

**screenrights**

14 June 2007

Senator Guy Barnett

Chair

Senate Legal and Constitutional Affairs Committee

*By email: c/alex.wilson@aph.gov.au*

*Total number of pages:*

Dear Senator's

## **SENATE ESTIMATES – QUESTIONS ON NOTICE**

The Attorney-General's Department has sent Screenrights a copy of the Senate Estimates Committee questions on notice.

Thank you for your interest in our operations. Please be advised that Screenrights is not a government entity, and does not receive any funding from government. Screenrights is not subject to the Estimates Committee process. However, we are very happy to answer your questions, and would be grateful of the opportunity to meet with the Committee and any of its members to discuss any other matters you may wish to raise.

It may assist if I provide a brief background on our operations and then specifically address your questions.

### **Introduction to Screenrights**

The Audio Visual Copyright Society Limited (trading as Screenrights) is a not for profit company with over 2,500 members. Screenrights' core business is administering the institutional use of broadcast programming. Screenrights has administered the educational copying licence in Part VA of the Australian Copyright Act since 1990. This part provides for the making and communication of copies of television and radio broadcasts for educational purposes. Screenrights has also been appointed as the declared society for government copying of broadcasts and for the retransmission of free to air broadcasts. Rights owners can appoint Screenrights as their non-exclusive agent to register their titles with other international audio-visual collecting societies. Rights owners can also appoint Screenrights as their non-exclusive agent to license the copying of works from television and radio by New Zealand educational institutions.

One of the particular requirements under which Screenrights operates is that our Annual Report is each year tabled in Parliament. Attached is a copy of the most recent report for your reference.

## **Questions on Notice**

### **Question 200 – new projects and services**

In our annual report on page 7 there is a description of the range of services Screenrights offers its members. These services are for the most part services offered under the legislative mechanism of the Copyright Act 1968 in the education (Part VA in operation since 1990), Retransmission (Part VC in operation since 2001) and Government copying (s183 in operation since 2000) areas. Screenrights also offers voluntary services in New Zealand for educational copying (in operation since 2000) and for the collection of international royalties (in operation since 1998).

The costs of these services are set out in detail in page 38 and in more detail on pages 53 to page 59 in the audited accounts. A summary of the overall costs is contained in page 61 of the audited accounts. Finally a detailed breakdown of our costs is contained in page 19 to 20 of the Chief Executives Report.

Screenrights aims to value add to its services wherever possible. In the 2005/6 year Screenrights continued to offer enhance tv as a free on line resource for teachers. This service was not a separate project but rather was an integral part of our service to both educators and members. It was not separately budgeted for and no additional funds were sought outside our normal operating expenditure.

Another service mentioned in the Annual Report is the creation of a registration agency for the International Standard Audiovisual Number. All books and magazines have an ISBN number, which is internationally recognised by publishers, retailers and consumers. The ISAN is aimed at offering a similar unique identifier for audiovisual products including films, games and advertisements. Screenrights and the Australian Performing Right Association (APRA) are jointly administering this service, which was launched in 2006. This service would fall into the category of the type of project that the Senator's question is addressing.

ISAN Australasia was launched on 15 June 2006. Details from the launch can be found on <http://www.australasia-isan.org>

The development of the service provider systems is complete. The ISAN project itself is on going. As members produce more works it is hoped that an ISAN number will be attached to all of our members works.

There have been no delays in the project. We are greatly encouraged by the announcement on 2 June 2006 by the support of the film Finance Corporation. Dr

Keith Lupton, Business Affairs Manager at FFC announced:

"The Film Finance Corporation is proud to support the launch of ISAN in Australia. We believe that the existence of a standard identifier for audio-visual works is an important milestone as the trend towards to digital delivery of film content continues.

"The FFC has now included the attainment of an ISAN as a requirement for all its production funding agreements from this time onwards. The widespread adoption of the ISAN identifier strengthens the position of the Australian film industry with respect to commerce and compliance in the future."

In the 2005/06 in the 05/06 year a total of \$13,141 was spent on ISAN by Screenrights. This amount comprised primarily the agency fee, the launch and some website costs.

No additional funding was required for the development of the service provider systems. Ongoing expenses are budgeted to be covered from the fees paid by users of the system.

**Question 203 Does Screenrights perform services such as music copyright collection, etc.? a) If not, why not? Has any consideration been given to expanding the service? b) If so, give details.**

Screenrights collects for all the underlying rights in audiovisual works. This includes musical works and sound recordings. In the case of musical works Screenrights pays the owners of these works through APRA (the Australasian Performing Right Association) and AMCOS (the Australian Mechanical Copyright Owners Society). In the case of Sound recordings Screenrights pays the PCCA (the Phonographic Performance Company of Australia), AMCOS and individual producers.

These arrangements work well both for Screenrights and music copyright owners. These specialist societies have established systems and processes, which serve their membership well. Screenrights has no intention of operating where these societies have done an excellent job in servicing their members.

**204 Is Screenrights funded entirely out of collections revenue? a) If so, itemise and indicate each individual service and the amount of funding from each service. b) If not, what are the other funding sources? Please itemise and indicate each individual source and the amount of funding from each source.**

Screenrights is entirely self-funding from the collection of revenues under our statutory declarations in education, retransmission and government copying and from our voluntary activities in New Zealand and collecting international royalties for retransmission and private copying levies.

The collections and expenses ratio for the services is set out on page 20 to 21 of the Annual report which compares the collections to expenses over 3 years.

The break down in costs for the individual services for 2005/06 is as follows:

Part VA

Revenue	\$20,072,291
Expenditure	\$3,343,429

New Zealand

Revenue	\$1,514,336
Expenditure	\$494,955

OSCA

Revenue	\$1,166,415
Expenditure	\$1,026,492

Total Screenrights

Revenue	\$22,753,042
Expenditure	\$4,864,876

Note that the expenditure under OSCA (the international collections service) is actually the disbursements of royalties to the copyright owners. This is classified as an expense towards this scheme for specific accounting reasons.

Thank you again for your interest in Screenrights. I would be grateful of the opportunity to meet with you to discuss these matters.

Yours sincerely,

Simon Lake  
Chief Executive