


ANNUAL REPORT HIGHLIGHTS 2014-2015



screenrights

THE YEAR IN BRIEF

DURING 2014–2015, SCREENRIGHTS HAS:

- Collected \$45.9 million in licence revenue and other income for the film and television industries
 - Lowered our expenses to collections ratio from 14.9% to 14.2%
 - Made 3,284 individual payments to members, with a total distribution of \$38.6 million
 - Entered a new five and a half year deal with Australian schools, ensuring simple access to television and radio for teaching, and payment to filmmakers
 - Entered a new four-year deal with the New Zealand tertiary sector, providing access to audiovisual material for teaching, and an assured income stream to members
 - Increased the reach of EnhanceTV Direct, our streaming service to schools, by 17%
- 



OUR GOALS

We are leveraging our current reputation to achieve:

ACCESS – greater access to content for licensees

SERVICES – increased distribution efficiency and diversified range of services for members

RELATIONSHIPS – strategic relationships, bringing educators and filmmakers together, positioning and partnering with stakeholders

CAPABILITY – ensured capability to meet the current and future needs of the organisation

GOVERNANCE – stronger and transparent governance and risk management



Image Credits

The Eurovision Song Contest 2015, Blink TV Production

Brilliant Creatures, Mint Pictures, Serendipity Productions

First Contact, SBS

Redesign My Brain Season 2, Mindful Media

Shark Girl, Kaufmann Productions, Screen Australia © Ernst Stewart



ACCESS

Screenrights provides simple, technology neutral access to audiovisual content for audiences across the country and in New Zealand.



IN TEACHING

Screenrights educational licences reach more than 10,000 schools in Australia and New Zealand as well as tertiary institutions.

In the last 12 months we have negotiated a new deal with the Australian schools sector and with the New Zealand tertiary sector. Both of these deals provide certainty for educators wanting to use audiovisual material in teaching and ensure ongoing income for the rightsholders whose programs are used.

These deals are testament to the strong working relationship Screenrights has with the education sector and to the fact that our licences have continued to adapt to a changing digital environment. In particular the flexibility of the Screenrights licence has enabled the growth of streamed digital resource centres,

giving educators and students immediate access to vast archives of content at home and in the classroom.

Our own streaming service, EnhanceTV Direct continues to grow, with a 17 per cent increased reach into schools, and with more tertiary institutions accessing the service through our partnership with RMIT. We have also been working closely with eTV in New Zealand, ensuring that New Zealand educators and students can get more out of audiovisual content in teaching.

In addition, Screenrights has been collaborating with the Australian schools sector, through the Copyright Advisory Group, to look at ways of simplifying our licence in the face of an increasingly complex technological environment. We look forward to continuing this work in the coming year.



The Cambodian Space Project, Flaming Star Films

ACCESS

“EnhanceTV is a fantastic resource that I can link very well to my curriculum. It assists me in future planning too, because I know I will almost always find what I need.”

Wendy Rheinberger, St Joseph’s School Quirindi



IN THE HOME

Screenrights also licenses the retransmission of members' works into the homes of more than 2.25 million pay television subscribers, and via mobile phones and IPTV.

IN GOVERNMENT

In addition, our government copying agreements cover the copying of television and radio across federal and state departments. We have been consulting with government departments to ensure that our licence adapts to the changing digital environment to include downloading audiovisual material from the internet, and we have put an application before the Copyright Tribunal to expand our declaration to this effect.

SERVICES

“Screenrights revenues have helped the Beyond business by providing a revenue stream that only requires a fairly light administrative effort. It enables Beyond Distribution to pass on greater revenues to producers both internal and external thus boosting our profile as a successful distributor.”

Jim Harper, Beyond International

The Water: Australia's Great War Horse, Mago Films



DISTRIBUTIONS

In 2014-2015 we paid out a total of \$38.6 million to members, including a record breaking \$28.4 million paid in December alone. Our total number of payments for the period was 3,284, covering an extraordinary 3,630,801 royalties.

REGISTRATIONS

The number of new registrations reached 126,887 in the last financial year bringing the total number of registered claims to 1.3 million. We are also working closely with members to resolve conflicts as efficiently as possible and in the last year conducted extensive consultation with members, including round tables in Sydney and Melbourne, to seek input into our dispute resolution processes.



DISBURSEMENTS

Over the course of 2014-2015, our new disbursement service for the Australian film industry has evolved. Disbursements by Screenrights now offers a range of disbursement administration service products (DASAs) to cater for the individual needs of projects and provide flexible options to producers. MyScreenrights has been extended to provide producers with 24/7 access to their disbursement reports and sales history.



SUPPORT

In addition, we support our members through sponsorship of the Screen Producers' Australia (SPA) Screen Forever Conference, the Australian International Documentary Conference, and the Australian Directors' Guild conference. In New Zealand we supported the Screen Production and Development Association (SPADA) Conference, Screen Edge Forum, and the Big Screen Symposium.



CHAIRMAN'S REPORT



Jill Bryant Chairman

The capacity to realise opportunities while rising to challenges, has been fundamental to Screenrights' success in a copyright landscape that continues to change at a dramatic pace.

I am pleased to report that this year has been no exception, with our financial results demonstrating our strength in an environment that is unrecognisable from the one in which we commenced operations just over 25 years ago.

With total income at \$45.9 million, we have had a growth in collections. We have also reduced our expenses to collections ratio, from 14.9% to 14.2%. These figures are a clear indication that our licences are flourishing in a world where consumers want immediate streamed access to a wealth of audiovisual content.

As the pace of change continues to accelerate, our strong relationships with consumers of audiovisual material ensure that we will evolve together to meet the growing need for new and exciting ways of using content.

Our negotiations with the schools sector have been testament to our capacity to work together in enabling access to audiovisual material in the digital classroom now and in the future. This agreement is a five and a half year deal, delivering certainty to the education sector in using film and television, and providing payment to our members.

Similarly, we have concluded a new deal with the New Zealand tertiary sector – for a four-year term.

Our partners in education have let us know that students and educators want to be able to use content anywhere at anytime. Screenrights delivers this by working closely with resource centres who are enabling access to vast archives of copied programs for educators and students, whether at home or at work. Our own service, EnhanceTV Direct,

has been trialled by over 250 schools in the last financial year, with a 17% growth in its reach. In addition we have licensed a number of new streaming services providing an extraordinary range of options for teachers wanting to make the most of technology in education.

On the other side of the copyright environment, rightsholders and collecting societies are facing increasing pressure in digital rights management, with a vast growth in data bringing with it new costs in monetising content.

Screenrights is assisting the film industry with this, with its disbursement service offering a simple one stop shop for producers wanting a trusted third party to manage disbursements on their behalf.

We are also working closely with members to ensure that we continue to distribute Screenrights royalties as efficiently as possible in the face of a dramatic growth in rights registrations, bringing with it the potential for increasing competing claims. We consult widely and regularly to ensure our systems and procedures enable us to pay the rightsholders as soon as possible.

There is no doubt our landscape will continue to change, but each year Screenrights proves itself to be more than capable of thriving in an environment that is exciting for both creators and for the people who use their work. We look forward to realising new opportunities for accessing the wonderful work made by our members, while delivering the revenue streams that allow them to grow.



Jill Bryant, Chairman
23 September 2015



What's the Catch, SBS



AN OVERVIEW OF KEY REVENUE AND EXPENDITURE FIGURES

The following overview summarises revenue and expenditure figures for 2014–2015.

REVENUE FROM LICENCES

Total collections (including interest) for the 2014–2015 financial year were \$45.9 million. This total figure comprises:

- \$30.57 million from the Australian Educational Service (AES), an increase of 3.7 per cent on the previous year's figure of \$29.49 million
- \$2.19 million from the New Zealand Educational Service (NZES), an increase of 10.0 per cent on the previous year's figure of \$1.99 million
- \$8.76 million from the Australian Retransmission Service (ARS), an increase of 14.4 per cent on the \$7.66 million collected for retransmission in 2013–2014
- \$1.10 million from the International Collections Service (ICS), an increase of 17.0 per cent on the previous year's figure of \$0.94 million
- \$3.32 million from the Australian Government Service (AGS), an increase of 83.4 per cent on the \$1.81 million collected in 2014–2015

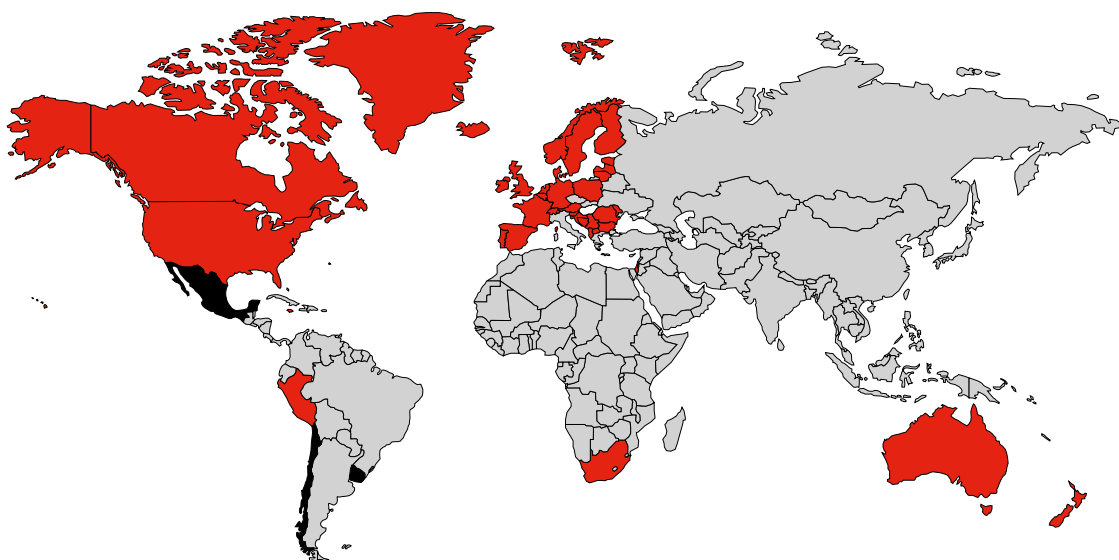


FIGURE 1 ▲

Shows the territories in which Screenrights collects income for members.

- Territories
- Under negotiation



FIGURE 2 ▲

Shows the changes to Screenrights' licensing revenue over the last three years.

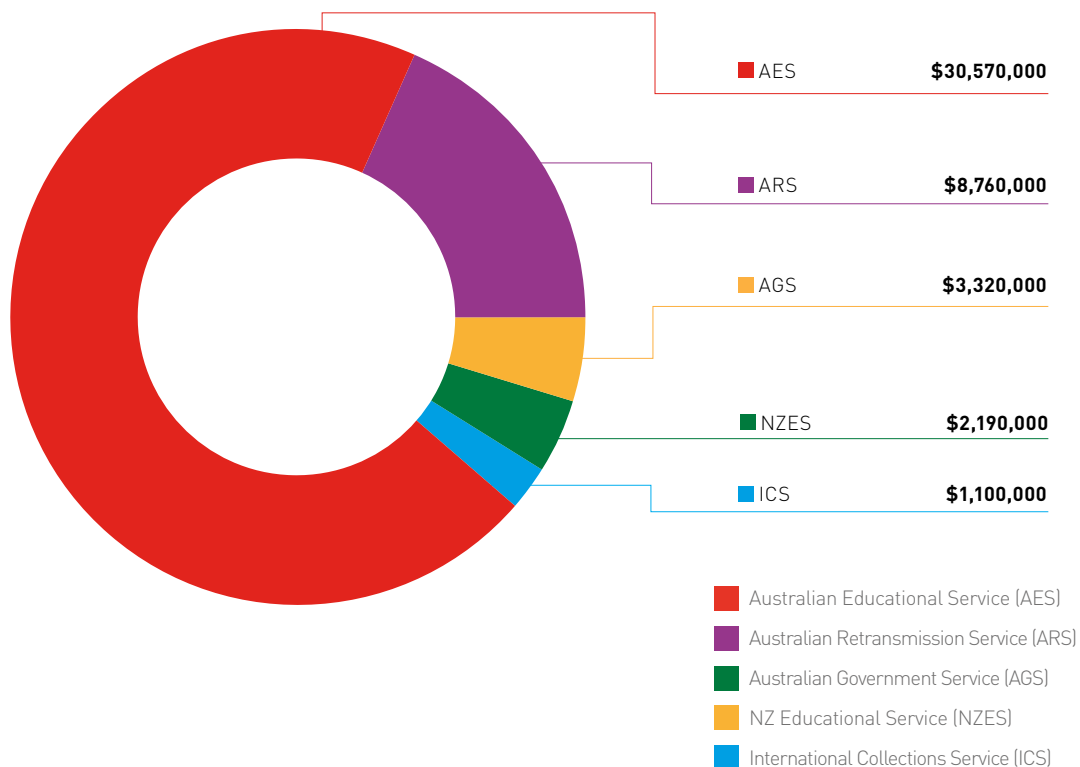


FIGURE 3 ▲

Shows the breakdown in licensing revenue from each of the five licences.

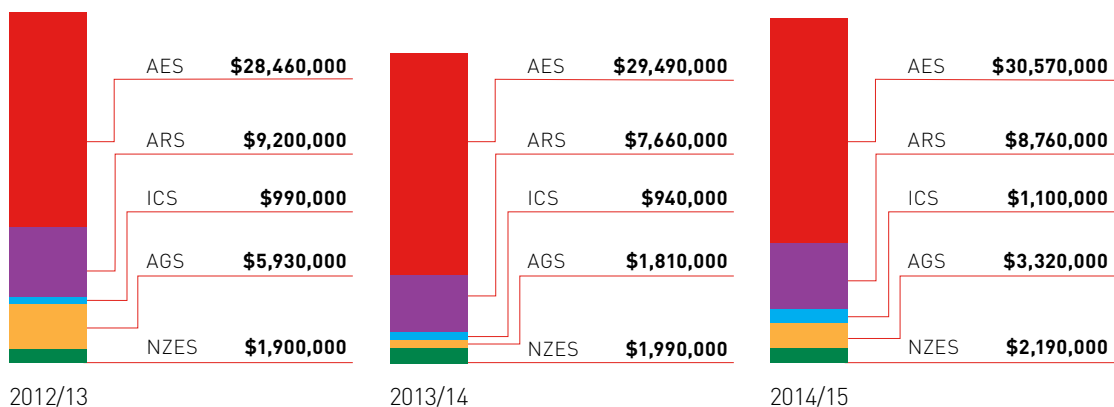


FIGURE 4 ▲

Compares the total licensing revenue (including interest) from each of Screenrights' licences over the last three years.

EXPENDITURE

Screenrights’ total expenditure for 2014-2015 was \$6.54 million, compared to the previous year’s figure of \$6.26 million.

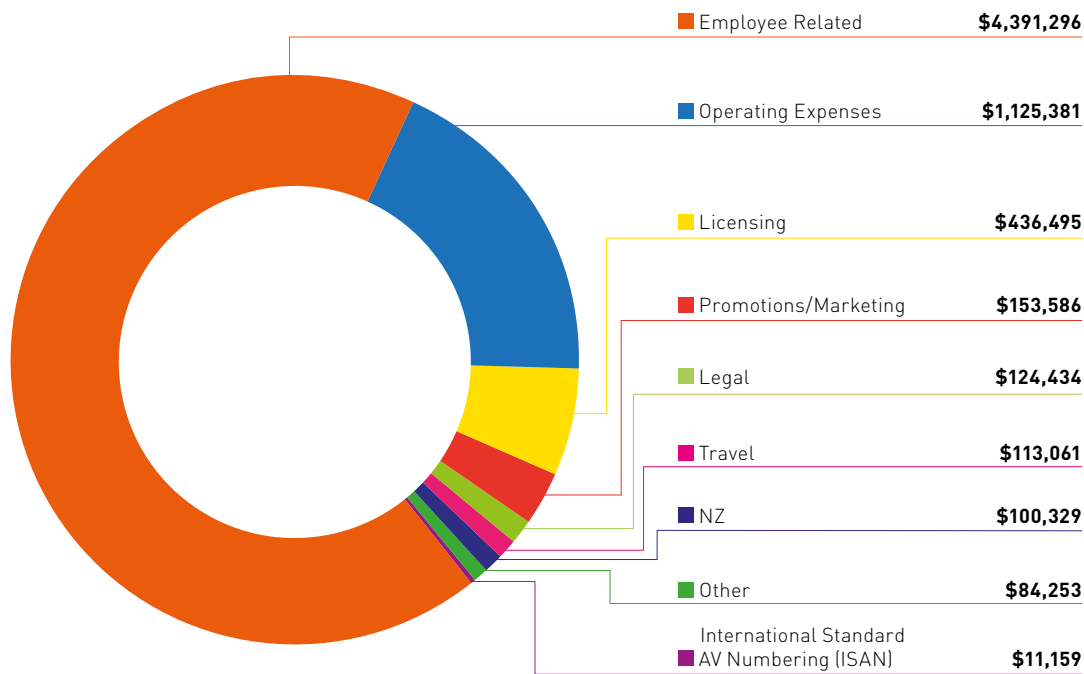


FIGURE 5 ▲

Shows the breakdown of expenditure for 2014-2015.



FIGURE 6 ▲

Shows Screenrights’ net income (total income including interest less total expenses) over the last three years.

EXPENDITURE IN RELATION TO COLLECTIONS

Screenrights total expenditure amounted to 14.2% of total collections. In 2013-2014, this figure was 14.9%.

Expenses to collections for the AES was 14.4%, compared to 15.1% in the previous 12 months. For the NZES, expenses amounted to 17.7% of total collections, whereas in 2013-2014 it was 17.4% of total collections. For ARS it was 13.1%, compared to 14.0% for the previous year, and for AGS the ratio was 13.1%, compared to 14.0%.

The ICS has an administration fee equivalent to the costs of administering the service. This is capped at 11%, enabling Screenrights to offer the service at a competitive rate.



FIGURE 7 ▲

Shows the expenditure to collections ratio over the last three years.

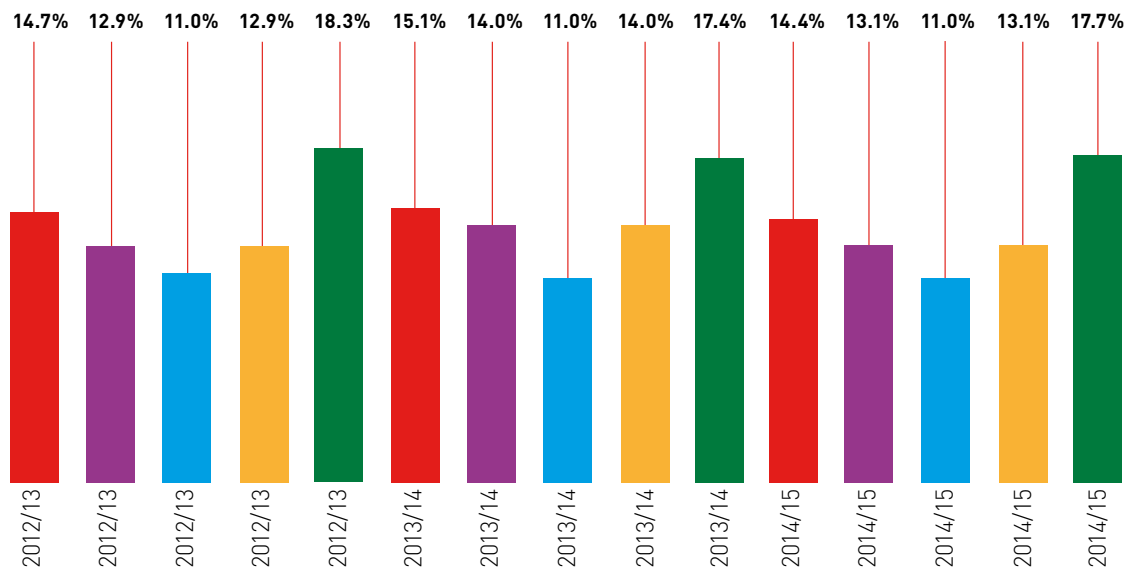


FIGURE 8 ▲

Shows the expenses to collections ratio for each of the licences over the last three years.

- Australian Educational Service (AES)
- Australian Retransmission Service (ARS)
- International Collections Service (ICS)
- Australian Government Service (AGS)
- NZ Educational Service (NZES)

DISTRIBUTIONS TO MEMBERS

The total distributable amount for 2014-2015 was \$39.72 million, an increase of 9.6 per cent on the \$36.23 million declared for distribution in 2013-2014.

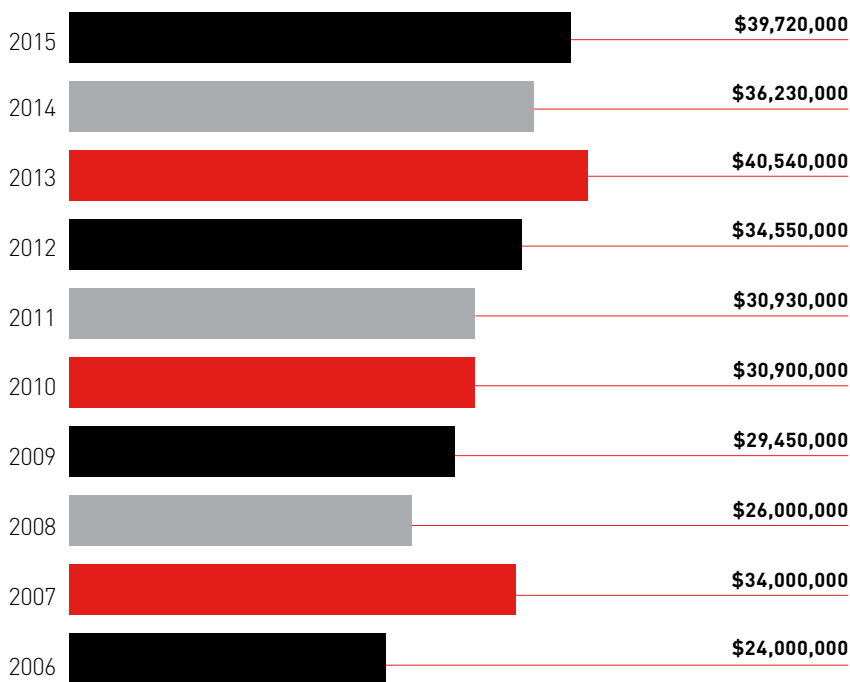


FIGURE 9 ▲

Shows the total distributable amount over the last 10 years.



FIGURE 10 ▲

Shows the total distributable amount declared under each of the licences in 2014-2015.

- Australian Educational Service (AES)
- Australian Retransmission Service (ARS)
- Australian Government Service (AGS)
- NZ Educational Service (NZES)
- International Collections Service (ICS)

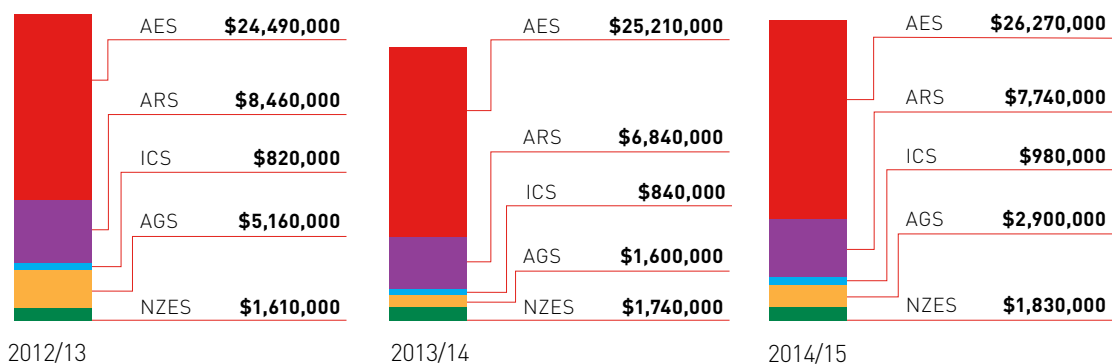


FIGURE 11 ▲

Shows the total distributable amount declared under each of the licences over the last three years.

- Australian Educational Service (AES)
- Australian Retransmission Service (ARS)
- International Collections Service (ICS)
- Australian Government Service (AGS)
- NZ Educational Service (NZES)

The total amount actually distributed to members was \$38.6 million. This is an increase of 10.6% on the \$34.9 million distributed in 2013-2014.

OUR MEMBERSHIP

Screenrights membership has continued to grow, from 3,693 members in 61 countries to 3,821. These countries are shown at Figure 12.

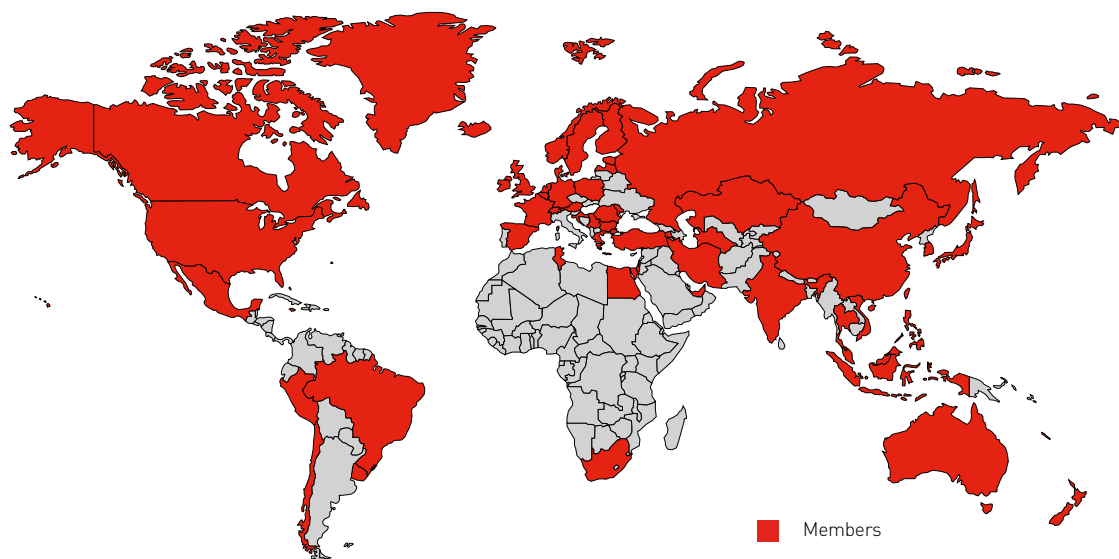


FIGURE 12 ▲

Shows Screenrights' 3,821 members in 61 countries.

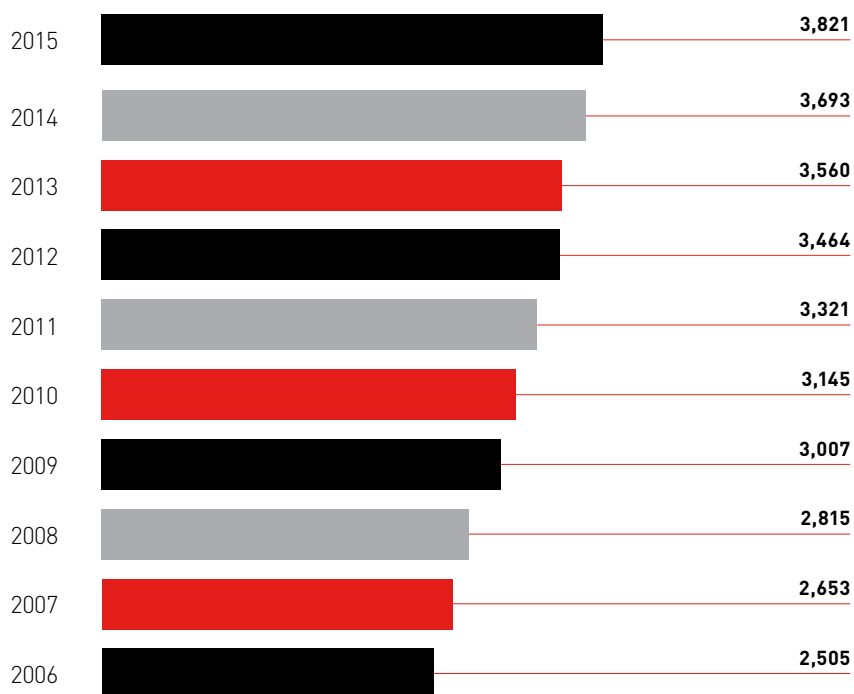


FIGURE 13 ▲

Shows the growth in membership over the last 10 years.

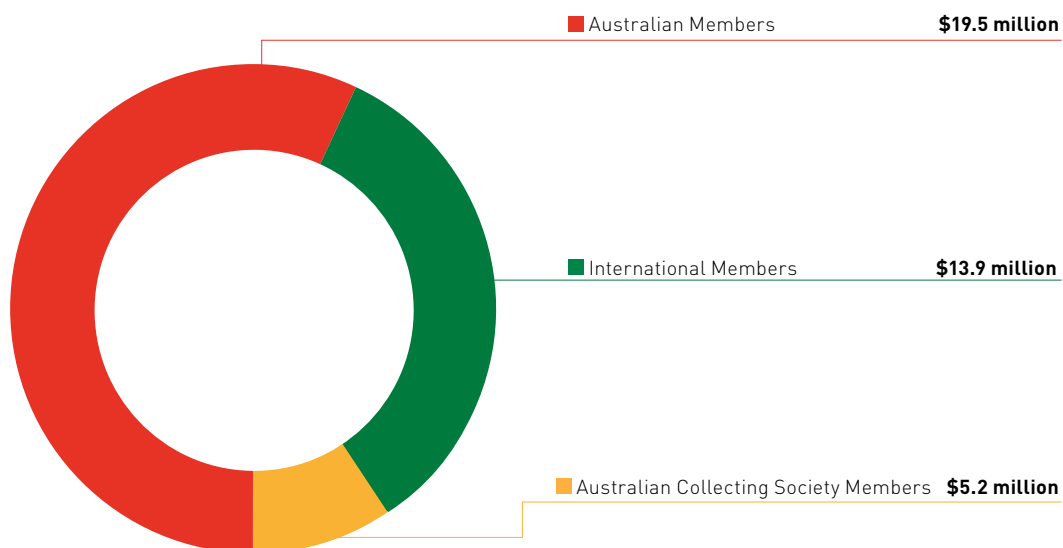


FIGURE 14 ▲

Shows the breakdown in allocation between Australian and overseas rightsholders for the total amount distributed in 2014-2015.

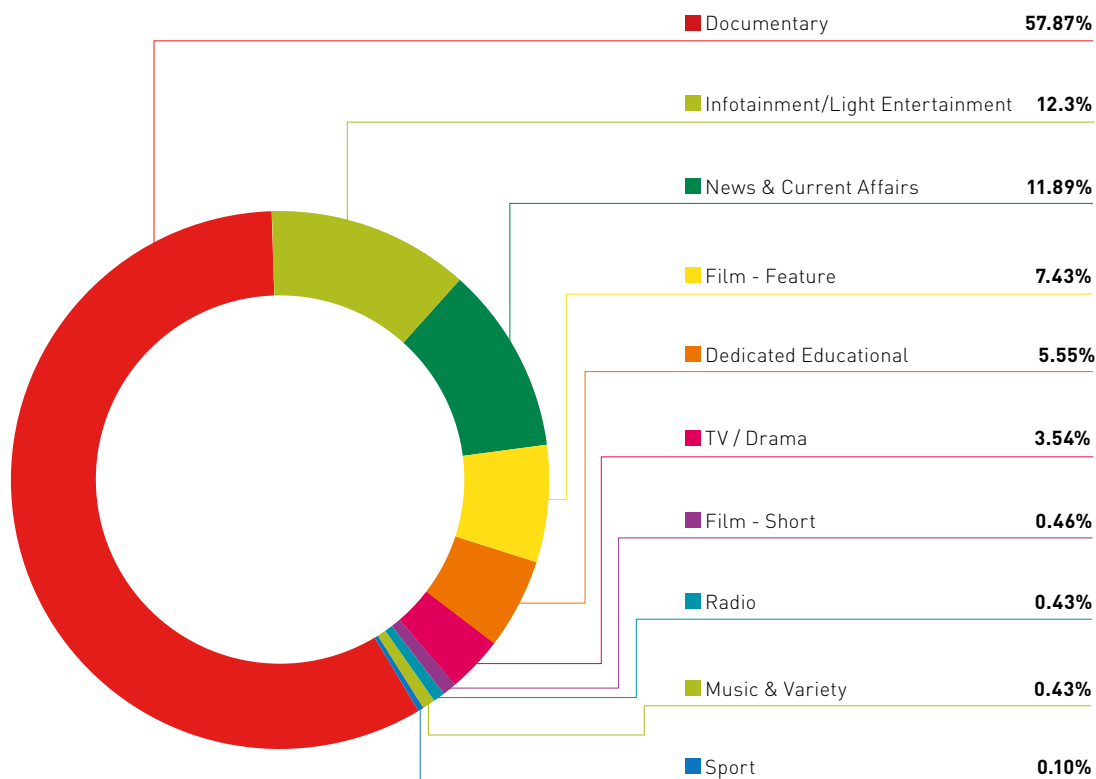


FIGURE 15 ▲

Shows the breakdown in types of audiovisual material copied by Australian educational institutions. This is based on the number of copies made, and not on the minutes copied.

Simon Lake
Chief Executive

23 September 2015

ANNOTATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

We know that not everyone wants to analyse financial statements, so below is our annual summary of the most important information in these accounts. The notes show the calculations which determine how much money is available to distribute to rightsholders from the royalties collected and interest received, and after the deduction of tax and expenses.

NON-IFRS FINANCIAL MEASURES

The annotated statement of financial position includes certain non-IFRS financial measures. The directors believe the presentation of non-IFRS financial measures is useful for the users of this document as they reflect the amounts available for distribution to rightsholders after the addition of expired trust funds and the transfer of surplus reserves. The below non-IFRS financial measures have not been subject to review or audit.

		Consolidated	
		2015	2014
		\$000s	\$000s
Royalty collections for the year from Australian schools, TAFE colleges, universities, retransmission income, New Zealand educational institutions and overseas.	Revenue from Ordinary Activities:		
	Gross Royalties	43,922	39,482
	Other Revenues	2,459	2,785
	Expenses	(6,942)	(6,527)
Includes interest and the proceeds from sale of fixed assets.		39,439	35,740
The cost of running Screenrights, including employee expenses, depreciation and other ordinary expenses.	Transfer (to)/from retained earnings and reserves		-
Screenrights can hold allocations in trust for a maximum of six years while trying to locate relevant rightsholders. Under the Attorney-General's Guidelines, these funds are then added to the Distributable Amount in the current year. For 2009, expired trust funds by scheme were Pt VA \$111,000, NZ \$22,000, Pt VC \$137,000 and AGS \$14,000.	Amount available for Distribution	39,439	35,740
	Add Expired Trust Funds (2008)	-	489
	Add Expired Trust Funds (2009)	284	-
	Total amount available for Distribution	39,723	36,229
Amount transferred to Statutory Distributable Pools:			
Part VA Education		(26,270)	(25,214)
Part VC Retransmission		(7,749)	(6,842)
s183 Government Copying		(2,898)	(1,597)
Amount transferred to Non-Statutory Distributable Pools:			
New Zealand		(1,828)	(1,738)
International Collections Service		(978)	(838)
Total amount transferred to distribution pools		(39,723)	(36,229)



Screenrights

ABN: 76 003 912 310

Level 1, 140 Myrtle Street
Chippendale NSW Australia 2008

Email info@screenrights.org
screenrights.org

Australia

Phone +61 2 9904 0133

Fax +61 2 9904 0498

New Zealand

Freephone 0800 44 2348

Freefax 0800 44 7006

screenrights