



Secretariat: PO Box 576
Crows Nest NSW 1585
(02) 9431 8646

Our CEO is based in Canberra
Email: www.cosboa.org.au

22 February 2019

Mr Gavin Jones
Australian Competition and Consumer Commission
GPO Box 3131 Canberra ACT 2601
By email: adjudication@acc.gov.au

Response to the Australasian Performing Right Association Limited (APRA) Application for Revocation of Existing Authorisation A91367-A91375 and Substitution of a New Authorisation (the APRA Application).

Thank you for this opportunity to provide a submission.

The Council of Small Business Organisations Australia (COSBOA) acknowledges that musicians and composers are small businesses. We also acknowledge that many of them struggle to earn an income through music. For that reason, we support the collection of royalties and their redistribution to their rightful owners, and we believe that collection societies such as APRA AMCOs need to exist in order to facilitate that process. We do not believe that businesses should be able to make a profit from using music that they have not paid to use.

However, COSBOA is deeply concerned about APRA AMCOs' lack of transparency. We have received complaints that their licence agreements are confusing to small business owners. They are reportedly so complicated, convoluted and poorly communicated that many small businesses, including shops, cafes, and hair salons, believe APRA AMCOs to be a scam and therefore refuse to pay fees when confronted by them. In addition, it is unclear how APRA AMCOs calculate their fees and on what basis they determine the value of music in certain venues. For example, we question the validity of using square metres of floor space to determine background music licence fees. This lack of transparency in fee calculation is particularly concerning given that, as we understand, comparable collection societies in other countries such as New Zealand charge considerably less for music licences; in some cases, this can be less than

half of what businesses are expected to pay in Australia. It is our view that the combination of extremely high fees and confusing licence agreements discourage small businesses from using music legally -- or at all -- thereby preventing anyone from receiving the royalties they deserve.

Furthermore, we are concerned about the accuracy of the playback data provided to APRA AMCOs and therefore the fairness of their royalty distribution system. For further details on this issue, please see the submission by The Background Providers of Music Association (BPM), particularly pages 3-5. In light of this information, we worry that money taken from Australian small businesses is being disproportionately distributed to a small group of highly successful international artists and composers to the detriment of Australian artists and lesser-known musicians.

Recommendations

1. That licencing agreements be simplified and written in a language that is accessible to small business owners
2. That APRA AMCOs show greater transparency in their calculation of fees and reevaluate these fees so that they are realistically affordable to small businesses.
3. That the copyright laws and legislation be reviewed for relevance in the modern world of social media, online streaming services, and changed communication processes.
4. We recommend the creation of competition so that artists have a choice regarding where their copyright rests.
5. That users be able to have a choice between collective licencing and direct licencing

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Strong', with a stylized, cursive script.

Peter Strong

CEO