

APRA Distribution Rules



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1. Legal Authority and Interpretation

- 1.1 In these Rules, a reference to an Article is a reference to Articles of APRA's Constitution.
- 1.2 The legal power and responsibility for determining the method of entitlement by which APRA's revenue - consisting of licence fees collected in Australasia, distributions received from affiliated societies and interest earned on investments - is allocated and distributed rests with APRA's Board of Directors (Article 93).
- 1.3 Subject to paragraph 1.4, royalty allocations and distributions made by the Board are final and binding except that the Board may consider and, if thought fit, make any adjustment:
- (a) in response to any claim by any interested persons made within three years of the date of the allocation or distribution concerned; or
 - (b) otherwise, within three years of the date of the allocation or distribution concerned (Article 94).
- 1.4 APRA may recover from any member any amounts paid in error by recovering that amount from the member or deducting the amount from any amount distributable to the member.
- 1.5 The Distribution Rules are determined by APRA's Board of Directors from time to time pursuant to the authority conferred by Articles 84 and 93. Such determinations are made with the intent and purpose of achieving a fair and equitable distribution of the income collected by APRA.
- 1.6 Rules are applied and interpreted by APRA's Board in a manner that best achieves this intent and purpose. If, in the Board's opinion, this intent and purpose is being abused or has been abused, appropriate action may be taken in order to prevent or remedy this abuse or potential abuse.
- 1.7 Any member is at any time at liberty to notify APRA of his or her objection to any Distribution Rule. APRA's Board will, as soon practicable after that notice, review the objection provided that it is not vexatious or trivial.
- 1.8 These Distribution Rules should be read in conjunction with the document entitled "APRA's Distribution Practices", which explains how the distribution processes are carried out.

2. Exclusions

- 2.1 The following classes of works are excluded from APRA's control:
- (a) Dramatico-musical Works performed or communicated in their entirety;
 - (b) the performance in public in whole or in part of any musical work in a Dramatic Context;
 - (c) the performance or communication to the public of oratorios and large choral works (that is, choral works written to exceed 20 minutes duration) in their entirety; and

- (d) the performance or communication to the public in whole or in part of any music and associated words composed for a Ballet, if accompanied by a visual representation of that Ballet or part of it, unless performed or communicated by means of a Cinematograph Film.

- 2.2 The categories of the performing right in a member's works which are reserved by that member or re-assigned by APRA under Article 17 are also excluded from APRA's control.
- 2.3 APRA is not bound to collect or distribute monies received in relation to performances of works which are the subject of a license-back or Opt Out under Article 17.
- 2.4 For the purposes of this clause 2:

Ballet

means a choreographic work having a story, plot or abstract idea, devised or used for the purpose of interpretation by dancing or miming, but not country or folk dancing, tap dancing or precision dancing sequences;

Cinematograph film

has the same meaning as in the Copyright Act 1968;

Dramatic Context

means:

- (a) in conjunction with:
- i. acting;
 - ii. costumes;
 - iii. scenic accessories; and
 - iv. scripted dialogue or other dramatic effects, or
- (b) as a ballet; and

Dramatico-musical Work

means words and music written expressly for an opera, operetta, musical play, revue or pantomime.

3. CISAC and Contractual Obligations

- 3.1 In formulating Distribution Rules the Board is bound by Article 93 to observe and comply with the terms of agreements between APRA and:
- (a) its members; and
 - (b) its affiliated societies.
- 3.2 Although not binding, the Board endeavours as far as possible to comply with resolutions of the International Confederation of Societies of Authors & Composers (CISAC) related to principles governing the fair and equitable distribution of royalties.
- 3.3 Royalties collected and distributed to APRA by affiliated societies are subject to the laws, conditions and practices applicable in the country of collection.

4. Royalty Distributions Generally

- 4.1 Distributable revenue is calculated by subtracting from APRA's gross revenue:
- (a) the expenses of and incidental to the conduct, management and operation of APRA; and
 - (b) moneys applied by the Board for the purposes of promoting the use and recognition of music written or controlled by APRA's members (Article 95).
- 4.2 APRA's administrative expenses vary from year to year, but have historically amounted to between 11% and 14% of gross revenue. The key expense items are: wages and salaries, amortised capital expenditure, licensing expenses, information technology expenses, legal fees and communication costs.
- 4.3 APRA deducts 1.75% of the distributable revenue payable to members for the purpose referred to under paragraph 4.1(b) above. The percentage deducted for this purpose from royalties payable to affiliated societies is determined by negotiation with those societies.
- 4.4 APRA distributes on a quarterly, semi-annual (i.e. six-monthly) and annual basis depending on the distribution category (please see Distribution Practices document for details). Licence fees collected and interest earned in any year are payable as soon as practicable, together with any adjustments to previous distributions.
- 4.5 Foreign and adjustment earnings are distributed monthly when the distributable amount exceeds \$10.
- 4.6 With the exception of works reported on Live Performance Returns and Jingle Reporting Forms, performed works that cannot be matched to payable works in APRA's database are researched for inclusion in APRA's distributions only when their distribution value is over a pre-determined threshold; that threshold being \$15. (N.B. for works receiving digital delivery sales only, this threshold is a combined APRA|AMCOS value – see Section 21).
- 4.7 Unidentified works, other than those receiving only digital delivery sales, that do not initially meet the required threshold are retained in APRA's database until such time as their value from subsequent performances increases to \$15 or more, at which time ownership research is undertaken.
- 4.8 Royalty allocations to affiliated societies are calculated in every respect on the same basis as allocations to APRA members.

5. **Royalties Received from Affiliated Societies**

- 5.1 Royalties received from affiliated societies are distributed to members in the quarterly distribution following receipt, **except** where the distributable amount exceeds \$10.00 and the member has an EFT facility with APRA. In which case, the amount concerned is distributed in the month following completion of analysis.
- 5.2 APRA deducts 1.5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.

6. **Allocation of Shares**

6.1 Definitions

Member Shares

means those parts of a musical work that:

- (a) consist of music, lyrics, or both, that were created by a writer who is a member of APRA or an affiliated society;
- (b) are published or administered by a publisher who is a member of APRA or an affiliated society.

Non-Member Shares

means those parts of a musical work that are either not protected by copyright in Australia/New Zealand or do not fall within the definition of Member Shares.

Performance Credits

means the performance credit points allotted to a musical work based on logged performances or similar data.

Publisher

means a music publisher to whom a writer has assigned or licensed copyright in a musical work, or an entitlement to receive a share of performing right royalties in respect of a musical work, and includes an associate member admitted under Article 6(a) or (b).

Writer

means a composer or lyricist living or deceased.

6.2 Member and Non-Member Shares

Member Shares are entitled to a royalty allocation in accordance with APRA's Rules. Unless otherwise directed by the society, non-Member writer shares for works originating overseas are paid to the society of the original publisher of the work. Non-Member writer shares for local works are held pending the election of the writers concerned, at which time the relevant fees are credited accordingly. Non-Member writer shares held for writers not subsequently elected are returned to distributable revenue to be allocated on a pro-rata basis among member shares referable to all works sharing in the following distribution.

Non-Member publisher shares are credited proportionately to the writers of the work in accordance with contractual information.

6.3 In the absence of specific notification of contractual agreement to the contrary the shares of a musical work are allocated as follows:

(a) Original Unpublished Works

- | | | |
|-------|---|------|
| (i) | Composition with lyrics: | |
| | Composer or composers | 50% |
| | Lyricist or lyricists | 50% |
| (ii) | Composition without lyrics (or with non-copyright lyrics): | |
| | Composer | 100% |
| (iii) | Non-copyright composition with copyright lyrics: | |
| | Lyricist | 100% |

(b) Original Published Works

- | | | |
|-------|---|-----|
| (i) | Composition with lyrics: | |
| | Composer or composers | 25% |
| | Lyricist or lyricists | 25% |
| | Publisher | 50% |
| (ii) | Non-copyright composition with copyright lyrics: | |
| | Lyricist | 50% |
| | Publisher | 50% |
| (ii) | Composition without lyrics (or with non-copyright lyrics): | |
| | Composer | 50% |
| | Publisher | 50% |
| (iii) | Composition with lyrics, composer share only published: | |
| | Composer | 25% |
| | Lyricist | 50% |
| | Publisher | 25% |
| (iv) | Composition with lyrics, lyricist share only published: | |
| | Composer | 50% |
| | Lyricist | 25% |
| | Publisher | 25% |

6.4 Collective Works:

Where two or more authors contribute distinct parts to a work (as in music and lyrics, or separate verses of a song), the work is a "Collective Work", being a work comprising two or more separate works.

In such cases, the share of the writer who becomes 'non-copyright' (ie, 70 years after death for Australia, 50 years after death for New Zealand) is reallocated to the remaining copyright interests, as per the following examples:

(i)	Composer (NC)	0%
	Lyricist	100%
(ii)	Composer	100%
	Lyricist (NC)	0%
(iii)	Composer (1) (NC)	0%
	Lyricist (2)	50%
	Publisher (1)	0%
	Publisher (2)	50%
(iv)	Composer (1)	50%
	Lyricist (2) (NC)	0%
	Publisher (1)	50%
	Publisher (2)	0%

6.5 Joint Works:

Copyright in Works of Joint Authorship (ie, works where the contribution of individual writers in the music, the lyrics, or the music and lyrics are indivisible) subsists until 50 years (NZ) or 70 years (Australia) after the death of the last surviving joint author. All writer and publisher shares in the joint work remain intact (subject to contractual changes) until that time – see following examples. (Asterisked writers are deemed to have been deceased for more than 50/70 years).

(i)	Composer	50%
	Composer*	50%
(ii)	Composer	25%
	Composer*	25%
	Lyricist	50%
(iii)	Composer	50%
	Lyricist *	25%
	Lyricist	25%
(iv)	Composer	50%
	Composer*	50%
	Lyricist* (NC)	0%
	Note 1	
(v)	Composer* (NC)	0%
	Lyricist*	50%
	Lyricist	50%
	Note 2	
(vi)	Composer	25%

	Composer*	25%
	Lyricist	25%
	Lyricist*	25%
	Note 3	
(vii)	Composer* (NC)	0%
	Composer* (NC)	0%
	Lyricist	50%
	Lyricist*	50%
	Note 4	
(viii)	Composer	25%
	Composer and Lyricist	50%
	Lyricist	25%
	Note 5	

Note 1 – as there is no other lyricist (ie, the lyrics are not a ‘joint work’), the share of the NC lyricist is allocated equally to the copyright composers.

Note 2 - as there is no other composer (ie, the music is not a ‘joint work’), the share of the NC composer is allocated equally to the copyright lyricists.

Note 3 – both the words and music are ‘joint works’. All shares in the words remain intact until 50/70 years after the death of last lyricist, and all shares in the music remain intact until 50/70 years after the death of the last composer.

Note 4 – both composers have been dead for more than 50/70 years. The NC composer shares are allocated to the copyright lyricists. Equally, NC lyricist shares would be allocated to the copyright composers.

Note 5 – this is a ‘joint work’. All shares remain intact until 50/70 years after the death of the last writer.

6.6 APRA will rely on members’ registrations and, where appropriate, international files and registrations (fiches internationale) to determine whether a work is a ‘Joint Work’ or a ‘Collective Work’. Members’ registrations should clearly indicate the contribution of each writer of the work (C = Composer, A = Author or Lyricist and CA = Composer and Author). Where doubt exists as to the status of a work, APRA will presume the work to be a Joint Work.

6.7 Non-copyright shares allocated to copyright composers and lyricists in Collective or Joint Works, as the case may be, are payable to those copyright composers’ and lyricists’ publishing interests in accordance with their contractual arrangements.

6.8 Contractual variations to the above rules, including but not limited to the examples given in sections 6.3, 6.4 and 6.5, are subject to the overriding rule that the share allocable to the writer or writers of a work cannot be less than 50%.

7. Adjustments

- 7.1 APRA may from time to time be notified by a member or by an affiliate society of an erroneous distribution payment. If APRA is notified of an incorrect payment by a member or by an affiliate society within 3 years of the date of the distribution, APRA will correct the erroneous payment by means of adjustment, provided that;
- (a) In respect of APRA writer members, the amount to be adjusted is \$10 or more, or
 - (b) In respect of APRA publisher members, the amount to be adjusted is \$20 or more, or
 - (c) In respect of affiliate societies, the amount to be adjusted is US\$20 or more. Debits over US\$500 per work must be agreed upon between the two societies prior to the debit. However, if any objection raised cannot be resolved within 6 months of the date of the first written notification, the debit will proceed unless a counterclaims and disputes procedure has been invoked for the work in question which indicates dispute over division of fees or rightful ownership.
- 7.2 Royalties paid to members in respect of credit adjustments are distributed to members in APRA's semi-annual distributions, except where the distributable amount exceeds \$10.00 and the member has an EFT facility with APRA, in which case the amount concerned is distributed approximately one month from APRA processing the adjustment.

8. Retrospective Claims and Self-Reporting Systems

- 8.1 The retrospective claim period for self-reporting systems for Live Performance Returns, Jingle Reporting Forms and Ambient music claims will be limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e. going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.
- 8.2 Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next annual distribution. It will be credited at the rate applicable to the distribution in which it is paid.
- 8.3 The three year retrospective claim period is not, however, open to new members. Members joining by 30th June can only claim retrospective performances for the previous year back to 1st July.

9. Arrangements of Musical Works

- 9.1 Where an arrangement of a copyright musical work is made, no share is allocated to the arranger.
- 9.2 Where an arrangement of a public domain work is made, shares are allocated, subject to the rules set out in paragraphs 6.3, 6.4 and 20.8, as follows:

- | | | |
|-----|--|-------|
| (a) | Unpublished arrangement without lyrics (or with public domain lyrics): | |
| | Arranger | 50% |
| | Non-copyright element (returned to distributable revenue) | 50% |
| (b) | Published arrangement without lyrics (or with public domain lyrics): | |
| | Arranger | 25% |
| | Publisher | 25% |
| | Non-copyright element (returned to distributable revenue) | 50% |
| (c) | Unpublished arrangement with unpublished copyright lyrics: | |
| | Arranger | 25% |
| | Lyricist | 50% |
| | Non-copyright element (returned to distributable revenue) | 25% |
| (d) | Unpublished arrangement with published copyright lyrics: | |
| | Arranger | 25% |
| | Lyricist | 25% |
| | Publisher | 25% |
| | Non-copyright element (returned to distributable revenue) | 25% |
| (e) | Published arrangement with unpublished copyright lyrics: | |
| | Arranger | 12.5% |
| | Lyricist | 50% |
| | Publisher | 12.5% |
| | Non-copyright element (returned to distributable revenue) | 25% |
| (f) | Published arrangement with published copyright lyrics: | |
| | Arranger | 12.5% |
| | Lyricist | 25% |
| | Publisher | 37.5% |
| | Non-copyright element (returned to distributable revenue) | 25% |

9.3 Works that are not merely arrangements of public domain works but are new compositions based on non-copyright themes are allocated credits at the full 100% rate rather than the arranger's 50% rate. Such claims, when registered with APRA, must be accompanied by a manuscript or published copy of the work, which will then be referred to APRA's Membership & Distribution Committee for assessment and determination of the claim.

10. Translations of Lyrics and Addition of Amended or Substituted Lyrics

10.1 Where an authorised translation of copyright lyrics is made, or lyrics are changed or substituted with the authority of the copyright owner, shares are allocated as follows:

(a) Unpublished:

Composer	50%
Original lyricist	41.67%
Translator/Sub-Lyricist	8.33%
Composer	50%
Original Lyricist	33.33%
Translator/Sub-Lyricist 1	8.33%
Translator/Sub-Lyricist 2	8.34%

Note that 16.67% is the **maximum** share that can be deducted from the original lyricist's share for allocation to Translators or Sub-Lyricists, where the original lyrics remain in copyright.

(b) Published:

Composer	25%
Original lyricist	16.67%
Translator/Sub-Lyricist	8.33%
Publisher	50%
Composer	25%
Original lyricist	8.34%
Translator/Sub-Lyricist 1	8.33%
Translator/Sub-Lyricist 2	8.33%
Publisher	50%

10.2 Where a translation of non copyright lyrics is made, or non copyright lyrics are changed or substituted, shares are allocated as follows:

(a) Unpublished:

Composer*	75%
Original lyricist	0%
Translator/Sub-Lyricist	25%

(b) Published:

Composer*	37.5%
Original lyricist	0%
Translator/Sub-Lyricist	12.5%
Publisher	50%

*If the music is also non copyright, the original lyricist's share and the composer's share (including associated publisher shares) are paid to 'non copyright element' and returned to distributable revenue.

- 10.3 Where a musical work is licensed for use in an advertisement and new or substantial lyrics are used in the advertisement, the parties may agree that the new lyricist's or sub-lyricist's share of performing right income be waived in favour of the original copyright owner(s). APRA will in such circumstances recognise and abide by such agreement notified to it.

11. Notification of Shares and Re-allocation of Copyright Shares

- 11.1 Each member must notify APRA of the allocation of shares (or, 'division of fees') and the full names of all sharers, in sufficient detail, of each musical work to be administered by APRA. With the prior agreement of APRA, members may register works in which they have a share by means of on-line data entry or electronic registration files.
- 11.2 Where notification of sharers is provided to APRA by a publisher, APRA verifies the allocation of shares by contacting the writer(s) concerned.
- 11.3 APRA verifies the allocation of shares appearing on writers' on-line registrations by contacting, where relevant, all other writers concerned. In the case of writers' registrations by index card, all writers who are allocated shares must, other than in exceptional circumstances, sign the relevant registration.
- 11.4 Where sharers in a given title seek a re-allocation of shares for the title, all such sharers must sign a consent to the re-allocation and a statement confirming that the re-allocation of shares correctly reflects the authorship of the work.

12. Complaints Procedure

12.1 How to make a complaint

If you have a complaint about any aspect of the APRA|AMCOS business or operations, you should make your complaint **in writing**. Because each area of our business and the interests of our clients are specialized, you should address the complaint as follows:

- APRA Licensees
Director of General Licensing

- APRA/ AMCOS Members
Director of Membership

- AMCOS Licensees
Director of Recorded Music Services
at 16 Mountain Street, Ultimo, NSW 2007
Or via email to the address below

- Complaints Officer at APRA|AMCOS
complaints@apra.com.au

If you do not know who to address the complaint to, or if the complaint is of a general nature, address it to the Complaints Officer, at the above address.

Your name and relevant contact details must be provided.

APRA/AMCOS will not investigate anonymous complaints.

Who Can Make A Complaint?

Any person or organization that has dealings with APRA|AMCOS can make a complaint, including members, licensees, and people wishing or eligible to be members or licensees.

Assistance in Formulating a Complaint

If you require some assistance in either formulating your complaint or identifying who the complaint should be addressed to, please email or write to the Complaints Officer at APRA|AMCOS.

Your complaint must include:

- your name and contact details, and/or the name and contact details of your organisation
- the nature of the practice complained of. Areas of possible complaint may include, for example: eligibility for membership to APRA|AMCOS, our distribution policies, the terms of our licences, the amount of the fees payable under any of our licences, the standard of services we provide, the conduct of any of our employees, or the transparency of our operations
- the reason for your complaint
- the outcome you hope to achieve
- any material that supports your complaint

Dealing with Complaints

- We will acknowledge receiving the complaint within 7 days of receiving it
- If the complaint involves another person, we will forward the complaint and any supporting material to that person for comment
- We will respond to the complaint in writing within 14 days of acknowledging receipt. However, if the complaint involves another person, we will respond as soon as practicable after receiving that person's comment on the complaint.
- We will maintain a register of all complaints received and the response we have made, and the Complaints Officer will have a copy of that register.
- All responses will provide you with the opportunity to take the matter further.
- You will have a further 21 days to make any comments on or respond to our response.
- If you are not satisfied with the explanation that has been provided, you will have a further 14 days to request that the matter be referred to alternative dispute resolution. The dispute resolution procedure will be Expert Determination.
- All complaints received by APRA|AMCOS are submitted annually to the independent code reviewer as part of our compliance with the Code of Conduct for Collecting Societies.

13. **Dispute Resolution Procedure**

13.1 If APRA is notified of a dispute among members, or involving members of an affiliated society, as to the allocation of shares in a work administered by it, APRA may, at its discretion, if it is satisfied that it is appropriate to do so in all the circumstances, place all or any of the performance credits relating to the work in suspense until the dispute is:

- (a) settled by agreement between the parties; or
- (b) resolved by a Court or alternative dispute resolution (“ADR”).

13.1A In determining whether to exercise its discretion under rule 13.1, APRA must take into account:

- (a) the nature and significance of the dispute between the parties;
- (b) the material provided by the parties to APRA relating to the dispute;
- (c) any undertakings relating to the payment or repayment of royalties given by the parties;
- (d) the apparent strength of each member’s claim to a share of the work;
- (e) any other matters relating to the dispute that APRA considers to be relevant.

Note: See also the attached [trial guidelines](#) which set out in further detail the relevant procedures and matters to which APRA will have regard when determining whether to exercise its discretion under rule 13.1 in relation to disputes between members involving local works.

13.1B APRA may at any time reconsider a decision whether or not to place performance credits in suspense and may revoke or vary that decision or make a new decision in substitution for it.

13.2 APRA offers ADR, by way of binding referral to an independent expert, in the following circumstances, subject to all parties agreeing to submit to the procedure;

- (i) Where writer members are in dispute as to the proportions in which royalty allocations are to be shared;
- (ii) Where writer and publisher members are in dispute as to their respective entitlements from APRA;
- (iii) Where publisher members are in dispute as to their respective entitlements from APRA.

14. **Unidentified Works and Credits in Suspense**

14.1 Unidentified Works - APRA uses its best efforts to identify all works appearing in its distribution analysis. Distribution credits not payable owing to lack of documentation are retained for three years, and paid in the first distribution following identification of the interested parties and share details. Payment is at the dollar amount that is attributable to a

performance credit in effect at the time the payment is made. No interest accrues or is paid to the interested parties.

At the end of the three year retention period, unidentified performances are deleted, and unidentified account balances, both domestic and international, that have been held for more than three years are returned to the distribution. 10% of unidentified account balances is set aside as a provision for extraordinary claims.

- 14.2 Credits In Suspense – Monies held in APRA’s suspense account pending resolution of an ownership dispute are released for payment on proper notification of the dispute’s resolution. No interest accrues or is paid to the interested parties.

15. Sources of Revenue - Distribution Pools

- 15.1 **Distributable revenue** means gross licence fees collected plus investment income earned on such fees, less APRA’s administrative expenses and Article 95 deductions (refer to paragraphs 4.1 and 4.3 of these Rules).

- 15.2 A separate distribution pool applies to each of the major identifiable sources of distributable revenue for which programme returns (or similar documentation) are provided to APRA. The principal distribution categories, some of which include a number of discrete pools, are:

- (a) free to air television;
- (b) subscription television;
- (c) radio;
- (d) cinema;
- (e) concerts and ‘live’ performances;
- (f) nightclubs;
- (g) ringtones, digital downloads, streaming services, video on demand; and
- (h) other online sites.

- 15.3 Distributable revenue received in respect of public performances or communications to the public (including broadcasts) for which no programme returns or similar documentation are available is apportioned to those pools which, in the Board’s view, most accurately reflect the music performed.

16. Distribution - Free to Air Television Performances

- 16.1 Those performances analysed within the free to air television distribution, with the exception of music used in advertisements – see 16.5 below, receive one credit for each second of duration as indicated on all music cue sheets (or their equivalent) that are analysed by APRA, subject to the following rules. Where APRA’s monitoring of performances discloses inaccuracy in a cue sheet, the inaccuracy is rectified by APRA.

- 16.2 Definitions -

Background Music

means music included in a television programme or film which is neither featured music nor theme music. Includes music used in Presentation Items, as per 16.8 below.

Featured Music

means music which falls into one or more of the following categories:

- (a) music which is performed by, or represented on the television screen as being audible to, one or more of the characters in the scene portrayed;
- (b) music performed in music video clips;
- (c) music performed in association with choreographed dance sequences;
- (d) music performed "on camera".

Theme Music

Means music which is regularly or solely associated with a television series, individual programme or film such that it identifies that series, individual programme or film, when used as the opening and/or closing music of the series, individual programme or film. Theme excludes music used in conjunction with programme previews (teasers) or recaps, which are credited as Background music.

16.3 Performance credits are allocated to music performed in television broadcasts according to the use made of the music, as follows:

- (a) Featured Music receives a full credit for each second of duration.
- (b) Theme Music receives 75% of a full credit for each second of duration.
- (c) Background Music receives 50% of a full credit for each second of duration.
- (d) Music contained in station IDs and programme promotions receives 15% of a full credit for each second of duration.
- (e) Music contained in advertisements (including 'infomercials') and public service announcements receives 7.5% of a full credit for each second of duration.

16.4 For free-to-air broadcasts the performance credits are further varied by reference to the time of day at which the performance occurs, as follows:

- (a) Performances in programmes commencing between 6pm and 10.30pm receive a full performance credit;
- (b) Performances in programmes commencing between 6am and 6pm, or 10.30pm and midnight, receive 30% of a full performance credit;
- (c) Performances in programmes commencing between midnight and 6am receive 10% of a full performance credit; and
- (d) In instances where the time at which a performance occurs is not known, the work concerned receives a performance credit based on an average of the time zones referred to above.

- 16.5 The APRA Board determines from time to time, based on the information and procedures outlined in the APRA Distribution Practices document, the value of the distribution pools for the payment of music used in television commercials. Music used in television commercials receives a proportionate share of the relevant pool, depending on whether usage details have been received by means of APRA's self-reporting system or from other sources.
- 16.6 Music 'tags' included in television advertisements will, in the absence of a stated duration, be paid at 5% of the total value of the commercial or, if the duration of the 'tag' is provided, that 'tag' will be paid at the relevant percentage of 30 seconds.
- 16.7 Test pattern music is not analysed for distribution purposes.
- 16.8 Music used in 'Presentation Items', including News Updates, Weather Updates, Sports Updates, Hostings, Lotto, Powerball is paid as Background Music.

17. **Distribution – Subscription Television Performances**

Royalty allocations in respect of subscription television are calculated on the same basis as free to air television, except that subscription television performance credits are not varied according to the time of day at which the performance occurs.

18. **Distribution - Broadcast Radio Performances**

- 18.1 Those performances analysed within the broadcast distribution, with the exception of music used in advertisements – see 18.6 below, receive one credit for each 15 seconds (or part thereof) for durations up to and including 1 minute. Broadcast durations between 1 minute 1 second and 5 minutes 59 seconds receive 12 credits. Broadcast durations in excess of 5 minutes 59 seconds receive credits in accordance with APRA's **Long Works** rule.
- 18.2 For the purposes of this paragraph 18, **Long Works** means works with a duration, as broadcast, in excess of 5 minutes 59 seconds.
- 18.3 Performance credits for Long Works receive 200% of a full performance credit, that is, 8 credits per minute, plus 2 credits for each additional 15 seconds (or part thereof).
- 18.4 Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive 50% of one credit for each 15 seconds (or part thereof) duration.
- 18.5 Music 'tags' included in radio advertisements will, in the absence of a stated duration, be paid at 5% of the total value of the commercial or, if the duration of the 'tag' is provided, that 'tag' will be paid at the relevant percentage of 30 seconds
- 18.6 The APRA Board determines from time to time, based on the information and procedures outlined in the APRA Distribution Practices document, the value of the distribution pools for the payment of music used in radio commercials. Music used in radio commercials receives a proportionate share of the relevant pool, depending on whether usage details have been received by means of APRA's self-reporting system or from the radio stations.

19. **Distribution - Cinema Performances**

- 19.1 Performances analysed within the cinema distribution receive one credit for 15 seconds (or part thereof) duration as indicated on all music cue sheets that are analysed by APRA, subject to application of the same rules and definitions that apply in the case of television performances of featured music, opening and closing music and background music referred to at 16.2 and 16.3.
- 19.2 Cinema commercials and trailers are not analysed for distribution purposes.

20. **Distribution – Concerts, Dance Clubs, Sporting Codes & Events and Other Performances**

- 20.1 ABC concerts, Australian and New Zealand symphonic concerts, Promoted concerts, other live performances, dance clubs and discotheques, dance parties, airlines, music on hold, ambient music, schools, churches, aerobic and fitness classes, sporting codes and background music suppliers:
- 20.2 Works performed in these distribution categories other than Promoted Concerts and Live Performance Returns (see below) analysed for distribution purposes receive credits on the same basis as radio (refer 18.1) excepting that no **Long Work** increases apply to durations in excess of 5 minutes 59 seconds. Works that have a reported performance duration over 5 minutes 59 seconds receive four credit points per minute for the full duration of the work as performed, plus one credit for each additional 15 seconds (or part thereof).
- 20.3 Live performances reported by means of 'Live Performance Returns (LPRs)':
- (a) A 'standard duration' (equal to 3'00" or 12 credit points) is applied to all works reported on LPRs with a duration of 1'01" or greater (reported durations of 1'00" or less are paid at 1 credit point for each 15" or part thereof), with the exception of contemporary classical and jazz music, which are credited at their reported durations. Credit points for contemporary classical and jazz music are calculated as per 20.2 above; and
 - (b) The payment amount allocated to multiple performances by the same performer occurring at the same venue is checked to ensure that the amount distributed does not exceed the licence fee paid by that venue.
 - (c) Performances at venues not yet licensed by APRA are paid as if the venue holds an APRA licence. However, if multiple performances by the same performer occur at such a venue, the available royalty is capped at \$25 (the minimum GLA licence value for a venue)
 - (d) All performances in childcare centres and preschools are paid providing they are:
Performances in public,
Performances not given by an employee of the child care centre.
 - (e) All church performances outside of the standard worship service are to be paid.
 - (f) All performances in venues for hire (where the licence fee is less than \$2,500) are paid.

(g) The monetary value of each credit is determined annually by the APRA Board.

- 20.4 Promoted Concerts (that is, live (including DJ) performances where the licensed party is the promoter of the performance):
- 20.5 Exact durations are used for royalty calculation purposes wherever possible and credit points are calculated at the rate of 1 point for each 15 seconds or part thereof. However, for works performed at concerts where durations are not shown on the setlist, a 'standard duration' (equal to 12 credit points) is applied to all works, except where a duration of 1 minute or less is shown (these are converted at one credit point for each 15 seconds -or part thereof - up to a maximum of 4 points).
- 20.6 Equal performance credits are given to works of the same duration performed by the headline act and the supporting act(s) appearing on stage after the concert's advertised starting time.
- 20.7 Only live music and recorded music performed by DJs shares in a promoter concert distribution, except where the recorded music accompanies the vocal or other live performance of the performer or is used as 'play on' music for the performer, immediately before and/or during the performer's entrance on stage.
- 20.8 The licence fees paid by the concert, dance party or event promoter, where those fees are \$200 or more, are allocated directly to the works performed by both the headline acts and the supporting artists. Where the licence fees are under \$200, or where the setlists for concerts over \$200 cannot be obtained for distribution purposes, 100% of the money is added to APRA's Live Performance Return (LPR) pool.
- 20.9 Arrangements of non-copyright works performed at promoted concerts or under APRA's Sporting Code & Events licences, are paid at the full 100% rate.
- 20.10 Music performed live at events covered by APRA's Sporting Code & Events licences, receives a 2x payment weighting compared to the recorded music played by means of a PA system, big screen or similar device.

21. **Distribution – Digital Delivery**

- 21.1 Digital delivery providers (ringtones, music download services) report to APRA each downloaded work's title and performer details, and either the total sales value of the downloaded works in the reporting period (blanket licence) or the sales value of each individual work and production that has been downloaded from their service (transactional licence).
- 21.2 In the case of blanket licences, the reported works share in the blanket licence fees, from which the value of each work is calculated using a combination of download activity and duration. In the case of transactional licences, the sales value of each work is used to calculate its APRA distribution payment.
- 21.3 Works paid as part of the blanket licence distribution receive one credit for each 15 seconds (or part thereof) for durations up to and including 1 minute. Uses between 1 minute 1 second and 5 minutes 59 seconds inclusive receive 12 credits. Durations in excess of 5 minutes 59 seconds receive 4 points per minute for the full duration as used.

- 21.4 All works and productions reported to APRA by providers of digital delivery services that match automatically with payable works and productions contained in APRA's database, are included in APRA's distributions irrespective of the dollar amount to be distributed.
- 21.5 Works and productions that do not match automatically with works and productions in APRA's database are researched for inclusion in APRA's distributions only when the distribution value is over a pre-determined threshold; that threshold being \$15 (this is a combined APRA|AMCOS amount).
- 21.6 Where a match occurs with a work in APRA's database, but the work's sharers have not been identified and the value of the reported usage is over the APRA|AMCOS distribution threshold, the reported work's download statistics and/or sales value are retained in APRA's database and distributed in the first distribution following identification of the writers, publishers and percentage splits.
- 21.7 The distribution values of unmatched or unpayable works that are below the threshold are distributed pro rata across the payable works reported by the same client.

22. **Distribution – Online (including Podcasts & 3G Mobile Services)**

(for the purpose of these Rules, the term 'Online' covers all Internet uses with the exception of Ringtone, Digital Delivery)

- 22.1 Those transmissions analysed within the Online distribution receive one credit for each 15 seconds (or part thereof) for durations up to and including 1 minute. Uses between 1 minute 1 second and 5 minutes 59 seconds inclusive receive 12 credits. Durations in excess of 5 minutes 59 seconds receive 4 points per minute for the full duration as used.
- 22.2 A direct allocation of online licences is used, in accordance with the following:

- 1) In cases where the licence fee **exceeds** \$200;

if the automatic title match rate is 90% or above
or,
if the title match rate is less than 90%, if the per work value is \$5.00 or more.
- 1a) If the licence fee exceeds \$200, but
 - (i) the automatic title match rate is less than 90% and
 - (ii) the per work value is less than \$5.00,
the automatically matched titles will be paid the proportion of the total licence fee attributable to these works.

If the remaining portion of the licence fee attributable to the unmatched titles is over \$200, the remaining sum will be added, where possible, to an existing distribution pool where the music content is most similar.

- 2) In cases where the licence fee **is less than** \$200;

if,
 - (i) the automatic title match rate is 90% or above **and**
 - (ii) the per work value is \$1.00 or more,or

(iii) if the match rate is less than 90%, the per work value is \$5.00 or more.

22.3 Where indicated on licensees' performance logs, the 'number of accesses' is used for the calculation of royalty payments.

22.4 Licence fees received in respect of simulcasts of radio transmissions are pooled with the licence fees received for broadcasts by the relevant station, and are distributed accordingly.

23. **Unlogged Performance Pool**

23.1 The APRA Board has established an Unlogged Performance claim procedure. In accordance with Article 94 and paragraph 1.3 of these rules, claims must be made by any interested persons within three years of the date of the allocation or distribution in which the unlogged performance occurred.

23.2 Unlogged performance claims will be considered by APRA's Membership and Distribution Committee.

23.3 To be eligible for payment from this distribution pool the performance of the particular work must be;

- either a public performance of a work which falls outside of any logging or self-reporting system
- or a recurrent broadcast of a work in a non-rostered period where a sample survey is carried out.

23.4 Applications for Music on Hold performances will not be accepted because there is an existing system of allocation in place for Music on Hold.

23.5 If APRA's Membership and Distribution Committee determines that the value of an unlogged performance claim is less than \$10.00, no payment will be made.

24. **GST**

24.1 If a member is liable to pay goods and services tax (**GST**), APRA must, in addition to any amount payable under these rules, pay the member an amount equal to:

- (a) the GST; less
- (b) any input tax credit to which the Member is entitled in respect of any supply to the Member under this agreement (**Input Tax Credit**),

within 28 days after receiving the member's tax invoice and notice under paragraph 22. 2.

24.2 The member must:

- (a) provide APRA with a tax invoice in accordance with GST law, unless APRA is entitled to issue a recipient created tax invoice; and
- (b) notify APRA whether it is entitled to any Input Tax Credit.

APRA Distribution Practices



First edition published May 2003
Last updated: July 2012

Introduction:

APRA distributes royalties four times a year for most sections of its distribution. Listed below are the various distribution categories indicating their payment frequency – i.e. quarterly, six-monthly or annually.

Distribution frequency by category:

Quarterly (paid in February, May, August and November)

Radio:

Commercial Radio

(commissioned and published music in commercials is paid annually)

ABC Radio

Foxtel & Austar Digital Radio

Community Radio

SBS Radio

TV:

Commercial Television

(commissioned and published music in commercials is paid annually)

ABC Television

Special Broadcasting Services (SBS TV)

Pay Television

New Zealand Television

Asia Pacific Television

Cinema

Distributable Events (including promoted concerts)

Airlines

Nightclubs

Online

Ring Tones & Downloads

YouTube

MySpace

Australian Schools

Aerobics & Fitness

Background Music Suppliers

Music on Hold

Six monthly (paid in May and November)

Churches

New Zealand Schools

Annually (paid in November)

Live Performance Returns (LPRs)

Commercial Radio Jingle Forms

Commercial TV Jingle Forms

Ambient Music claims
School and Tertiary Audio/Visual Licences

APRA 's distributions are identified by a 6-character code e.g. **P1207A, P1207N**

The code is a 6-character string consisting of the elements **PYYMMC**, where:

- **P** is a fixed character indicating this is a performing right royalty distribution.
- **YY** is a 2-digit identifier for the year in which the distribution payment is made e.g. **2012 = 12**
- **MM** is a 2-digit identifier for the month in which APRA's processing of distribution data concludes, and CMS starts running distribution programs to generate member and society payments (please note this is *not* the month of the end of the quarter for which fees are being distributed e.g. **July = 07**)
- Either the letter **A**, signifying Australian royalties; or **N**, signifying New Zealand royalties.

Distribution Periods and Dates:

Performance / Broadcast / Communication date	Distribution Code	Distribution date
January - March	PYY07A and PYY07N	15 Aug
April - June	PYY10A and PYY10N	15 Nov
July - September	PYY01A and PYY01N	22 Feb
October - December	PYY04A and PYY04N	15 May

Distribution payments are made to APRA writer members with accrued earnings of \$1 or more where the writer member has an EFT facility, and to writer members without an EFT facility and to publisher members with earnings of \$10 or more.

Foreign and adjustment earnings are distributed monthly when the distributable amount exceeds \$10.

Under the terms of APRA's licence agreements, music users are obliged to report to APRA details of the musical works for which they have authorised the public performance or transmission. Such reports, whether they are lists of musical works or titles of programmes and films as provided by television stations, are referred to as "logs". APRA uses the information provided by its licensees, together with information from members, affiliate societies and third-parties where appropriate, to identify the copyright owner(s) of each work that has been performed or transmitted, and to calculate their royalty entitlements.

With the exception of Live Performance Returns and Jingle Reporting Forms, works that do not match automatically with works in APRA's database, and works for which a payment division-of-fee cannot be created automatically from a publisher registration, are researched for inclusion in APRA's distributions only when the distribution value is over a pre-determined threshold; that threshold being \$15.

The work title, performance and broadcast data provided by APRA's licensees and other sources is entered into APRA's computer system (known as 'CMS') and, where possible, matched against the approximately 10 million musical works in APRA's database. In the case of television and cinema, reported films and programmes are matched against some 750,000 film and programme titles housed in APRA's computer.

On entry to APRA's computer system, the reported usages are converted to 'credit points' (this is only possible for film and television programmes where a music cue-sheet is on file), which are, at the time of each distribution, given a monetary value.

The method of calculation varies according to the category of licensee (such as, radio, TV, concert, online), but is essentially governed by the duration of each work as used, by the way in which it is used (featured, background, theme, station identification etc.) and, in the case of free-to-air television, by the time of day the broadcast of the work occurs.

In the case of television, the music used in programming, together with its duration and type of use, is most often identified by means of a music cue-sheet. Where a local music cue-sheet for a television programme or film is found by APRA's Monitoring department to be inaccurate, APRA may amend the cue-sheet for distribution purposes, and will notify interested parties of such amendments. In addition, where a high music content, one-off programme has been monitored (i.e., the programme has been taped and its music timed), APRA may create a music cue-sheet for distribution purposes where a cue-sheet cannot otherwise be obtained.

Separate distribution revenue 'pools' are created from the licence fees received from individual licensees (e.g. each commercial radio station) or from groups of similar licensees (e.g. network TV stations) and indeed from all licensees for which a distribution, other than by analogy, is made. To arrive at a monetary value, the aggregate number of credit points in each discrete distribution 'pool' (for works reported to APRA by the relevant music user(s) during each six month APRA distribution period and for any previously unidentified works now payable), is divided into the distributable revenue for that pool to arrive at a dollar value for a single credit point. The calculation of credit points is explained in detail in APRA's Distribution Rules.

The distribution 'value' of each work is then calculated by multiplying the number of credit points it has accumulated in each distribution pool (a work may accumulate credit points in several different pools) by the monetary value of a single credit point in the relevant pool. Each work's total earnings are distributed to the writers and publishers of the work in accordance with the work's payment details (known as the work's "division-of-fee").

There are, inevitably, a number of works each distribution for which the ownership and payment details cannot be identified. Any unidentified work that has a notional value of \$500 or more is referred to APRA's Research Team for special research.

All lower value works are either paid, if possible, in accordance with the international Warsaw Rule (see below) or their performances and credit points are 'carried-over', and the works are listed as unidentified works on APRA's website for identification and claim by members and affiliate societies. Upon identification, a work is paid in the next APRA distribution, at the distribution rates that apply at that time. Performances that remain unidentified after 6 years are removed from the system.

The Warsaw Rule is an international rule adopted by societies around the world and ratified by CISAC. The Rule reads as follows:

"If at the time of distribution there is no documentation available for a work that has been performed or broadcast but if one of the writers is identified as a member or copyright owner belonging to a sister-society, the total royalty payment for this work must be forwarded to this sister-society. The receiving Society will carry out the distribution according to the documentation available to it"

When a work is first identified by APRA as a work that may be distributed in accordance with the Warsaw Rule, it is flagged in CMS. The flag remains during the running of the current distribution, unless a registration is received. A work may be registered at any stage prior to the cut-off date for the following distribution, which will cause a full division-of-fee (DOF) to be added to the work and make a Warsaw Rule payment unnecessary.

If however no claim is received during the processing of the current distribution, the work will appear on APRA's website (following the close of that distribution) for a period of approximately 5 months, for possible identification and claim by APRA's publisher members, until the close off date for the following distribution. Any works listed on APRA's website that have not been registered during that period will be paid under the Warsaw Rule. These works continue to be flagged in CMS as works payable in accordance with the Warsaw Rule until such time as a division-of-fee is added. If a work is registered in a subsequent distribution, a DOF will be attached to the work and no further Warsaw Rule payments will occur.

There are three exceptions to the application of the Warsaw Rule:

- 1) Works written by APRA members, or by writers residing in or citizens of APRA's territories who may be eligible for APRA membership.
- 2) Any work with an estimated value of \$500 or more, which may initially receive a Warsaw flag before its distribution earnings are calculated, will be reported prior to the website listing and will be excluded from this process.
- 3) For technical reasons, it is not possible to apply a Warsaw payment to works that have received a promoter concert performance or an online, ringtone or digital download performance, unless the work was set up as a Warsaw payment in a previous distribution period.

APRA tries wherever possible to ensure that licence fees received from each music user are paid directly to the musical works performed or broadcast by that user, if it is economically feasible to do so. Through the ongoing expansion of electronic reporting methods, APRA continues to be able to process increasing amounts of information in a cost effective way. APRA is, however, mindful to ensure that the cost of collection of performance and broadcast information, and the cost of processing that information for distribution purposes, is commensurate with the value of the licence fees received. APRA's distributions therefore use a combination of techniques:

- a) **direct allocation – blanket** - fees from an individual licensee or a small group of closely connected licensees (e.g. network television stations) are distributed, usually on a 100% (census) analysis basis, to the music used and reported to APRA by that licensee or group of licensees, or in some cases by APRA members and affiliate societies. Individual distribution values are calculated from a single revenue pool based on frequency of use, duration, type of use etc.
- b) **direct allocation – transactional** – as above, but each work carries a discrete distribution value based on the number of sales/usages it has received during the reporting period, as reported to APRA|AMCOS by the licensee.
- c) **sample analysis** - licence fees received from similar music users are 'pooled' and distributed using a sample analysis of their logs,

d) sample/direct allocation – blanket or transactional – licence fees paid by a single licensee (e.g. an individual station or network) are allocated directly to the musical works used by that licensee. However, owing to the characteristics of the licensee, a sample reporting system is used,

f) third-party data – the distribution uses data received from a party other than the actual music user or, in the case of self-reporting systems, the member or an affiliate society, and

g) distribution by analogy - licence fees are added to an existing distribution pool that is most similar in terms of its music content.

Many licensees are now providing reports in computer readable formats (EDI). These standardised formats have been developed by APRA and AMCOS to enable the cost effective processing of large quantities of data, not hitherto possible with paper based reports and the manual data entry they require.

This document should be read in conjunction with APRA’s Distribution Rules.

The table below shows the total number of broadcast hours analysed per annum for each of APRA’s major radio and television distribution categories.

Distribution Analysis Data for APRA’s Major Radio & Television Categories

Radio:		No. of Hours
Australian Commercial	EDI census for 254 stations – 13,208 weeks p.a. in total. Paper reports from 4 city stations - 12 weeks p.a. each, total 48 weeks p.a.	2,235,000
ABC (Classic, FM, JJJ, RN, Local., PNN, JJJ Unearthed, DIG, DIG Jazz and DIG Country)	Census for all electronic playlists and music based programmes, additional paper reports from Triple J and Metro. Paper only from Classic FM, RN and PNN. Approx. 95% analysis overall.	75,000
Australian Community and ATSI	Sample of stations paying >\$4,000 p.a. EDI & paper logs up to 4 weeks p.a. each.	13,300
SBS 2EA/3EA	Sample. 1 week in 4 for most languages.	4,300
New Zealand National Network	Census for EDI playlists + 12 weeks paper reports p.a.	8,000
New Zealand Concert Network	Sample. Paper logs 13 weeks p.a.	2,200
New Zealand Commercial	EDI census for 28 stations	244,600
New Zealand Maori stations	Sample. 40 weeks p.a.	6,700
New Zealand Student stations	Sample. 20 weeks p.a.	3,400
Total Radio hours = c.2.6 million		
Television:		
Australian Commercial	Census (EDI) – Networks 7, 9, 10, Affiliates and Unaffiliated stations. <u>Digital Channels</u> 7TWO & 7MATE (Net. 7), GEM & GO! (Net. 9) & ONE & ELEVEN (Net. 10) - Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	908,500 33,000
ABC1, ABC2, ABC3 & ABC4	ABC1 – full Census – EDI. <u>Digital Channels</u> ABC2, ABC3 & ABC4 (News 24) – Census for auto-matched (EDI) programmes. 1 week in 4 for new programmes.	8,700 16,500
SBS1 & SBS2 (Digital)	Census for auto-matched (EDI) programmes. 1 week in	11,000

	4 for new programmes.	
New Zealand TV1	Census - EDI	8,700
New Zealand TV2	Census - EDI	8,700
New Zealand TV3	Sample. 26 weeks p.a.	4,300
New Zealand TVU (pka TV6)	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
New Zealand TV7	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
New Zealand FOUR TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
New Zealand Maori TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
Australian Pay-TV	Census EDI reports from 59 channels, plus promos only from a further 7 channels.	472,200
NZ Sky TV	Census EDI for 15 channels. 1 week in 4 for 2 channels.	100,500
Total TV hours = c. 1.6 million		

INDEX

This INDEX lists the sources of APRA's revenue from Australian and New Zealand licence fees and includes payments received from affiliate societies overseas for the use of Australasian music in their territories of administration. The distribution process for each income source is explained in the following pages. Please refer to the corresponding Section and Page numbers.

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Radio - Australia:				
1. Australian Commercial Radio	254	direct allocation (see section for special treatment of music in commercials)	0	15
2. ABC	1	direct allocation blanket & by analogy	0	18
3. SBS	1	sample analysis	0	19
4. Community Radio (Permanent)	271	sample analysis & by analogy	0	20
5. Community Radio (Temporary)	61	by analogy	0	21
6. Narrowcast Radio	102	direct allocation - blanket & by analogy	0	21
For Austar & Foxtel Digital Radio , see the Australian Pay TV section of this document.				
Radio - New Zealand:				
7. New Zealand Commercial Radio	2 networks, plus ²⁷ independent stations	direct allocation - blanket (see section for special treatment of music in commercials)	0	22
8. New Zealand Public Radio			0	23
- NZ National Radio	1	direct allocation - blanket	0	23
- NZ Zealand Concert Radio	1	sample/direct allocation - blanket	0	23
9. NZ Maori Radio	20	sample analysis	0	23
10. NZ Student & Access Radio	10	sample analysis	0	23

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
11. NZ Community radio (low powered)	25	n/a	0	24
Television - Australia:				
12. Australian Commercial Television	46	(see this section for special treatment of music in commercials)	0	24
Network 7 7TWO & 7MATE		direct allocation - blanket (capital city, network stations) sample analysis (affiliated stations)	0	24
Network 9 GEM & GO!		direct allocation - blanket (capital city, network stations) sample analysis (affiliated stations)	0	24
Network 10 ELEVEN & ONE		direct allocation - blanket (capital city, network stations) sample analysis (affiliated stations)	0	24
Unaffiliated Stations		sample analysis	0	24
13. Australian Pay TV	9	direct allocation - blanket	0	26
14. ABC TV – ABC1, ABC2, ABC3 & ABC4 (News 24) (including Australia Network p.k.a. Asia Pacific Television)	1	direct allocation - blanket	<u>14</u>	28
15. SBS TV - SBS1 & SBS2	1	direct allocation - blanket	<u>15</u>	29
16. Community Television	5	by analogy	<u>16</u>	30
17. NITV (National Indigenous Television)	1	direct allocation - blanket	<u>17</u>	29

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Television – New Zealand:				
18. TVNZ - TV1, TV2, U & TV7	1	direct allocation - blanket (see section for special treatment of music in commercials)	0	30
19. NZ Commercial Television – TV3	1	sample/direct allocation - blanket (see section for special treatment of music in commercials)	0	32
20. NZ Commercial Television – FOUR	1	direct allocation - blanket	0	32
21. NZ Commercial Television - Prime	1	by analogy	0	32
22. NZ Maori TV	1	direct allocation - blanket	0	33
23. NZ Pay TV (Sky)	1	direct allocation - blanket	0	33
NON-BROADCAST CATEGORIES.				
24. Airlines:			0	
(GNA)				
Qantas	1	direct allocation - blanket	0	33
Virgin Blue	1	direct allocation - blanket	0	34
Jetstar	1	Not currently analysed for distribution purposes.	0	34
Air New Zealand	1	direct allocation - blanket	0	33
25. Ambient Music:			0	35

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Australia The sum of \$86,300 is deducted from the Australian Background music pool prior to the allocation of this pool to Australian radio.		direct allocation - blanket & third-party data	0	35
New Zealand The sum of \$5,000 is deducted from the New Zealand Background music pool prior to the allocation of this pool to New Zealand radio.		direct allocation - blanket & third-party data	0	35
26. Background Music: Mood Media (DMX), SMA, Coles, BigW, SBA and Marketing Melodies.	Total – 7,930	direct allocation - blanket	0	36
27. Churches: (GNW)			0	36
Australia	1,745	third-party data	0	36
New Zealand	38	n/a	0	36
28. Cinema: (C, GCFE)			0	36
Australia	218	third-party data	0	36
New Zealand	25	third-party data	0	36
Film Festivals	varies	by analogy	0	36

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
29. Concerts & Promoted Events:				
(GCCE, GCFF, GCLB, GCLF, GCLN, GCNF, GCDP, GCSF)				
Australian Promoter Concerts	varies	direct allocation (where value of licence is \$200 or more)	0	38
Australian Sporting Codes & Events (GCSM)	47	direct allocation where value of licence is \$200 or more)	<u>29</u>	37
New Zealand Promoter Concerts	varies	direct allocation (where value of licence is \$200 or more)	0	37
Symphony Orchestras	5	direct allocation - blanket	0	37
NZ Symphonic & Auckland Philharmonic	2	direct allocation - blanket	0	37
<hr/>				
30. Nightclubs (Discos):				
GFN Australia	1,230	third-party data	0	39
GFD New Zealand	239	third-party data	0	39
<hr/>				
31. Featured Recorded Music				
(GFR)	751	third-party data	0	39
<hr/>				
32. Fitness & Aerobic Classes:				
(GFAC)				
Australia	1,117	third-party data & by analogy	0	40
New Zealand	208	third-party data & by analogy	0	40

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
33. Music on Hold: (GMH)				
Australia	6,528	by analogy & direct allocation	0	40
New Zealand	636	by analogy & direct allocation	0	40
34. Live Performance Returns (LPRs):		direct allocation	0	41
See Section 41 below for information regarding the allocation of licence fees to the Live Performance Pool.				
35. <u>Online, Ringtone, Podcast, 3G Mobile & Digital Delivery Services</u>				
Online (including the ABC Website and commercial/community radio simulcasters) Australia & New Zealand	200	sample or by analogy, depending on circumstances	0	44
Podcasters	10 Aust.	sample or by analogy, depending on circumstances	0	44
3G Mobile Services	4 Aust.	sample or by analogy, depending on circumstances	0	44
ABC Online	1	Sample/direct allocation – blanket	<u>35</u>	42
Ringtones and Ringback (aka Callback)	12 Aust. 3 NZ	Direct allocation - transactional	0	44
Digital Delivery	43 Aust. 6 NZ	Direct allocation transactional	0	43
Digital Delivery Includes YouTube and MySpace Music	2	Direct/ blanket as applicable	<u>35</u>	43
Music Distribution Services	11	Used where client supplies music updates to stored services via a communication (e.g. digital background music or jukebox services).		

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Miscellaneous	6	Licence specific will vary from agreement to agreement. Would include Bus Video licence.		
36. School & Tertiary (GNS)				
Australia	27 educational organisations	third-party data	0	45
New Zealand	2,578 schools	sample & third-party data	0	45
37. Background Music¹:				
		by analogy		
Australia	40,000		0	46
New Zealand	4,058		0	46
38. Community Groups & Eisteddfodau: (GNG, GNQ)				
		by analogy		
Australia	1,292		0	46
New Zealand	68		0	46
39. Dance Schools: (GND, GNLC)				
		by analogy		
Australia	2,521		0	46
New Zealand	132		0	46
40. General Live: (GLA)				
		by analogy		
Australia	4,585		34	40
New Zealand	647		34	40

¹ Licence fees received for television sets are added to APRA's television pools rather than radio pools for distribution. Licence fees received for Video Juke Boxes, Video Tape Players and Large Screen Televisions are added on a 1/3rd basis to the music used in the music television programmes "Rage" , "Music Max" and "Channel V".

REVENUE SOURCE	LICENSEES (approx no.)	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
41. Halls & Functions: (GNH)		by analogy		
Australia	1,562		0	46
New Zealand	146		0	46
42. Karaoke:		by analogy		
Australia	844		0	46
New Zealand	184		0	46
43. Music in the Workplace: (GNB)		by analogy		
Australia	445		0	46
New Zealand	18		0	46
44. Payments From Affiliate Societies		direct allocation - blanket	0	46
Affiliate Societies distribute royalties to APRA according to their own distribution rules and in accordance with CISAC guidelines.				

EXPLANATION OF DISTRIBUTION PROCESSES

AUSTRALIAN COMMERCIAL RADIO

Direct Allocation - Blanket

The large majority of Australian Commercial radio stations provide electronic reports to APRA covering 12 months a year on a quarterly basis. The stations' reports include; the title of each musical work broadcast during the reporting period, the names of the composer/s and performer/s of each work, the duration of each work as broadcast and the number of times each work was played during the reporting period.

These quarterly electronic reports are supplemented by paper reports detailing music played outside of their computer playlist systems, and also include music used in programme themes, promos, station ID's and production music used in radio commercials made by the station or a related production facility. Paper reports are provided on a sample basis, with metropolitan stations providing 12 weeks a year and country stations 4 weeks a year. A very small number of stations, about five in total, provide paper reports only.

The licence fees paid by each of the 254 stations in this category, which includes a number of digital stations, are distributed directly to the musical works broadcast by each station. For example, the licence fees paid to APRA by 2MMM in Sydney are distributed only to the works broadcast by 2MMM. Similarly, the licence fees paid by SAFM in Adelaide or 2BDR in Albury or 3CCS in Colac are paid directly to the composers and publishers of the music broadcast by these individual stations.

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

Approximately, 2,600,000 radio broadcast hours are reported to APRA each year and analysed for APRA's distribution. This represents over 26,000,000 individual broadcasts of musical works a year. The titles reported by the stations are matched against the approximately 5.5 million musical works housed in APRA's database. An automatic title match rate of approximately 90% is achieved, rising to over 99% after research by APRA staff.

Music in Commercials

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from questionnaires completed periodically by commercial radio stations, which identify the amount of advertising on each station and the proportionate use of commissioned, published and production music.

The size of the 'jingle' pool is determined by calculating the amount of music in commercials as a percentage of total music broadcast hours on radio. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules, is then deducted from total Australian Commercial radio revenue. The resultant pool is then separated into two individual pools, one for commissioned and published music, and one for production music. The main pool is separated in this way because the source of distribution data and, consequently, the distribution procedures for commissioned/published and production music differ.

Commissioned and Published Music - Third-Party Data

APRA Jingle Forms are completed by writer and publisher members and by affiliate societies, who identify 'National', 'State' or 'Local' use for each commercial for which they (or, in the case of affiliate Societies, their members) have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 100 credit points as it is potentially available to 100% of the Australian population. Similarly, a NSW state commercial is allocated 33.9 points, as the population of NSW is 33.9% of the Australian population. The number of credit points to be allocated for each State and territory is calculated in this way. The population figures are obtained from the Australian Bureau of Statistics.

The calculation for 'Local' advertisements is somewhat more complicated, as it takes into account the number of city stations and the number of country stations in each state, the population percentage of the state, and then applies a weighting in accordance with average APRA licence fees for city and country stations.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next Quarterly distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the Jingle Reporting Forms and detailed Guidelines for their completion are contained on APRA's website. Details can be found in the Members' section of the site under 'Forms and Guidelines'.

Production Music - Sample Analysis

Production music used in radio advertisements is reported by stations and included in their paper logs. Each station is required to report the titles of the production music works that have been included in a radio commercial made by the station or by a related production facility during the station's APRA's rostered weeks. The stations report the number of days that each commercial has gone to air, and this information is used in lieu of performances for distribution purposes. APRA analyses this data on the basis of 1 week per quarter for City stations and 1 week per alternate quarter for Country stations.

Because details of production music are reported with each station's APRA logs, payment of this sub-pool is included in both APRA's Quarterly distributions.

ABC RADIO

Direct Allocation - Blanket

There are seven domestic ABC radio networks plus four digital networks. With the exception of regional stations in the Local Radio network and Radio Australia, each domestic network receives a direct allocation on a census (or close to census) basis. The ABC's licence fees attributable to their radio services are allocated to each network using a combination of the total duration of copyright music broadcast and the 5 capital city cumulative audience ratings published by Nielsen.

Music contained in station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

Triple J – A full census analysis is undertaken of Triple J's computerised playlist. Electronic reports are provided to APRA monthly and analysed in exactly the same way as commercial radio.

In addition, a full census (100%) analysis is made of the music based programmes;

Friday Night Shuffle
Hip Hop Show
Home & Hosed
House Party
Mix Up
Mix Up Exclusive
Roots n All
Short Fast Loud
Soundlab

For the dance music programmes 'Mix Up' and 'The Club', a full report of all tracks selected by the producer/presenter is provided to us – together with approximately 50% of guest setlists (usually overseas DJ's).

Although unscheduled music used in non-music programmes is not reported, the significant increase in APRA's level of analysis has increased total reporting from approximately 95% to very close to 100% of music played.

Local Radio (metro) – Music broadcast details are reported electronically for 52 weeks per year. Data is provided from the Metros' central playlist, which covers virtually all music going to air.

Radio National – The ABC provide paper logs only. These report 100% of the music used in music or music-rich programmes, but do not include music that may occasionally be included in other programming. This method of reporting covers approximately 90% of all music broadcast by this network.

ABC Classic FM – Music broadcast details are downloaded by APRA from the ABC website on a 100% basis, and converted into data that can be matched automatically against APRA's database of musical works.

ABC News Radio (PNN) – Only uses themes and radio promos. Full details of this music are provided by the ABC.

JJJ Unearthed, DIG, DIG Jazz & DIG Country – Provide electronic broadcast reports, which are analysed on a census basis.

Distribution By Analogy

Local Radio (regional) – The programming of these stations is similar in content to the metro stations. Music broadcast logs are not received from regional local radio stations whose licence fees are added to the metros’ pool and distributed using the logs received from the metro stations.

Radio Australia – There is no separate ABC licence fee for this service. The majority of music content broadcast by Radio Australia is also broadcast on other ABC radio networks and is included in APRA’s distributions as a result.

SBS RADIO – 2EA and 3EA

Direct Allocation - Blanket

Programmes broadcast on the Sydney AM/FM & Melbourne AM/FM frequencies are networked – the programmes are prepared by one centre and broadcast in both Melbourne & Sydney.

The national frequency is a shared AM/FM frequency and is received in the following areas –

- Adelaide 106.3fm
- Adelaide Foothills 95.1fm
- Bathurst 88.9fm
- Brisbane 93.3fm
- Canberra 105.5fm
- Darwin 100.9fm
- Hobart 105.7fm
- Newcastle & Hunter Valley 1413am
- Perth 96.9fm
- Wagga Wagga 103.5fm
- Wollongong 1485am
- Young (NSW) 98.7fm

The programmes broadcast on the national frequency are taken from the Sydney and Melbourne AM/FM frequencies.

All languages, for which the corresponding territory has a copyright law and performing right society, are analysed 1 week in 4.

SBS radio broadcasts in approximately 70 languages, including English. The SBS provides APRA with broadcast information for both the AM and FM networks, and the languages (in addition to English) that are included in APRA’s distribution analysis are shown below:

Aboriginal	Bulgarian
Arabic	Cantonese
Bengali	Cook Island Maori
Bosnian	Croatian
	Czech

Danish
Dutch
Estonian
Fijian
Filipino
Finnish
French
German
Greek
Hebrew
Hindi
Hungarian
Indonesian
Irish
Italian
Japanese
Korean
Latvian
Lithuanian
Macedonian

Malay
Mandarin
Maori
Maltese
Norwegian
Polish
Portuguese
Romanian
Russian
Samoan
Serbian
Slovak
Slovenian
Spanish
Swedish
Thai
Tongan
Turkish
Vietnamese
Yiddish

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

COMMUNITY RADIO (permanent)

Sample Analysis & Distribution By Analogy

There are approximately 270 community radio stations holding permanent ABA licences. Total APRA licence fees are quite low, reflecting the non-commercial and often voluntary nature of these stations. Consequently, APRA's level of music analysis is commensurately small and, of economic necessity, based on a sample analysis system.

An analysis of the music played by stations paying an APRA licence fee of A\$4,000 or more is made for APRA's distribution, based on a sample constructed by ACNielsen. Each selected station provides APRA with four weeks logs per annum, either electronically or on paper. The number of logs actually used from each station for distribution analysis (which ranges from 1 week to 4 weeks a year) depends on the size of each station's APRA licence fee.

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

An amount (3.35%) is deducted from the community radio pool in respect of unreported production music use on community stations. The amount deducted is added to Australian Commercial Radio Library Jingles, being considered the most analogous existing distribution pool.

Community stations are separated into four discrete pools –

Pool 1 includes stations categorised as Fine Music, General, Alternative and University/Independent. The structure of this pool in terms of the (licence fee based) weighting given to the four sub-categories and the weighting given to each selected station was determined by ACNielsen.

Pool 2 separates ATSI (Aboriginal and Torres Strait Island) community stations so that the licence fees paid by these stations are distributed only to the music broadcast by this type of station.

Pools 3 and 4 contain Christian and Christian Rhema stations so that, as with the ATSI stations, the music reported by the Christian stations shares in the licence fees paid by all Christian stations and the music reported by the Christian Rhema stations shares in the licence fees paid by all Christian Rhema stations.

The licence fees paid to APRA by all non-English programme community stations are added to the distribution pool for SBS Radio, who provide APRA with logs for their foreign language broadcasting services.

COMMUNITY RADIO (temporary)

Distribution By Analogy

There are approximately 60 temporary community stations in Australia. These stations hold ABA licences that allow them to operate for periods of up to 12 months, either on a continuous basis or on a shared basis with other stations depending on the availability of frequencies in the area.

No logs are received from these stations while they hold temporary status, and their licence fees are added across the permanent stations' pools on a pro rata basis.

NARROWCAST RADIO

Direct Allocation - Blanket & Distribution By Analogy

Include tourist radio stations, specialist language stations, racing radio stations etc. There are 113 such stations licensed by APRA. As with Community radio, an analysis of the music played by stations paying an APRA licence fee of A\$4,000 or more is made for APRA's distribution. There are, however, currently no stations receiving individual distribution analysis. With the exception of non-English stations noted below, the licence fees paid by narrowcast stations are currently added to the Australian Commercial radio stations for distribution.

The licence fees paid to APRA by all non-English programme narrowcast stations are added to the distribution pool for SBS Radio, who provide APRA with logs for their foreign language broadcasting services.

NEW ZEALAND COMMERCIAL RADIO

Direct Allocation - Blanket

A full census of the music broadcast by NZ Commercial radio stations is reported to APRA electronically.

There are approximately 54 stations, but many of these are fully networked and broadcast the same music. APRA therefore often receives one report to cover a number of stations.

As with Australian Commercial radio, the quarterly electronic reports are supplemented by paper reports detailing music used in programme themes, promos, station ID's and production music used in radio commercials made by the station or a related production facility, which are not currently able to be reported electronically. These are provided on a sample basis, four weeks a year.

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

Music in Commercials

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the 'jingle' pool is determined by calculating the amount of music in commercials as a percentage of total music broadcast hours on radio. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules, is then deducted from total New Zealand Commercial radio revenue. The resultant pool is then separated into two individual pools, one for commissioned and published music, and one for production music. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

Commissioned and Published Music - third-party data -

APRA Jingle Forms are completed by writer and publisher members and, indeed, by affiliate societies, who identify National, North Island, South Island or Regional use for each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of population. That is, a 'National' commercial is allocated 24 credit points, a North Island only commercial is allocated 16 points, and a South Island only commercial is allocated 8 points.

Similarly, regional only advertisements receive credit points based on the size of the region in which the commercial is broadcast.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next 'Annual' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the relevant forms and guidelines for their completion are available from APRA's New Zealand office.

Production Music – **sample analysis** –

Production music used in radio advertisements is reported by stations and included in their paper logs. Each station is required to report the titles of the production works that have been included in a radio commercial made by the station or by a related production facility during the station's APRA's rostered weeks. The stations report the number of days that each commercial has gone to air, and this information is used in lieu of performances for distribution purposes.

Because details of production music are reported with each station's APRA logs, payment of this sub-pool is included in APRA's Quarterly distributions.

NEW ZEALAND PUBLIC RADIO

These stations are different in nature to the Australian public (community) radio stations. There are two networks ("National" and "Concert") which are funded by the New Zealand government.

Music usage reports are received from the National network electronically and on a census basis. Royalties are distributed by **direct allocation - blanket**

The Concert ('serious' music) network is subject to a **sample/direct allocation - blanket** distribution. Paper logs are provided for 13 weeks per year.

An additional analysis is undertaken of Australian and New Zealand content broadcast during non-sampled weeks, however. This music is included in the distribution, but is weighted to ensure that it is not paid at the higher sample rate.

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

NEW ZEALAND MAORI RADIO

Sample Analysis

Music details are provided by each station on a small sample basis (reflecting the low licence fees involved). Stations provide music broadcast data for 1 week per six month period.

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

NEW ZEALAND STUDENT & ACCESS RADIO

Sample Analysis

Music details are provided by each station on a small sample basis (reflecting the low licence fees involved). Stations provide music broadcast data for 1 week per six month period.

Music contained in advertisements, station IDS, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

NEW ZEALAND COMMUNITY RADIO (LOW POWERED)

As licence fees are negligible, no logs are received nor distribution analysis conducted.

AUSTRALIAN COMMERCIAL TELEVISION

- **direct allocation - blanket** - (Networks 7, 9 and 10 capital city stations, and digital channels)

- **sample analysis** - (all other stations)

EDI Stations:

Electronic logs are provided for each Network 7 and Network 10 capital city station and for the Network 9 stations, TCN (Sydney), GTV (Melbourne) and QTQ (Brisbane) on a full census (i.e., 100%) basis. As a consequence, all programmes and interstitial material (promos, ID's etc.) broadcast by these network stations are included in APRA's distribution analysis.

Digital TV channels also provide electronic logs for 52 weeks per year. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary. For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

Commercial television revenue is allocated across 7, 9 and 10 stations and their respective digital channels (in separate pools) on the basis of relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

Sampled Stations:

Network 9 affiliated stations in Adelaide & Perth, and 7, 9 and 10 regional affiliates, as well as a small number of Unaffiliated stations continue to provide paper logs on a sample basis.

The number of times each station is sampled, to a maximum of thirteen weeks per station (all sampled Australian Commercial television stations provide a total of thirteen log weeks per annum), is determined by the size of their APRA licence fee.

Weighting factors, calculated by APRA's statistician, are applied to each station to ensure that the number of sample weeks included in the distribution exactly match their share of distributable revenue.

Music in Commercials

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from extensive taping and timing of advertisements by APRA's Performance Verification Department. Several hundred advertisements broadcast on selected city and country television stations were taped, and the music content of each commercial timed and analysed.

The size of the 'jingle' pool is determined by calculating the amount of music used in commercials as a percentage of total music broadcast hours on TV. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules*, is then deducted from total Australian Commercial television revenue. The resultant pool is then separated into individual pools for commissioned and published music, and for production music, based on the timing and music analysis of each commercial referred to above. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

*Music contained in advertisements (including 'infomercials') and public service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

Commissioned and Published Music – third-party data

APRA Jingle Reporting Forms (JRF's) are completed by writer and publisher members and, indeed, by affiliate societies, who identify 'National', 'State' or 'Local' use for each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 100 credit points, as it is potentially available to 100% of the Australian population. Similarly, a NSW state commercial is allocated 33.9 points, as the population of NSW is 33.9% of the total number of people in Australia. The number of credit points to be allocated for each State and territory is calculated in this way. The population figures are obtained from the Australian Bureau of Statistics.

The calculation for 'Local' advertisements is somewhat more complicated, as it takes into account the number of city stations and the number of country stations in each state, the population percentage of the state, and then applies a weighting in accordance with average APRA licence fees for city and country stations.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next 'Annual' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Infomercials – Jingle Reporting Forms should be provided to APRA in the case of Infomercials with a broadcast duration of less than 20 minutes. Interstitials with these shorter durations may not be reported on television stations' APRA logs, and the provision of Jingle Reporting Forms will ensure a distribution payment can be made.

Copies of the Jingle Reporting Forms and detailed Guidelines for their completion are available on APRA's website. Details can be found in the Members' section of the site under 'Forms and Guidelines'.

Production Music – third-party data

Production music is paid for its use in advertisements broadcast on Australian commercial television using data provided to APRA by AMCOS. Under the AMCOS licence, stations, studios etc. are required to advise AMCOS of the production music reproduced into television commercials.

APRA is copied with this information twice a year and distributes the production music pool to the works reported to AMCOS. The AMCOS report identifies the number of commercials each production work has been used in during the relevant period.

AUSTRALIAN PAY TV (cable and satellite)

Direct Allocation - Blanket

The APRA distribution includes channels where music usage is generally highest. Most narrowcast, business, news, weather and sport channels (see below re. promos and ID's) are not included in APRA's analysis. Programme, music and interstitial details for 54 channels (excluding time-shifted channels) are reported to APRA electronically on a full census basis by the pay TV operators.

The following channels, carried on the Austar and Foxtel pay TV platforms, are included in APRA's distributions[†]. Time-shifted (i.e., "+2"), and identical HD channels are not listed separately. Foxtel's and Austar's digital services commenced on the 14th March 2004.

[V]
[V]2
111 Hits
13th Street
A&E HD
Animal Planet
Arena
Australian Christian Channel
BBC Knowledge
Biography
Box Office
CBeebies
comedychannel
Country Music Channel (CMC)
Crime & Investigation
Disney Channel

[†] Where relevant cue-sheets are in APRA's computer database at the time of logging the performance.

Disney Playhouse
Discovery
Discovery Home & Health
Discovery Science
Discovery Travel & Living
Discovery Turbo
FMC (Family Movie Channel)
Fox 8
Fox History
Fox Kids/Fox Classics
Fuel
How To
Lifestyle
Lifestyle Food
Lifestyle Home
Lifestyle You
Movie Greats
Movie One
Movie Extra
MTV
MTV Classics
MTV Hits
musicMax
National Geographic
Nat Geo Wild
Nat Geo Adventure
Nick Jr.
Nickelodeon
Playhouse Disney
Sci-Fi Channel
Showtime
Showtime Action
Showtime Comedy
Showtime Drama
Showtime Greats
Speed
Starpics
Studio
TCM (Turner/TNT)
TV1
W
UKTV
Universal
World Movies

In addition to the two main operators mentioned above, licence fees are also received from Sky Channel for the transmission of their programming to hotels and clubs etc. See below for details.

APRA receives and includes in its distributions, electronic reports for interstitial material (promos, station ID's etc.) for sport channels, which use relatively little music, which do not otherwise receive a distribution analysis.

Because of the large number of channels and the enormous amount of data sharing in the licence fees paid by the pay TV operators Foxtel and Austar, the per-minute distribution value is extremely low – less than \$1 per minute.

The licence fees received from the pay TV operators are allocated to each channel in direct proportion to the amount of music used. Most channels are carried by the three operators. The music broadcast by each channel receives a share of the APRA licence fees paid by each operator that carries it.

Commercials – distribution by analogy –

A proportion of pay TV revenue is deducted for allocation to the music used in commercials. Owing to the relatively small number of commercials and the low licence fees involved, however, the deducted amount is added to the commercial television pool for music used in advertisements.

SkyChannel – distribution by analogy (use in hotels and clubs only) –

Skychannel broadcasts horse racing into pubs, clubs and homes. Licence fees received from SkyChannel for use in hotels and clubs are added to the general pay TV pool and distributed across the analysed programming.

UBI World TV

UBI is a Multicultural broadcaster, broadcasting a range of foreign channels across a number of languages.

No individual reporting or distribution analysis is currently undertaken. Licence fees are added to the Special Broadcasting Service television pool for distribution based on SBS TV programming.

Digital Radio – direct allocation - blanket –

A full analysis is made of the music used on Austar's and Foxtel's digital radio channels. Separate distribution pools are calculated and the amounts are deducted from the monies allocated to the pay TV channels. Although these channels form part of Austar's and Foxtel's subscription services, distribution payments are calculated in exactly the same way as all other radio. Earnings are reported in the 'Radio' column of APRA's distribution statements.

ABC TELEVISION

ABC1

Direct Allocation - Blanket

ABC television broadcasts are analysed for 52 weeks per annum. The majority of programmes are screened throughout the network and are consequently fully included in APRA's distributions. The programme and music usage reports are received electronically each month.

State based programming is also included in APRA's distributions. These programmes are reported separately. Their distribution values are weighted in accordance with the population of each state, so that payment is directly proportional to the value of nationally broadcast programmes.

ABC television revenue is allocated across ABC1 and the digital channels on the basis of relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

ABC2, ABC3 and ABC News 24

Direct Allocation - Blanket

The ABC provides APRA with full electronic logs for all programmes and interstitials broadcast on ABC2, ABC3 and News 24. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

Australia Network (pka Asia Pacific Television) – Electronic logs provide music details on a census basis. Themes which are not broadcast on ABC free-to-air TV are also reported, but on paper.

SBS TELEVISION

SBS1 and SBS2

Direct Allocation - Blanket

SBS television is a multicultural broadcaster and provides logs to APRA for their programming in a large number of languages. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

SBS television revenue is allocated across SBS1 and SBS2 on the basis of relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

It should be noted that music cue-sheets are unobtainable in respect of languages for which the corresponding territory has no copyright law or performing right society.

Commercials – distribution by analogy –

A proportion of the SBS TV revenue is deducted for allocation to the music used in commercials. Owing to the relatively small number of commercials and the low licence fees involved, however, the deducted amount is added to the commercial television pool for music used in advertisements

AUSTRALIAN COMMUNITY TELEVISION

Distribution By Analogy

There are 4 community television stations licensed by APRA. None has to date shown itself to be commercially viable and very low licence fees (if any) are being paid by these stations. There is no separate analysis of these stations for distribution purposes owing to the small fees involved. The licence fees we do receive are currently added to the Australian Commercial television pools for distribution.

NITV (NATIONAL INDIGENOUS TELEVISION)

Direct Allocation - Blanket

National Indigenous Television (NITV) is a not for profit public company that provides a nationwide Indigenous television service by cable, satellite and terrestrial transmission means and selected on line audio visual content. The content for these services is primarily commissioned or acquired from the Indigenous production sector.

NITV provides electronic programme files to APRA for 52 weeks per year. Music cue-sheets are acquired for the indigenous programming and are added to APRA's distribution database. Music and programmes contained on NITV's electronic files that match automatically with APRA's database are included for payment in APRA's distribution.

The NITV licence fees are paid directly to the music used in the programmes screened by NITV.

TELEVISION NEW ZEALAND – TV1, TV2, U (pka TV6) & TV7

Direct Allocation - Blanket

TV1 and TV2 programming is included in APRA's distributions on a full census basis. That is, 52 weeks' logs from both stations are used for APRA's distributions. TVNZ provide electronic logs, enabling automatic matching of music and programme titles against APRA's database.

The TVNZ licence fees are paid directly to the music used in the programmes screened by these stations.

The EDI files for TVU and TV7 are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

New Zealand television revenue is allocated across TV1 and TV2 and the digital channels on the basis of relative audience sizes and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

Music in Commercials

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from extensive taping and timing of New Zealand television programming. Over 190 hours of NZ television were taped, and the music content of each commercial timed and analysed.

The size of the 'jingle' pool is determined by calculating the amount of music used in commercials as a percentage of total music broadcast hours on TV. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules, is then deducted from total NZ Commercial television revenue. The resultant pool is then separated into individual pools for commissioned and published music, and for production music, based on an analysis conducted for APRA's New Zealand office. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

Music contained in advertisements (including 'infomercials') and public service announcements receives 7.5% of a full Featured credit (i.e. 50% of a Background credit) for each second of duration.

Commissioned and Published Music – third-party data –

APRA Jingle Forms are completed by writer and publisher members and, indeed, by affiliate societies, who identify National, North Island or South Island use in respect of each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 3 credit points, a North Island commercial 2 credit points and a South Island commercial 1 credit point.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next 'Annual' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the relevant forms and guidelines for their completion are available from APRA's New Zealand office.

Production Music – third-party data –

As with Australian commercial television, production music is paid for its use in advertisements broadcast on NZ commercial television using data provided to APRA by AMCOS. APRA is copied with this information twice a year and distributes the production music pool to the works reported to AMCOS. The AMCOS report identifies the number of commercials each production work has been used in during the relevant period.

NEW ZEALAND COMMERCIAL TELEVISION – TV3

Sample/Direct Allocation - Blanket

TV3 provides paper programme logs to APRA for 26 weeks per year, as selected by ACNielsen. The TV3 licence fees are paid directly to the music used in the programmes screened by this station/network.

The selected weeks are not always alternate, but are subject to some variation (“random noise”) throughout the year to allow for any regular, perhaps bi-weekly, events.

The credit points allocated to the works sharing in the TV3 revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

Music in commercials – a separate pool is calculated for music in commercials, as described in the TV1/TV2 section above.

NEW ZEALAND COMMERCIAL TELEVISION – FOUR

Direct Allocation - Blanket

FOUR provide their broadcast data to APRA|AMCOS by means of electronic files. Their EDI files are matched against APRA’s database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA’s computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA’s database are included in the distribution.

The credit points allocated to the works sharing in the FOUR revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

NEW ZEALAND COMMERCIAL TELEVISION – C4

Owing to very low licence fees, C4 is not currently included in APRA’s distribution analysis.

NZ COMMERCIAL TELEVISION – PRIME (recently purchased by Sky TV in New Zealand)

Distribution By Analogy

Licence fees received from Prime are very low in relation to most other television payments. No direct reporting or analysis is undertaken, with licence fees currently being added to the TV3 pool.

A distribution reporting system is currently being developed.

NZ MAORI TV

Direct Allocation - Blanket

Maori TV provide their broadcast data to APRA|AMCOS by means of electronic files. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

The credit points sharing in the Maori TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

NZ PAY TV – NZ Sky TV

Direct Allocation - Blanket

As with Australian pay TV, the APRA distribution currently includes specific types of channels in its distribution where music usage is generally highest. Narrowcast, business, news, weather channels etc. are not included in APRA's analysis. Programme and/or music and interstitial details for the following 19 channels are either reported electronically to APRA on a full census basis by the pay TV operators or are copied over from the Australian analysis to share in the licence fees paid by NZ Sky TV. The following channels are included in APRA's distributions:

- BBC Knowledge
- Animal Planet
- Crime & Investigation
- Discovery
- Disney
- History
- Juice
- J2
- MGM
- MTV NZ
- Nickelodeon
- Playhouse Disney
- Rialto
- The Box
- Sky Movies
- Sky Movies 2
- Sky Greats
- TCM

UKTV
Universal

In addition, promos screened on the sports channels are included in APRA's distributions.

NON-BROADCAST CATEGORIES

AIRLINES

Qantas

Direct Allocation - Blanket

Audio - Electronic logs are received on a quarterly basis covering all music played on Qantas' in-flight audio systems.

Video - In-flight film and television programming is reported to APRA by a combination of electronic and paper reports and in-flight magazines.

Qantas licence fees are paid separately for in-flight audio and for in-flight audio/visual entertainment and are distributed accordingly.

For the in-flight audio/visual entertainment, APRA applies the same 'type-of-use' weightings for Theme, Background and Featured use as is applied to our television distribution.

Virgin Blue

Direct Allocation - Blanket

Audio - Electronic logs are received on a quarterly basis covering all music played on Virgin Blue's in-flight audio systems.

Video - Owing to the relatively low licence fees in relation to the cost of processing, in-flight video programmes are not reported or included in APRA's distributions.

Jetstar

The APRA licence fees paid by Jetstar are currently insufficient to warrant distribution analysis.

Air New Zealand

Direct Allocation - Blanket

Audio - Details of the musical works used on Air New Zealand's in-flight audio system are taken from the airline's in-flight magazines, on a census basis. Albums included in Air New Zealand's "on demand" service are also included in the distribution.

Video - As with Virgin Blue, it is not currently possible to include Air New Zealand's in-flight video programming in the distribution.

AMBIENT MUSIC

Australia

A separate pool exists for the payment of Ambient music. The size of the pool, which is deducted from general revenue, is determined by the APRA Board based on a study into the use of Ambient music in various businesses in Australia, conducted by an international marketing research company. The study found that the use of Ambient music is widespread in businesses such as Acupuncturists, Chiropractors, Naturopaths, Physiotherapists, Beauty Salons etc.

However, because of the nature of these businesses, it is not possible to obtain music usage reports. As a consequence, APRA separates the Ambient pool into three sub-pools and distributes the revenue using three sources of information:

- 1) **Members' and Affiliates' claims** – 50% of the pool. By means of specially designed forms, members and affiliated societies may provide APRA with details regarding the sale of their Ambient music recordings. Forms may be completed in respect of each album that has sold 50 copies or more, detailing the titles of the works, the duration of each track, the number of units sold etc.

The retrospective claim period for Ambient music will be limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next Ambient distribution. It will be credited at the rate applicable to the distribution in which it is paid.

- 2) **Qantas In-Flight Ambient Music Channel** – 25% of the pool. APRA includes Qantas's Ambient in-flight music channel in the distribution to provide a wider spread of Ambient titles able to share in the pool set aside for the payment of this type of music.
- 3) **Ambient music broadcast on selected radio programmes** – 25% of the pool. As with the inclusion of Qantas Ambient, this is to provide a wider spread of ambient works to share in the distribution pool. The selected radio programmes are sampled on a 1 week in 4 basis.

However, where a suitable radio programme is unavailable, fees are allocated 67% to Members' claims, 33% Qantas.

New Zealand

A separate pool is similarly set aside in respect of the use of Ambient music in New Zealand. This pool is also split into two sub-pools and distributed using members' claims (as above, this constitutes 67% of the New Zealand pool) and the Air New Zealand in-flight Ambient channel (33% of the pool).

The Ambient pools are distributed once a year in APRA's 'Annual' distributions.

BACKGROUND MUSIC – SMA, Mood Media (DMX), Coles , Big W, SBA & Marketing Melodies.

Direct Allocation

Background music used by the large number and variety of APRA’s general background music licence holders is, in the main, distributed by the addition of the relevant licence fees to APRA’s radio distribution pools.

However, the above named suppliers are exceptions to this, as APRA undertakes a specific analysis and distribution of these major background music supply companies, which provide APRA with reports, in computer readable form, of the musical works included in their databases, which are used to provide a variety of retail and other outlets with background music content.

The licence fee paid by each supplier is distributed directly to the works they report to APRA.

CHURCHES

Australia

Third-Party Data

The licence fees paid to APRA by churches for the public performance of music (other than during divine services, which are exempt) are distributed to writers and publishers using data provided to APRA six-monthly by CCLI (Christian Copyright Licensing International).

CCLI issues licences in respect of hymns and songs of worship for a variety of types of reproduction. Their licensees (churches) are required to report to them the titles of the hymns and songs used.

From analysis and detailed discussion with CCLI, it was determined that there is a strong correlation between the music reproduced by the churches and reported to CCLI and the music performed under the terms of the churches’ APRA licences.

New Zealand

As licence fees are low, no logs are received nor distribution analysis conducted.

CINEMA:

Australia and New Zealand

Third-Party Data

APRA receives box-office revenue amounts and percentages from the MPDAA (Motion Picture Distributors’ Association of Australia) and the NZMPDA (New Zealand Motion Picture Distributors’ Association) for virtually all films screened in Australia and New Zealand. Data is obtained from a dedicated section of the MPDAA’s website that has been specially designed to provide APRA with this information and from reports provided by the NZMPDA.

Each film’s box-office percentage is entered into CMS as the number of “performances” to be allocated to the film in the distribution. The box-office percentage is used as a proxy for the actual

number of screenings a film receives and is a major factor in determining the royalties to be allocated to the musical works used in the film.

A film's final distribution payment is, however, also a factor of the amount of music used, as reported in its music cue-sheet. The majority of music in a film, the background music, is converted to credit points at the rate of 4 credit points per minute. 'Featured' music is multiplied by 2 and theme music by 1.5.

Approximately 250 - 300 films share in each quarterly cinema distribution. There are separate revenue pools for the Australian and New Zealand performances. Each film's APRA payment is calculated by multiplying its box-office based "performances" figure by the amount of music (expressed as credit points) in the film. As a consequence, films that contain more music than the average for all films in that distribution will receive an increased share of the pool, and films that contain less than the average amount of music will receive a reduced share of the pool.

Cinema commercials and trailers are not included in APRA's distributions.

Film Festivals

Distribution By Analogy

Film festivals are not included in APRA's distributions, as the amount of work required is totally incommensurate with the very low licence fees involved.

Where the films are obscure and not receiving mainstream exhibitions, the music cue-sheets generally cannot be obtained without a great deal of effort and often cannot be obtained at all. Where music cue-sheets can be obtained, there is often a large amount of data sharing in very small sums resulting in a per work value of only a few cents.

Film festival licence fees are added to the main cinema revenue pool.

CONCERTS, EVENTS & DANCE PARTIES

Australian & New Zealand Promoter Concert, Events and Dance Parties

Direct Allocation – Blanket

The APRA licence is issued to the promoter of the concert, concert tour, dance party or event.

Promoted concerts receive a 100% analysis based on music setlists provided to APRA by the concert, dance party or event promoters. In addition, at least one concert in a tour will be attended by a member of APRA's staff who verifies the list of the musical works performed.

Setlists valued at less than \$15, or at \$1 or less per work based on an average length setlist, may not be analysed for distribution purposes.

The licence fees paid by the concert, dance party or event promoter are allocated directly to the works performed by both the headline acts and the supporting artists. Where setlists are valued at less than \$15, or where setlists cannot be obtained for distribution purposes, 100% of the money is added to APRA's Live Performance Return (LPR) pool.

Exact durations are used for royalty calculation purposes wherever possible. However, for works performed at concerts where durations are not shown on the setlist, a 'standard duration' (equal to 12 credit points) is applied to all works, except where a duration of 1 minute or less is shown.

Equal performance credits are given to each work of the same duration performed by the headline act and the supporting act(s) appearing on stage after the concert's advertised starting time.

Only live music and recorded music performed by DJs shares in a promoter concert distribution, except where the recorded music accompanies the vocal or other live performance of the performer or is used as 'play on' music for the performer, immediately before and/or during the performer's entrance on stage.

Promoter Concerts are generally distributed four times a year with APRA's normal distributions. However, through reciprocal agreement with a number of affiliate societies, payment may be made under certain circumstances and conditions within either 28 days or within 90 days from the date of payment of the licence fee by the promoter, depending on the size of the fee.

Sporting Code and Event Licence

Australia

Direct Allocation

Setlists are provided by the relevant sporting code (e.g. NRL, Cricket Australia, AFL, Netball Australia, the FFA (soccer) or ARU). The musical works reported by each code share in that code's licence fee and, where relevant, the licence fee for the specific event in which they are used. Works are paid according to their duration, the number of times played and whether the usage was recorded or live (live music receives a 2x payment weighting).

Australian Symphony Orchestras

Direct Allocation - Blanket

Australia's major symphony orchestras are licensed by APRA, and provide full reports of the musical works they perform. The orchestras are; the Sydney Symphony Orchestra (SSO), the Melbourne Symphony Orchestra (MSO), the West Australian Symphony Orchestra (WASO), the Queensland Symphony Orchestra (QSO) and the Tasmanian Symphony Orchestra (TSO).

All copyright works and copyright arrangements performed by these orchestras are included in APRA's royalty distributions. The licence fees paid by the SSO, for example, are distributed to the musical works performed by the SSO, likewise the MSO's licence fees are distributed directly to the works performed by the MSO. The same direct allocation of licence fees applies to each of these symphony orchestras.

NZ Symphonic and Auckland Philharmonic Concerts

Direct Allocation - Blanket

As with the Australian orchestras, full music details are provided for all performances. The licence fees APRA receives are paid in full to the works performed by the orchestras.

NIGHTCLUBS

Third-Party Data

Australia

The distribution of licence fees received from Nightclubs is split between the two main types of music performed – dance music and retro/commercial music.

The ARIA Club Chart has been used as a basis for APRA's dance music distribution since 1999. The ARIA chart is compiled from the reports of approximately 160 DJ's from around the country, who report weekly their most played dance tracks. Each DJ's music style (whether, House, Breaks, Trance, Urban, Electro, Drum 'N Bass or Progressive), as well as the location of the DJ, is taken into account in ARIA's analysis.

The data used for the distribution of the retro/commercial music is taken from the playlists of selected radio stations and the Video Hits TV programme.

The APRA licence fees are split between the ARIA information on the one hand, and selected radio station playlists and equally to Music Max and Channel V music TV logs on the other, in the ratio 55.7:44.3. The breakdown between the dance and retro/commercial music was determined by a survey of approximately 200 dance clubs and discos in 2005. The survey was conducted using methodology designed by ACNielsen, and included dance clubs and discos of all sizes in all Australian states. The retro/commercial amount is split 67% to selected radio playlists, 16.7% to Music Max and 16.6% to Channel V.

ARIA maintains a chart of the Top 100 works played in clubs, and provides APRA with collated data every six months. This data allocates 1 point for position 100, 2 points for position 99 etc., up to 100 points for position number 1, on a week by week basis. These points are aggregated for each work for each six month period and credited as 'performances' in the APRA distribution.

New Zealand

Owing to the relatively low licence fees collected from New Zealand, no separate reporting or analysis is undertaken for dance music, which is distributed in accordance with ARIA's data. The split between dance music and retro/commercial music is the same as is applied to Australian revenue.

However, for the retro/commercial music, New Zealand radio stations are selected in place of Australian stations.

FEATURED RECORDED MUSIC

Third-Party Data

Licence fees collected from premises for the use of featured recorded music are added to the distribution pool for Nightclub, and distributed as described above.

FITNESS & AEROBIC CLASSES

Third-Party Data (50%) / distribution by analogy (50%) –

Australia

Fifty percent of licence fees from this source are distributed on the basis of music reports received from the manufacturers of aerobic and fitness CDs. The proportion of revenue allocated to each CD manufacturer's music reports was determined by a survey of gyms. Based on survey advice from ACNielsen, questionnaires were sent to over 200 gyms around the country to ascertain the source of the music used during classes held on their premises. This information was related to the APRA licence fee paid by each gym.

The remaining 50% of licence fees are distributed by way of analogy across the various radio pools, on a follow-the-dollar basis.

New Zealand

Again, 50% of licence fees are distributed on the basis of tape manufacturers' music reports, with the remaining 50% added to the New Zealand radio station pools.

MUSIC ON HOLD

Australia

Distribution By Analogy

Fees received from Music on Hold (MoH) licences are allocated to existing radio pools. Fees are not, however, allocated on a purely follow-the-dollar basis, as is done in many other areas of distribution by analogy. Fees are allocated according to data obtained on music usage patterns from a survey conducted on some 4,000 business premises by ACNielsen. This survey identified the three main sources of music used for MoH systems as; Radio – 58%, Recorded Music – 32.2% and Specially Made Advertisements – 9.8%.

A complicated formula is used for the allocation of monies, taking into account, for example, the percentage of classical music use and the proportion, as broadcast, of classical music that is in copyright, and the use of music in radio advertisements. The proportion of the licence fees attributable to specially made advertisements is added to the radio jingle pools, and an allocation is also made for the use of production music used in MoH advertisements.

New Zealand

The distribution procedure in respect of New Zealand MoH licences and member claims is identical to that described above. The follow-the-dollar allocation across radio does though of course apply to the New Zealand rather than the Australian radio pools.

Members' and Affiliates' Claims

Direct Allocation

In the main, radio reflects most accurately the music used on MoH systems, for which discrete music reports are not possible to obtain. However, a special claim procedure exists for members and

affiliated societies whose music is commissioned or licensed for use on music on hold systems. Members and affiliated societies may advise APRA of the use of their music on MoH systems. APRA then contacts the business concerned with a view to licensing this use of music in accordance with the applicable licence tariff. On payment of the licence fee, the full amount (less normal expenses) is distributed directly to the interested parties concerned.

LIVE PERFORMANCE RETURNS (LPRs)

Direct Allocation

Members and affiliate societies notify APRA of live performances of their music occurring at venues from which APRA does not receive music performance details. Such notification can be provided manually on APRA's specially designed LPR forms or, for members only, through APRA's ad hoc, online facility, accessible through APRA's website.

100% of the Australian and New Zealand General Live (Tariff GLA) licence fees comprise the Australian and NZ LPR distribution pools respectively, together with the total monies for undistributed Australian and New Zealand promoter concerts (GNPC), where licence fees are less than \$200, and for concerts over \$200 where setlists cannot be obtained.

The distribution rate applicable to LPRs is therefore dependent each year upon the amount collected under the GLA and GNPC tariffs, and the number of LPRs (the number of works and the number of performances) sharing in the Australian and New Zealand pools.

A standard duration of 3 minutes is applied to all LPR performances, with the exception of contemporary classical and jazz music, which are credited at their reported durations.

The payment amount allocated to performances occurring at *residencies* is checked to ensure that the amount distributed does not exceed the licence fee paid by the venue at which the residency performance occurs.

Performances at venues not yet licensed by APRA are paid as if the venue holds an APRA licence. However, if a residency performance occurs at such a venue, or at a venue where there is no door charge or expenditure on artists, the payment is capped at \$25 (less administration costs).

Live Performance Returns need to be submitted to APRA by 31st July each year, or 31st August if the online reporting facility is used, to ensure payment in the following 'Annual' distribution.

The retrospective claim period for Live Performance Returns is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next 'Annual' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the LPR Forms containing instructions for their completion are available on APRA's website. Details can be found in the Members' section of the site under 'Forms and Guidelines'.

DJ's LPRs

Live Performance returns submitted by DJs are paid from the LPR pool and at the same rate as conventional LPRs. An appropriate amount is deducted from the dance club pool and added to the LPR pool accordingly.

Works performed simultaneously are credited as separate works, but members must report the actual duration of each work **as performed** and identify such usage on their LPR claims. Where durations are 1'00" or less, APRA will pay 1 credit point for each 15" or part thereof and not allocate payments at the standard 3'00" duration

School LPRs

Live Performance returns submitted by for qualifying performances in schools are paid from the school pool and at the same rate as conventional LPRs. An appropriate amount is deducted from the school pool and added to the LPR pool accordingly.

ONLINE, RINGTONE, PODCASTS, 3G MOBILE & DIGITAL DELIVERY SERVICES

Online, Podcasts and 3G Mobile

Sample/Direct Allocation/Distribution By Analogy – (depending on the licence).

A number of Online, Podcast and 3G Mobile licensees report their music details in a computer readable form. The distribution procedure approved by Board has been adopted to maintain a distribution system that is not, in terms of workload and therefore cost, incommensurate with the fees received.

The distribution procedure is as follows:

1) A direct royalty allocation for online, podcast and 3G services is applied in the following circumstances:

Electronic Reports:

a) In cases where the licence fee **exceeds** \$200;

if the automatic title match rate is 90% or above

or,

if the automatic title match rate is less than 90%, if the per work value is \$5.00 or more.

b) If the licence fee **exceeds** \$200, but

i) the automatic title match rate is less than 90% and

ii) the per work value is less than \$5.00,

the automatically matched titles will be allocated the proportion of the relevant licence fee, based on the percentage of total performances that can be paid.

If the remaining portion of the licence fee attributable to the unmatched titles is over \$200, the remaining sum may be added to either the existing distribution pool or to an alternative pool where the music content is most similar.

c) In cases where the licence fee **is less than** \$200;

- if, i) the automatic title match rate is 90% or above **and**
- ii) the per work value is \$1.00 or more,
- or
- iii) if the automatic title match rate is less than 90%, the per work value is \$5.00 or more.

Paper Reports:

- d) If the performance details are provided on paper and the per work value is \$5.00 or more, irrespective of the value of the licence.
2. Where indicated in licensees' performance logs, the 'number of transmissions' are used for the calculation of royalty payments.
 3. Licence fees received in respect of simulcasts of radio transmissions are pooled with licence fees received for broadcasts by the relevant radio station and distributed accordingly.
 4. A single duration-to-point conversion schedule is used for all types of use, as follows:
Durations up to 1 minute: 1 point per 15" or part; durations between 1' 01" and 5'59":12 points (i.e., the "standard work" factor applied to radio and live performances); 6' 00" and over: 4 points per minute for the full duration.

Licence fees received with no accompanying music usage data are distributed by analogy – i.e., the fees are allocated to a distribution source that most accurately reflects the type of music used.

ABC Online

Sample/Direct Allocation - blanket

The ABC commenced reporting their online music use to APRA from 1st January 2003. Owing to the extensive size of the ABC website and the relatively low licence fees involved, only specific sites (those which primarily contain audio and audiovisual material) have been included for distribution purposes.

The broadband sites (referred to by the ABC as "Gateways") currently included in APRA's distributions are: **JJJ Unearthed**, **DIG**, **DIG Jazz** and **DIG Country**. In addition, 20% of the ABC's Online monies are added to the ABC TV pool in respect of the ABC's **iView** site, for which discrete data is not currently available.

As reliable 'access' information is not available, all works included in the distribution are paid on an equal basis.

Ringtones

Direct Allocation – Transactional

Ringtone providers report musical work and sales details to APRA|AMCOS quarterly, by means of our proprietary EDI reporting format. The total value of each work's sales is reported (or calculated from the revenue/sales information provided). The 'transactional' nature of the APRA (and AMCOS)

distribution means that each work's distribution payment is effectively calculated as a percentage of its sales value.

All works are matched automatically against the APRA|AMCOS database where possible. Works that do not find a match are reported for research by APRA|AMCOS staff.

Digital Delivery Services

Direct Allocation – Transactional & Direct Allocation - Blanket

Digital service providers (DSPs) provide musical work and sales details to APRA|AMCOS on either a quarterly or a monthly basis. The volume of works reported to APRA|AMCOS is enormous, running into several hundred thousand unique works and productions each quarter.

The APRA|AMCOS distribution for Digital Delivery is either 'transactional', in that each work's distribution payment is calculated as a percentage of the value of its sales, or is distributed on a 'blanket' licence basis, where each work shares in a single revenue 'pool' from which the value of each work is calculated using a combination of download activity and duration.

Because download sales are generally spread thinly across a very large number of separate works, the vast majority of sales are worth only a few cents per work in terms of their APRA|AMCOS distribution value. As a consequence, APRA|AMCOS applies a dollar threshold before researching unidentified titles, in order to ensure that processing costs are kept in proportion to distribution values.

All works and album tracks that match automatically with payable works contained in APRA's database are paid in our distributions irrespective of value. Where a match occurs with a work in our database, but the work's sharers have not been identified and the value of the work is over the combined APRA|AMCOS distribution threshold of \$15, the work's performances and/or sales data are kept on file and distributed in the first distribution following identification of the writers, publishers and percentage splits. Where a match to a payable work does not occur and the per work APRA|AMCOS distribution value is less than the \$15 threshold, the distribution value is distributed pro rata across the payable works reported by the same client.

With some blanket licences for digital download services, the pool of money available for distribution from that licence must be calculated by factoring the fee, usage, usage patterns and the term of use.

YouTube

APRA includes in its distributions the music used in the Top 4,000 'partner provided' videos streamed in each three-month distribution period.

SCHOOL & TERTIARY LICENCES

Australia

Third Party Data

APRA's distributions include payment in respect of music performed in Australian government, independent and catholic schools. APRA's school licences cover the public performance of musical works, including performances by school bands, orchestras, choirs and singing groups. The APRA licence does not include, however, music performed at concerts put on by independent concert promoters or where the school is paying a professional musician to perform.

Owing to the difficulties and prohibitive costs of obtaining performance data from the approximately 9,600 schools in Australia, APRA uses for its distribution purposes information obtained from a survey of schools conducted throughout Australia on behalf of CAL (Copyright Agency Ltd) in respect of the photocopying of print music. In the large majority of cases, the photocopying of music by schools is for the purpose of performing that music. There is therefore a close alignment between the music reported by the CAL survey and the music that is performed by permission of the APRA licence.

The details of the musical works included in the CAL survey are provided to APRA twice a year. 50% of the licence fees collected from schools is distributed to the musical works included in the CAL survey, with the remaining 50% allocated across the various radio pools.

New Zealand

Sample And Third-Party Data

APRA receives data from a number of sources in relation to New Zealand school licences. Primarily, this information is received from the schools themselves by way of voluntary samples, information from schools' music festivals and competition organisers.

The various sources of information are collated and share equally in the licence fees received. 50% of the licence fees collected from schools are distributed to the musical works provided, with the remaining 50% allocated across the various New Zealand radio pools.

LICENCE CATEGORIES FOR WHICH FEES ARE ADDED TO RADIO* POOLS FOR DISTRIBUTION (Australia and New Zealand):

Distribution By Analogy

In respect of the following licence categories;

Background Music

Community Groups & Eisteddfodau

Dance Schools

Halls & Functions

Karaoke

Music in the Workplace

Licence fees are received from a large number of, generally, small businesses for the use of mechanical devices such as radios, juke boxes and TV sets on their premises.

As it would be virtually impossible for such licensees to provide APRA with music usage information, and it would equally be quite unfeasible economically for APRA to process such large volumes of data, APRA includes such licence fees in its distributions by adding the amounts to the various radio pools (with the exceptions detailed in the following paragraph) on a follow-the-dollar basis, using the broadcast logs provided by the stations as the most appropriate and analogous music information source.

*The only exceptions to the allocation to radio pools are in the case of Tariff GMT for the use of television sets. The fees received under this licence are added to the various television distribution pools, again on a follow-the-dollar basis. And Tariffs GMVJ & GMV1 (Video Juke Boxes), GMV2 (Video Tape Players) and GMVP (Large Screen Televisions) which are added on a 50/50 basis to the music programmes "Rage" and "Video Hits".

Payments from Affiliate Societies

APRA receives royalty distributions from approximately 60 affiliated societies around the world, covering some 50 countries. Payments totalling approximately \$20 million a year are received for APRA members' musical works performed and broadcasts overseas. Approximately 150 individual distributions are processed each year.

With the exception of a few smaller societies, distributions are provided to APRA electronically, and works are matched automatically with APRA's database of titles. The distribution of royalties to APRA is in accordance with each affiliated society's own rules of distribution, but in accordance with our reciprocal representation agreements and, where possible, CISAC guidelines.

Foreign earnings are distributed monthly when the distributable amount exceeds \$10. Amounts below this level are paid with APRA's normal three-monthly distributions.

APRA deducts 1.5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.