

18 January 2019

Mr Gavin Jones
Director
Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Your ref: AA1000433
adjudication@accc.gov.au

Dear Mr Jones

Australasian Performing Right Association Ltd application for revocation of authorisations A91367 – A91375 and substitution of new authorisation A1000433

The Australian Local Government Association (ALGA) is pleased to make this brief submission to the Australian Competition and Consumer Commission relating to consideration of changes to the authorization for the operations of the Australasian Performing Right Association Ltd (APRA).

The Australian Local Government Association is the voice of Local Government in Australia, representing 537 councils across the nation. ALGA is a federation of State and Territory Local Government Associations and this submission should be read in conjunction with any separate submissions received from State and Territory Associations as well as individual councils.

APRA AMCOS is currently the sole organisation to which local councils are required to pay fees for music licenses. Councils are supportive of the need to pay artists for their work and were happy to engage with APRA/AMCOS and the Phonographic Performance Company of Australia (PPCA) on the development and implementation of their *OneMusic* model under which it is proposed to reduce separate music license payments into one payment.

Local councils received details about the new scheme in May 2018 and, while generally supportive, it is clear that in some cases there will be substantial fee increases included in the new model which is proposed to commence on 1 July 2019. Some councils have expressed concern regarding the fee development process, which they believe has been characterized by minimal sector consultation, a lack of transparency regarding payments to artists, and untenable timelines. This is particularly so as the fee increases were presented largely as a 'fait accompli' by APRA AMCOS and there are no alternative avenues open to councils to pay artists for use of their music.

ALGA and its member State and Territory Local Government Associations held a constructive meeting with APRA/AMCOS and PPCA late last year to discuss the scheme and these concerns. It was agreed at that meeting that further communication material would be prepared in the form of FAQs for councils. We hope this may allay the concern of some local governments regarding the proposed *OneMusic* Australia scheme, although APRA/AMCOS and PPCA representatives at the meeting were inflexible in their position that there would be no change to the fees proposed nor to the implementation schedule for the new scheme.

As a general principle ALGA believes that organisations which hold a monopoly on fee paying services should be required to engage in constructive and transparent consultation in the development of new models. Local councils face financial constraints and the imposition of substantial cost increases on councils where there is no change in the level of services to be provided should be avoided.

Yours sincerely



Adrian Beresford-Wylie
Chief Executive