

EVENTS

OUR CONSULTATION PROCESS WITH YOU

OneMusic Australia intends to amend its methods and rates for licensing music use at Events. These amendments result from our learnings from the consultation process we undertook in 2019, and the feedback and comments from licensees since the launch of OneMusic Australia. Significant amendments to our licences are always best made in consultation with relevant industry stakeholders, and this paper describes the proposed changes with a view to gathering feedback. Contact details for providing feedback are found at the end of this paper.

We are keenly aware of the catastrophic effect the pandemic has had on the live music and events industry, and how that has impacted promoters, event staff, venues, performing artists, songwriters, crew. In that context it may appear strange that OneMusic Australia is putting forward a scheme for consultation at this time. It is our view however that having clear and accepted music rates in place ready for re-opening will help to provide a stable framework, support planning and budgeting, and allow you to then focus on entertaining the nation. We hope you share this view and take the opportunity to contribute to this consultation.

Industry consultation for a combined OneMusic Australia Events licence scheme originally began in May 2019, with an intention to finalise a new scheme by mid-2020. The considerable disruption the COVID-19 pandemic has caused to normal trading for both the Event industry and OneMusic Australia has meant that the consultation process was delayed. This delay has given us time to consider a new approach, particularly in the way we license the use of sound recordings for Events, and we hope to assist the Events industry by making the recovery and return to normal trading easier by simplifying the budget process. The focus of those consultations was on proposed changes to the PPCA tariffs and our experience and feedback from the last two years suggests that continues to be the priority.

We are not proposing that the rates for the use of PPCA Sound Recordingsⁱ and APRA AMCOS musical works are merged (as they are in other OneMusic Australia licence schemes) given the nature of event licensing. We are proposing that the current APRA rates for licensing Events will stay the same for most event types, and we want to establish a rate structure for PPCA rights that is simpler, and more closely aligned to the methodologies and rates used to license APRA rights to streamline the process for licensees.

HIGHLIGHTS:

- Lower per-attendee rates for PPCA Sound Recordings for the majority of Ticketed Promoted Events and Eligible Outdoor Events
- For Eligible Outdoor Events, the per attendee rate for PPCA Sound Recordings will be discounted by 25% (against the Ticketed Promoted Event rate).
- No longer necessary to calculate a percentage of sound recording use for Ticketed Promoted Events and Eligible Outdoor Events
- Clearer tiered system for categorising music use for Ticketed Promoted Events and Eligible Outdoor Events: Gold, Silver, Bronze and Changeover
- Removal of 20-minute time limit for changeover music
- Greatly simplified rate and reporting for Ticketed Special Purpose Events – both APRA and PPCA rates to be based on a percentage of Box Office
- No change to APRA rates.

ⁱ Information about what constitutes a protected sound recording can be found here, under the FAQ “What is a ‘protected’ sound recording?”: <https://www.pcca.com.au/music-licensing/faqs>

PROPOSED NEW ONEMUSIC AUSTRALIA EVENT RATES

Please note that all rates listed in this consultation paper are inclusive of GST.

1. Ticketed Promoted Events and Eligible Outdoor Events

What is a Ticketed Promoted Event?

These types of events may feature a headline act, support acts, or a series of music performers, with an entry fee/ticket price. This licence may apply to a single ticketed event, multi-act music event or an event series/tour. It also applies to music festivals which fall outside the criteria of an Eligible Outdoor Event licence.

Events of this type would currently be licensed under the APRA GCPM rate for Event Promoters and the PPCA Tariff E4 for Music Events and Festivals.

What is an Eligible Outdoor Event?

An Eligible Outdoor Event:

1. occurs on at least one full day (being no less than 8 hours in advertised duration) at an outdoor place requiring temporary infrastructure to be constructed for performances, for example a stage to be erected or a specific performance area to be created specifically for the event; and
2. is advertised as a festival, in which the staging of the event and all associated advertising is not dependant on any one or two headline acts; and
3. includes at least six acts.

Events of this type would currently be licensed under the APRA GCLF rate for Eligible Outdoor Festivals and the PPCA Tariff E4 for Music Events and Festivals.

What are the proposed rates?

Ticketed Promoted Events:

APRA Works – Ticketed Promoted Events

2.2% of Gross Box Office Receipts

(Subject to allowable deductions (GST, Credit Card Fees, Booking Fees: if incurred by the promoter and not charged to the ticket purchaser)

Subject to a Min Fee of \$82.50

PPCA Sound Recordings Per attendee rate (incl GST)

| | Average Ticket Price (GBO net of GST and allowable deduction / number of tickets sold) | | | | | |
|--|---|-------------------|--------------------|---------------------|---------------------|--------|
| | <\$50 | >\$50 - < \$70 | >\$70 - < \$100 | >\$100 - < \$130 | >\$130 - < \$178 | >\$178 |
| Gold | \$0.75 | \$1.30 | \$1.85 | \$2.55 | \$3.40 | \$3.92 |
| Silver | \$0.45 | \$0.80 | \$1.10 | \$1.55 | \$2.05 | \$2.35 |
| Bronze | \$0.25 | \$0.45 | \$0.65 | \$0.90 | \$1.20 | \$1.35 |
| Changeover: Ticketed Promoted Event | \$0.0339 | | | | | |
| Subject to a Min Fee of \$82.50 | | | | | | |

Eligible Outdoor Events:

APRA Works – Eligible Outdoor Events

1.65% of Gross Box Office Receipts

Subject to allowable deductions (GST, Credit Card Fees, Booking Fees: if incurred by the promoter and not charged to the ticket purchaser)

Subject to a Min Fee of \$82.50

PPCA Sound Recordings Per attendee rate (incl GST)

| | Average Ticket Price (GBO net of GST and allowable deduction / number of tickets sold) | | | | | |
|---------------------------------|---|-------------------|--------------------|---------------------|---------------------|--------|
| | <\$50 | >\$50 - < \$70 | >\$70 - < \$100 | >\$100 - < \$130 | >\$130 - < \$178 | >\$178 |
| Gold | \$0.56 | \$0.98 | \$1.39 | \$1.91 | \$2.55 | \$2.95 |
| Silver | \$0.34 | \$0.60 | \$0.83 | \$1.16 | \$1.54 | \$1.76 |
| Bronze | \$0.19 | \$0.34 | \$0.49 | \$0.68 | \$0.90 | \$1.01 |
| Changeover Use | \$0.1359 | | | | | |
| Subject to a Min Fee of \$82.50 | | | | | | |

Eligible Outdoor Events receive a 25% discount on the Gold, Silver, and Bronze rates for Ticketed Promoted Events. This discount has been applied to the rates for APRA Works and PPCA Sound Recordings in the above tables.

Benefits:

We have listened to feedback from the Events industry and, in response, have made the following changes to the way events are licensed.

Simplified Reporting

Under the current OneMusic Events licence, events licensed with the PPCA E4 'Music Events and Festivals' tariff are required to report the percentage of total performance time that includes artists using sound recordings to determine the fee tier that applies to their event (or performance area). We propose to simplify the information you provide to us by removing the requirement to calculate a percentage, instead introducing four clear categories of music use: Gold, Silver, Bronze, and Changeover. Definitions of these categories can be found in the section below entitled 'Music Use Categories'.

Our proposed rates are based on how PPCA Sound Recordings are used at an event and how integral they are to that event. By removing the requirement to calculate a percentage of sound recording use across each stage or performance area, reporting burdens will be significantly reduced for licensees.

Lower Rate for Eligible Outdoor Events

APRA has had in place a lower rate for eligible outdoor events (the GCLF rate for Eligible Outdoor Festivals) for many years both under its current and immediately previous licence scheme. The lower rate is not, and has never been, intended to cover all festivals – rather it applies only to certain outdoor events that meet particular requirements. The APRA rate for eligible outdoor events, is struck at a 25% discount to the headline rate for Ticketed Promoted Events, in recognition of the additional investment involved in infrastructure for these events. OneMusic Australia proposes to extend this discount to the rates that apply for the use of sound recordings at those same eligible events.

Lower Per-Attendee Rates for the Majority of Events

The proposed **Gold, Silver, and Bronze** rates are, for the majority of events, lower than the equivalent existing PPCA per-attendee rates. To bring PPCA rates more in line with the APRA rate we have added an additional ticket price tier. Under the existing licence an event with an average ticket price exceeding \$130 in the highest music use tier would pay \$3.92 per attendee. We have increased the average ticket price for the highest tier and propose that, to align with APRA's rate of 2.2% of GBO, an average ticket price of at least \$178 would attract the maximum per attendee rate of \$3.92. Additionally, a large number of events that would have been licensed in the highest music category tier in the existing Events licence will now be classified as 'Silver', resulting in lower per-attendee rates.

The minimum fee for the use of PPCA Sound Recordings has been increased slightly to bring it in line with the minimum fee for the use of APRA Works of \$82.50 per event.

Lower Changeover Rate Than Previous Proposal

The proposed **Changeover** rate for each type of event reduced significantly to align with comparable rates in other OneMusic licences for comparable music use. Changeover music at Ticketed Promoted Events is charged at the same rate as the lowest tier in the OneMusic Sports Event licence for similar music use.

For Eligible Outdoor Events, we propose that the rate for changeover music be aligned with the Featured Recorded Music rate in the OneMusic Australia Hotels licence, reduced to reflect its application to just sound recordings. The difference in the rates for each event type is due to the fact that, because there are more acts and areas at events that qualify as Eligible Outdoor Events, there is also more Changeover music used. As is currently the case, APRA rates for Changeover Music will still be included in the 2.2% of box office.

Removal of Duration Limit for Changeover Music

Additionally, we propose removal of any maximum duration qualification for the lower Changeover rate applicable to the use of recorded music between acts or sets, (however the criterion that a DJ playing the changeover music can neither be on stage nor be named on the bill continues to apply). That is, there is no time limit for changeover music – this type of music use now fits in the Changeover music use category, regardless of duration. The Changeover rate only applies to a concert, stage, or area when the Gold, Silver or Bronze rates do not apply – it is not in addition to these rates.

Where there are multiple stages at an Eligible Outdoor Event, as is the practice in the existing PPCA E4 Tariff, the licence fee for the PPCA Licensed Sound Recordings is calculated for each stage by apportioning the total attendance across each stage. Different music use categories may, where relevant, be applied to different stage/areas and from day to day, to provide flexibility.

What reporting will be required for Ticketed Promoted Events and Eligible Outdoor Events?

To administer licences under this scheme, we'll ask for:

- Box office statements
- Setlists for all performers
- Final attendance numbers
- Confirmation of PPCA Sound Recording Use Categories
- Capacity of each stage/area

Examples

1. An indoor promoted concert by band *Afternoon Petroleum* includes DJ *Peeping Duk* as support. The headline act does not use PPCA sound recordings, but the support act does.

Ticket price: \$90 (no booking or credit card fee)

Tickets sold: 3,000

Attendance: 3,050

Gross Box Office: \$270,000

Licence category: Ticketed Promoted Event

APRA Fee

2.2% of GBO (minus GST) = **\$5,400**

PPCA Fee

Music use category: **Bronze**

$\$0.65 \times 3,050 = \mathbf{\$1,982.50}$

2. A one-day outdoor festival with two stages (capacities 8,000 and 5,000) has 16 performers. Neither stage's headline act uses PPCA sound recordings. The main stage has changeover music, and the second stage includes a couple of DJs in the line-up.

Ticket price: \$199 (no booking or credit card fee)

Tickets sold: 10,000

Attendance: 10,200

Gross Box Office: \$1,990,000

Licence category: Eligible Outdoor Events

APRA Fee

1.65% of GBO (minus GST) = **\$29,850**

PPCA Fee

Main Stage

Music use category: **Changeover**

Attendance: 6,277

$\$0.1359 \times 6,277 = \mathbf{\$853.04}$

Second Stage

Music use category: **Bronze**

Attendance: 3,923

$\$1.01 \times 3,923 = \mathbf{\$3,962.23}$

2. Dance Parties

The definition and applicable sound recording licence fee rates for Dance Parties were determined by the Copyright Tribunal of Australia, and we do not propose any amendments to this scheme.

What is a Dance Party?

A Dance Party is any one-off or occasional event charging an entry fee and playing sound recordings for dancing as the primary form of entertainment, and which is not:

- a) an event regularly held at Nightclub premises;
- b) a private function, or an event which features ballroom or similar traditional dancing;
- c) a not-for-profit event solely for under age participants; or
- d) an event organised by a church, school or other like body.

What are the proposed rates?

There is no proposed change to the rates in the existing Dances and Dance Parties event licence.

APRA Works

2.2% of Gross Box Office Receipts

Subject to allowable deductions (GST, Credit Card Fees, Booking Fees: if incurred by the promoter and not charged to the ticket purchaser)

Subject to a Min Fee of \$82.50

PPCA Sound Recordings Per attendee rate (incl GST)

\$3.92

Subject to a Min Fee of \$82.50

Example:

A dance party has a line-up of five DJs, with no other performers.

Ticket price: \$60 (booking fees total \$960, credit card fees total \$340)

Tickets sold: 800

Attendance: 800

Gross Box Office: \$46,700

Licence category: Dance Party

APRA Fee

2.2% of GBO (minus booking and card fee deductions) = **\$934**

PPCA Fee

$\$3.92 \times 800 = \mathbf{\$3,136}$

3. Ticketed Special Purpose Events

What is a Ticketed Special Purpose Event?

Ticketed Special Purpose Events are ticketed events where our music is featured and integral to performances, but is not the main element of the performance. This includes events such as comedy shows, variety shows and magic performances.

Events of this type would currently be licensed under the APRA GCSF rate for Special Purpose (Featured Music) and the PPCA Tariff B for Events and Festivals.

What are the proposed rates?

APRA Works

2.2% of Gross Box Office Receipts, **pro-rated by Duration of Music** use to Total Duration of the Event

Subject to allowable deductions (GST, Credit Card Fees, Booking Fees: if incurred by the promoter and not charged to the ticket purchaser)

Subject to a Min Fee of \$82.50

PPCA Sound Recordings

2.2% of Gross Box Office Receipts, **pro-rated by Duration of Sound Recording** use to Total Duration of the Event

Subject to allowable deductions (GST, Credit Card Fees, Booking Fees: if incurred by the promoter and not charged to the ticket purchaser)

Subject to a Min Fee of \$82.50

Benefits:

The existing 'Special Purpose Featured Music Event' licence includes two rates for the use of PPCA sound recordings, \$0.1895 per person for music used as background entertainment, and \$0.2722 per person for featured musical entertainment.

We propose to simplify the licence structure for the use of PPCA sound recordings to mirror the structure for APRA works, and base it on a percentage of gross box office receipts, pro-rated by the duration of sound recording use.

What reporting will be required for Ticketed Special Purpose Events?

To administer licences under this scheme, we'll ask for:

- Box office statements
- Music use report with durations

Example:

A magician uses recorded music during 68% of her live stage show, but no changeover music.

Ticket price: \$75 (no booking or credit card fee)

Tickets sold: 500

Attendance: 500

Gross Box Office: \$37,500

Licence category: Ticketed Special Purpose Event

APRA Fee

2.2% of GBO (minus GST) = \$750

Pro-rated to 68% duration = **\$510**

PPCA Fee

2.2% of GBO (minus GST) = \$750

Pro-rated to 68% duration = **\$510**

MUSIC USE CATEGORIES

To simplify Events licensing and reporting, the following music use categories will apply to the Ticketed Promoted Events and Eligible Outdoor Events licences.

- 1. Gold**
A Ticketed Promoted Event or Eligible Outdoor Event stage/area, where **all** artists use PPCA Sound Recordings.
- 2. Silver**
A Ticketed Promoted Event or Eligible Outdoor Event stage/area where the Headline Actⁱⁱ uses PPCA Sound Recordings throughout their set.
- 3. Bronze**
A Promoted Event or Eligible Outdoor Festival stage/area where artists other than the Headline Act are using PPCA Sound Recordings during their sets but the Headline Act is not.
- 4. Changeover**
A Ticketed Promoted Event or Eligible Outdoor Event stage/area where the only use of PPCA Sound Recordings is as changeover music. Changeover music is recorded music played between advertised acts, with no presence on stage.

BLANKET LICENSING OF RECORDINGS

Some feedback we have received from Events licensees regarding licensing APRA works and PPCA Sound Recordings concerns the complexity involved when it comes to identifying each company's repertoire, particularly when it comes to identifying which of PPCA's sound recordings are 'protected sound recordings'.

OneMusic Australia's proposed event licences are blanket licences which means that your business can use any music from the vast repertoires of APRA and PPCA and avoid having to undertake the complex analysis of whether a recording is or is not a protected sound recording, as long as that recording is controlled by one of the many copyright owners that license their repertoire to PPCAⁱⁱⁱ.

ⁱⁱ A headline act is the act with the most prominent advertising or billing OR based on highest expenditure on artists.

ⁱⁱⁱ <https://www.pcca.com.au/labels/list-of-licensors>

PROVIDING FEEDBACK

OneMusic Australia welcomes your feedback to the proposed Events licences described in this paper.

Please provide your feedback in the form of a submission to consultations@onemusic.com.au by close of business 18 February 2022.

FURTHER QUESTIONS

If you have any questions or would like to discuss the proposal further, please email questions@onemusic.com.au and we will be in touch as soon as possible.