countries to establish and manage national parks and nature reserves in those countries; and
- making recommendations to the Australian Government Minister for the Environment.<sup>23</sup>

2.19 The Commonwealth reserves that are wholly or partly on Indigenous people's land are managed in conjunction with a Board of Management. There are also Advisory Committees who provide advice to the Director on the management of other reserves. These boards and committees play crucial roles in determining the policies and priorities for the management of each protected area.<sup>24</sup>

2.20 The Director's message highlighted some of the achievements of the agency over the 2016–17 reporting period, including:

- the commencement of the drafting process for new management plans for marine reserves;
- participation in the International Union for Conservation of Nature (IUCN) World Conservation Congress in Hawaii;
- welcoming over 1.38 million visitors to parks managed by the agency; and
- reaching an audience of over 30.4 million via Parks Australia's social media channels.<sup>25</sup>

### *Performance reporting*

2.21 The Director of National Parks' annual report is well structured and clearly sets out the performance information against the goals and objectives contained in the 2016–17 Portfolio Budget Statements and corporate plan. Discussion of the results against each of the performance measures is concise and supported by relevant data and analysis, including whether the targets are 'on track' or 'in progress'. The annual

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22 Director of National Parks, *Annual Report 2016–17*, p. 6.

23 *Environment Protection and Biodiversity Conservation Act 1999*, subsection 514B(1).

24 Director of National Parks, *Annual Report 2016–17*, p. 96.

25 Director of National Parks, *Annual Report 2016–17*, pp. 2–3.

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report also featured nine case studies that complemented discussion of the agency's performance against these results.

2.22 The committee is pleased to note, following comments in its *Annual reports (No. 1 of 2016)*, that the Director of National Parks has included a table in its annual report which summarises its results against each performance measure.<sup>26</sup> The committee recommends, however, that future annual reports provide a more detailed compliance index that includes the relevant PGPA Rule 2014 reference alongside the listed requirements. This will ensure that all relevant performance information can be readily located and evaluated.

### *Financial reporting*

2.23 In the 2016–17 reporting period, the Director of National Parks recorded a surplus result of \$10.12 million. The annual report stated that:

The triennial asset revaluation resulted in a \$20 million movement in the asset revaluation surplus, with the land (31.7 per cent), buildings (36.8 per cent) and infrastructure (24.4 per cent) assets being the majority of movement across the Parks and reserves.<sup>27</sup>

2.24 The committee considers the Director of National Parks' annual report for 2016–17 to be 'apparently satisfactory'.

**Senator Jonathon Duniam**  
**Chair**

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26 Director of National Parks, *Annual Report 2016–17*, p. 8.

27 Director of National Parks, *Annual Report 2016–17*, p. 9.

