Licensing Enquiries 1300 162 162 getalicence@onemusic.com.au onemusic.com.au August 2023

The Fitness Centre and Fitness and Wellbeing Instructors scheme is designed for our music used in a facility or when instructing clients in fitness, toning or strengthening.

You may have our music or music videos playing in your gym, yoga studio, barre or Pilates studio, or perhaps you have an outdoor training session, boot camp or cross fit business or indoor aqua fitness sessions where our music is played. Your Zumba or circuit class is likely to have our workout music, just as our motivational music is often played in martial arts and boxing training. Where that music is controlled by OneMusic Australia, this scheme will cover all of these uses.

Why do I need a OneMusic licence?

- Shows your organisation respects and supports songwriters and recording artists, our cultural creators.
- Permission. If you use music that is
- protected by copyright within your business, Commonwealth legislation requires permission (a licence) from the creators of that music. You can read independent legal information at <u>copyright.org.au</u>.

The big one. You benefit by using music: keeping your patrons entertained, pumped and creating a better atmosphere for your team.

Music creators generally authorise two organisations to administer their rights and collect their royalties in Australia. A OneMusic licence bundles all those rights into one licence and simplifies the process of gaining the required permission to use our music. If you wanted to use our music, and you did not have this licence, you would, for example, need to deal directly with the composers, songwriters, music publishers, recording artists and record labels who own the rights in the music you wish to use.

Some industry Associations hosting OneMusic information

AUSactive (<u>ausactive.org.au</u>) Pilates Alliance Australasia (<u>www.pilates.org.au</u>)

Your licence explained

All Inclusive go to page 2 OR Background music go to page 3

SIGN UP

NOW

Music in Classes go to page 3

Draw on the power of music

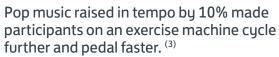


10% reduced feeling of exertion when music is listened to versus when no music playing. ⁽¹⁾

During yoga and pilates participants prefer a moderate level of complexity in music (a simple rhythm and a lack of orchestration).⁽²⁾



Aerobics participants prefer simple (not complex) music.⁽²⁾





Music helps footballers play better. Findings from a German study suggest teams 'raise their game' (more frequent and accurate passes) when they listen to the same tune at the same time. ⁽⁴⁾

Where does the money go?

OneMusic distributes the fees it collects to APRA AMCOS and PPCA, the bodies behind the licensing initiative. After the deduction of administration and operational costs, all fees collected are distributed to members or licensors (according to a range of direct data, sample data and other data sources which are representative of real-time music use).

Our fees include GST so 10% is paid to the Australian Tax Office as GST. Did you know OneMusic's licence fees are fully tax deductible?

What music can I use?

We've done the hard work for you so our licence covers you to use any of our music, which includes the vast majority of all commercially released music from around the world.



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1. All Inclusive

How much does it cost per year?

\$38.91 per Member per year	
Subject to a Minimum Annual Fee of \$413.50	
	Any number of devices for Background Music
	Any number of Music Videos
	Any number of devices and any number of Fitness Classes using Music in Classes
$\textcircled{()}^{(+)}$	Digital Copy/Delivery for up to 2,000 tracks
Ċ	Any number of lines for Telephone on Hold music
Add Ons	

▶ Website Use **\$608.10**

Because the 'All Inclusive' package is a bundled offering, there is no Partial Rights Deduction applicable to PPCA Sound Recordings use. The All Inclusive package is more likely to offer savings to those centres with a relatively small number of members offering fitness classes throughout the week.

What do the terms in the above table mean?

When we talk about a **Member**, we mean a client of yours who has entered into some sort of agreement with your business (or a third-party provider such as ClassPass) to use your facilities or your services. This covers any agreement you might have with clients – a free period as part of a subscription, casual visit, class pass or a regular sign up.

When we use the term **Background Music** we mean our music when it is passively listened to in open exercise areas, change rooms, reception and other common areas. We also apply this term to Group Personal Training Sessions and Virtual Fitness Classes (see below). Just like Music in Classes (below) Background Music could be played through a background music system or everyday devices such as tablets, smartphones, computers, CD players and television screens (including personal screens fitted to exercise equipment).

Music Videos can be from dedicated TV network channels or from a background music supplier, video jukebox, DVD, Blu-Ray, digital service or an online platform (e.g. YouTube).

A **Fitness Class** is any structured form of exercise conducted commercially in a 'class or tutorial style'. You might better know these classes as 'group fitness' such as Les Mills, MOSSA, Radical and Zumba, circuit, dance, cycle/spin as well as flexibility/stretching/abdominal workouts, yoga, Pilates or aqua fitness.

These classes could be held within a Fitness Centre or anywhere else including outdoors - as long as it is led by a Fitness and Wellbeing Instructor. To fall under this definition, the Fitness Class needs to be directed by a staff or freelance fitness instructor and is included in a timetable type of notice to clients and prospects. A Virtual Exercise Class is not considered a Fitness Class.

A **Group Personal Training Session** is a fitness class in a Fitness Centre for eight or less people, conducted by an instructor with standard background music playing. The music is not specific to that particular group exercise session because anyone in the gym can hear it and the music wasn't designed for the purpose of the session. These type of sessions are included as Background Music.

We consider a **Virtual Exercise Class** a structured form of guided exercise in pre-recorded (not live) video format (DVD or online video stream). These types of classes are included as Background Music.

There are a number of music uses that require a licence that includes **Digital Copy/Delivery**.

Digital Copy/Delivery is required if you download or access our music for your business from a non commercial digital music service.



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You should be aware that a OneMusic Australia licence, even when it includes Digital Copy/Delivery only gives you permission to use our music in your business (or event); it does not override the Terms of Use for the personal digital music service you are using, nor does it give you permission to use that particular digital music service for a commercial purpose – that permission can only come from the owners of that digital music service. Even with our licence, the use of digital music streaming services by you in your business may be in breach of the terms and conditions of your end user agreement with that service. You should check with your service provider.

You will also need a licence from us that includes Digital Copy/Delivery if you make any physical or digital copies of our music (such as copying one CD to another, or copying a digital download file). By choosing Digital Copy/Delivery, you are entitled to copy up to 2,000 music tracks. You do not need to include Digital Copy/Delivery in your licence if you are only playing our music from original CDs that you have bought (and not subsequently copied) or you're playing our music from a commercial background music supplier (see a list of background music suppliers is available here <u>backgroundmusicguide.com.au</u>). Depending on your use of our music and the arrangements the background music supplier has with OneMusic Australia, you may not need to get a licence directly from OneMusic Australia. Your background music supplier may already include a OneMusic Australia licence as part of its service package. Check either with us or your supplier to confirm.

Telephone on Hold is our music on your on hold system, if you have one. If you have more than two lines for each Location of your business, contact us.

2. Background Music (including Music Videos)

How much does it cost per year?

\$1.49 per Member per year

Subject to a Minimum Annual Fee of \$243.24

Any number of **devices** for **Background Music**

Exhibiting Music Videos

If applicable, a Partial Rights Deduction of 48.25% applies to the total amount.

Add Ons

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Additional music use

Digital Copy/Delivery **\$442.25**

Telephone on Hold from \$265.35 (If applicable, Partial Rights Deduction minus 48.25% of total relevant amount)

▶ Website Use **\$608.10**

What do the terms in the table above mean?

For an explanation of a Member, see the All Inclusive package page 2.

For an explanation of Music Videos, see the All Inclusive package page 2.

For an explanation of **Background Music**, see the All Inclusive package page 2.

By **devices** we mean a music system including those provided by audio jukeboxes, PCs, radios, TVs, tablets, smartphones and music video screens – or if you are old school, CD or record players.

Website Use provides you with the necessary additional cover if you use our music on your business' website. The music you use can only be played in the background of your website and is subject to a number of other limitations, which can be found in clause 2.2 of the Licence Agreement Terms and Conditions available at onemusic.com.au. These limitations mean that the music cannot itself generate any revenue, you must use between 10 and 15 different music tracks, you can't use more than one track of a particular artist or group (so the music doesn't give the appearance that the artist or group are endorsing your business), you can only use legal copies when putting the music on your website and, finally, the music itself can't be interactive (where the user can choose and change the music they listen to).

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By **Partial Rights Deduction** we mean where we can apply a percentage saving on the full licence fee for the components of our music not used by your business. For example PPCA Sound Recordings may not be in use (perhaps you just have live music and no recorded backing tracks) or perhaps APRA Works and AMCOS Works are not used at your business (perhaps you are using directly-licensed music sometimes called 'royalty free').

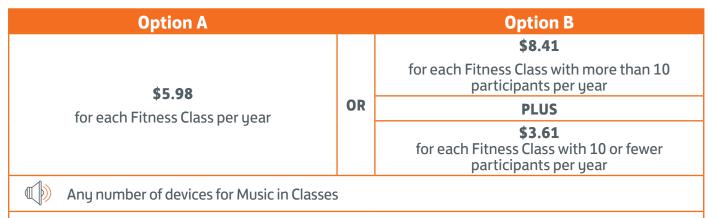
What is a PPCA Sound Recording? A sound recording is simply a physical recording of a piece of music or song (such as what's on a CD or a digital file like an MP3) and a PPCA Sound Recording is a sound recording that the Phonographic Performance Company of Australia (or PPCA) is authorised by the copyright owners to license for copying and for performing in public - for instance when a business plays music to their customers. OneMusic Australia has been authorised by PPCA to license the PPCA Sound Recordings on its behalf.

What is an APRA Work and an AMCOS Work? A musical work is the underlying words and music of a song that have been written by a songwriter and/or composer. The Australasian Performing Right Association (or APRA) and the Australasian Mechanical Copyright Owners Society (or AMCOS) has been given the right to license the APRA Works and AMCOS Works by the songwriters, composers and music publishers – so that those words and music can be played to the public by licence holders in their businesses and/ or copied. APRA, operating as OneMusic Australia, has been authorised by AMCOS to license the AMCOS Works on its behalf.

For an explanation of **Digital Copy/Delivery**, see the All Inclusive package page 2.

For an explanation of **Telephone on Hold**, see the All Inclusive package page 3.

3. Music in Classes



How much does it cost per year?

A Partial Rights Deduction of 48.25% applies on the per class rate for each Fitness Class that does not use PPCA Sound Recordings or does not use APRA Works or AMCOS Works. Of course, classes that do not use any music do not attract a fee and should not be declared.

Add Ons

Additional music use



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Digital Copy/Delivery **\$442.25**

If you are a 'Fitness and Wellbeing Instructor' - see definition page 5 - and you're conducting fewer than 75 Fitness Classes per year, a 50% deduction will be applied to this Digital Copy/Delivery licence fee.

Telephone on Hold from \$265.35 (If applicable, Partial Rights Deduction minus 48.25% of total relevant amount)

Website Use **\$608.10**

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What do the terms in the table above mean?

As the name suggests **Music in Classes** is the use of our music when it is played specifically for a timetabled class or session, which is directed by a fitness instructor, inside or outside a venue. Relaxation music played in a yoga session, or heavy metal music played for a boxing training session fall within the meaning, as does music supplied by companies offering pre-choreographed group fitness services.

For an explanation of **Fitness Classes**, see the All Inclusive package page 2.

For an explanation of a Member, see the All Inclusive package page 2.

For an explanation of **devices**, see the Background Music package page 3.

For an explanation on **Website Use**, see the Background Music package page 3.

For an explanation of **Digital Copy/Delivery**, see the All Inclusive package page 3.

By **Fitness and Wellbeing Instructor** we mean a person who operates their own fitness and wellbeing business in several locations OTHER THAN a Fitness Centre. This group is eligible for a lower rate on Digital Copy/Delivery fees when they run less than 75 classes a year.

For an explanation of **Telephone on Hold**, see the All Inclusive package page 3.

For an explanation of **Partial Rights Deductions**, see the Background Music package page 4.

For an explanation of **PPCA Sound Recordings**, see the Background Music package page 4.

For an explanation of **APRA Works and AMCOS Works**, see the Background Music package page 4.

Deductions & Payments

A OneMusic Australia licence covers the use of both the APRA Works and AMCOS Works (the written songs) plus the PPCA Sound Recordings (the recorded music), we offer a deduction on your licence fees when you tell us that your business doesn't actually need both of those rights for all of your music needs. It might be that you already have a licence to use sound recordings in your background music from a source other than PPCA, for instance a background music supplier or the record company directly. Similarly, you may not be using songs administered by APRA AMCOS for your telephone on hold because your business uses a legitimate 'royalty free' music source. In these cases you may be eligible for a Partial Rights Deduction, which will be applied by us to your licence fees when you make the proper declaration either in your licence agreement or on the OneMusic Australia licensing portal.



Supporting Music Creators

Last year the bodies behind OneMusic paid a royalty to more than 1.4 million songs, and more than 50,000 local songwriters and recording artists.

Let's be honest: music creators have earned this money. They've earned it through the hard work it took to reach the stage of being a professional songwriter or recording artist and they've also earned it by putting thousands of hours into creating a product businesses want to use.

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How were the rates set and will they change?

If you are interested in how the rates for this sector were set, please visit <u>onemusic.com.au/</u> <u>consultation</u>. Apart from yearly CPI reviews, OneMusic will not increase or change licence fees without first consulting the industry.

Rates include 10% GST. The GST-exclusive component of the \$ rates set out in the tables above will all be increased by CPI on 1 September of each Licence Year in accordance with clause 4.3 of the Terms and Conditions unless there are phase-in rates.

Do I have to go through OneMusic to play music in my business?

If you want access to the largest possible music collection, then the OneMusic licence provides the easiest and most cost effective way to access the vast majority of the world's repertoire of music. There are other options, which may include direct licensing arrangements with copyright owners or solely using music outside OneMusic's vast repertoire.

If you make a direct arrangement for your sound recording use or your musical work use, contact OneMusic so we can adjust your licence fee.

Feedback

Comments and feedback on your licence agreement or the information guides can be sent to us at <u>hello@onemusic.com.au</u>

Complaints

If you are not satisfied or have an issue with the manner or standard of your interactions with OneMusic Australia you can review our <u>complaints</u> <u>procedure here</u> and if you wish to proceed with a complaint you can send it to this address <u>complaints@onemusic.com.au</u>

Disputes

If you do not agree with how we apply a licence to your business - you disagree about the licence agreement OneMusic has asked you to enter into, our rates or how your licence fees have been calculated - you can:

- a. send details directly to us at <u>disputes@</u> <u>onemusic.com.au</u> or 16 Mountain Street, Ultimo, NSW 2007; or
- b. lodge it directly with our independent third party Alternative Dispute Resolution facilitator, <u>Resolution Pathways</u>.

More information on this process and how to lodge a dispute is available at <u>complaints and dispute</u> <u>resolution</u> on our website.

If you were licensed with PPCA and APRA AMCOS before OneMusic and you consider your annual fee has seen an unexpected increase under the OneMusic scheme, please contact us on 1300 162 162 or <u>hello@onemusic.com.au</u>

If you want to know more about the differences between a "Complaint" and a "Dispute", please see <u>complaints and dispute resolution</u> on our website.

⁽¹⁾ L. Szmedra, D. W. Bacharach. *Effect of Music on Perceived Exertion, Plasma Lactate, Norepinephrine and Cardiovascular Hemodynamics during Treadmill Running.* International Journal of Sports Medicine 1998; 19(1): 32-37

⁽²⁾ North A.C., Hargreaves D.J. *Responses to music in aerobic exercise and yogic relaxation classes*. British Journal of Psychology. 1996;87:535–547

⁽³⁾ Waterhouse J., Hudson P., Edwards B. *Effects of music tempo upon submaximal cycling performance*. Scandinavian Journal of Medicine and Science in Sports. 2010;20:662–669

⁽⁴⁾ Institute for Sports Science at the University of Hanover

APRA AMCOS is the trading name of APRA (Australasian Performing Right Association) and AMCOS (Australasian Mechanical Copyright Owners Society). APRA AMCOS grants licences for the live performance, broadcast, communication, public playing and reproduction of its members' musical works. APRA AMCOS then distributes the net licence fees collected to its 115,000 songwriter, composer and music publisher members and affiliated societies worldwide.

PPCA (Phonographic Performance Company of Australia Ltd) grants licences for the broadcast, communication or public playing of recorded music (such as CDs, records and digital downloads or streams) and music videos. PPCA then distributes the net licence fees collected to its licensors (generally record labels) and registered recording artists.

This information sheet is a guide only. Refer to the licence for full terms and conditions.

OneMusic

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Examples:

The licence fees in these examples apply for licences taken out between 1 September 2023 and 31 August 2024.

Shakra Pilates studio

500 members. 150 Pilates sessions a year. A mix of small and large classes.

- Background Music via a non-commercial digital music service - 500 x \$1.49 = \$745 + \$442.25 for Digital Copy/Delivery
- Music in Classes played from a CD \$5.98 x 150 = \$897
- Music on the Shakra Pilates website = \$608.10

Total licence fee \$2,692.35 (less than \$8 a day)

Beachside Cross Fit

5am 'early risers' group sessions 6 days a week, 40 weeks a year attended by 25 clients a morning.

9am 'cross fit and coffee' sessions 2 days a week, 40 weeks a year attended by 8 clients a morning.

Music in Classes via music on a single device (e.g. an MP3 player):

Total number of classes is 320 x \$5.98 = \$1,913.60 +
\$442.25 for Digital Copy/Delivery

Total licence fee = \$2,355.85 (less than \$7 a day)

Sweat and Wild Fitness

1100 members. 20 fitness classes per day every day except Christmas Day and Good Friday. A mix of small and large classes.

Background Music – 1,100 x \$1.49 = \$1,639

Music in Classes via 5 x devices (e.g. a music system with MP3 or CD players) - \$5.98 x 7,260 = \$43,414.80 + \$442.25 Digital Copy/Delivery

Total licence fee \$45,496.05

All Inclusive fee selected – 1,100 x \$38.91 = total licence fee of \$42,801



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