

20 May 2019

EVENTS

OUR CONSULTATION PROCESS WITH YOU

OneMusic Australia is consulting with you and would like to hear what you think.

This paper sets out the proposed rates to apply to events and performances where music is used. It covers APRA's existing rates for National and other Event Promoters and PPCA's Tariffs B, E2, E4 and X and simplifies those separate licences and schemes by providing a combined approach. It is relevant for concert promoters, event and festival promoters and producers, performance spaces and those running ad hoc events from time to time that are not covered under other OneMusic licence schemes. Some OneMusic licences, such as Places of Interest, Councils, Hotels also cover events, subject to certain thresholds, and for events outside those limits, the rates here apply. You can access information about those licences [here](#).

We realise it can be confusing to have to pay music licence fees to two organisations. Starting from mid-2019, OneMusic Australia will be the one organisation for all your music licensing needs, and you'll be able to pay for your licence online.

It's not easy to build a single licence scheme that suits everyone, so we've come up with a proposal which builds on previous discussions with industry and where possible applies the same metrics to the one event. We'd like you to take a look and provide us with your feedback.

Live Performance Australia have prepared a summary for their members (June 2019) and you can read this [here](#).

This paper covers the proposal for licensing for the following types of events:

- Promoted music events and festivals (including free events);
- General entertainment events where music is used but not the primary focus (including free events).

Events using music in a dramatic context and sports events will be dealt with separately.

The basics of the proposal

- Rates, we propose:
 - for musical works, to continue with the rates agreed between APRA and LPA for event licensing;
 - for sound recordings –
 - o to adopt the current headline APRA (percentage of GBO) rate subject to tiered adjustments for certain events; and
 - o introduce 3 tiers for per person rates for certain events.
- Methodology, we propose to:
 - charge separately on a user-pays basis for the performance of musical works and sound recordings;
 - calculate licence fees for sound recording use at Promoted Music Events and Festivals on a percentage of gross box office subject to adjustments based on percentage of sound recording use, at each stage/performance area, by Live Artist Performers;
 - maintain the existing PPCA method of calculating sound recording use by Live Artist Performers at an event (total set times of Live Artist Performers using sound recordings within their set as a percentage of total performance time of Live Artist Performers at the event or stage/performance area); and
 - introduce a further sound recording use percentage band.

RATES

Notes - while the use of musical works and sound recordings will, under this proposal, be subject to separate rates, they will be itemised on a single invoice. All rates listed in this consultation paper are inclusive of GST. All events will be subject to a minimum fee of \$165 (where both the musical works and sound recording rights are used). A partial rights reduction to the minimum fee may be available where appropriate.

PROMOTED MUSIC EVENTS¹ and FESTIVALS – entry fee charged

Table 1: Rate schedule

Promoted Music Event	Musical Works	PPCA Sound Recordings
*Changeover Music		\$0.033 per Attendee
Live Artist Performer/s	2.20% of Box Office	**2.20% of Box Office (pro rated)
Festival	Musical Works	PPCA Sound Recording
*Changeover Music (festival)		\$0.267 per Attendee
Live Artist Performers	1.65% of Box Office	**1.65% of Box Office (pro rated)

* Changeover Music rate only applies to Promoted Music Events and Festivals where:

- none of the Live Artist Performers use sound recordings;
- it is played remotely and there is no other stage presence; and
- for Festivals only, the use of Changeover Music between each act is no longer than 20 minutes.

Outside of these circumstances the use of Changeover Music will be included in the percentage of sound recording use calculation.

** Where Live Artist Performers use sound recordings within their performance, the licence fee will be pro- rated based on a percentage use band calculated on the total time those artists perform across the event as a proportion of the total performance time of the relevant stage or performance area at the Promoted Music Event or Festival – see Tables 2 and 3 below. When this rate applies (to a stage or performance area at a Promoted Music Event or Festival) it will also cover Changeover Music and no separate fee will be payable for this use of music.

The total licence fee payable to OneMusic will be the sum of the relevant Live Artist Performer rates or the sum of the relevant Changeover Music rate and Live Artist Performer (musical work use) rate.

PERCENTAGE OF SOUND RECORDING USE BANDS

Table 2 – Promoted Music Events

Category	Percentage Use Band	% of Box Office
A	0.01% - 14.99%	0.330%
B	15% - 34.99%	0.550%
C	35% - 69.99%	1.155%
D	70% - 89.99%	1.760%
E	90% - 100%	2.200%

¹ Relevant definitions are set out on page 5. Promoted Music Events in this paper includes any concert or other event in Australia at which a Music Performer is featured for which an entry fee is payable (whether or not any entry fee is paid).

Table 3 - Festivals

Category	Percentage Use Band	% of Box Office
A	0.01% – 14.99%	0.247%
B	15% - 34.99%	0.412%
C	35% - 69.99%	0.866%
D	70% - 89.99%	1.320%
E	90% - 100%	1.650%

OneMusic Australia proposes to adopt the current PPCA methodology for pro rating sound recording use but has varied the parameters of each percentage use band and included additional bands at the lower end of sound recording use scale. Currently PPCA's Tariff E4(A) covers 0.01% - 24.99% sound recording use and Tariff E4(B) covers 25% - 69.99% sound recording use. The One Music Australia proposal splits these two existing bands into three, to further take into account the varying nature of sound recording use across events. In effect this will result in lower rates for events with lower proportions of Live Artist Performers using sound recordings.

The percentage of sound recording use is calculated based on the total set times of all Live Artist Performers using sound recordings as a percentage of the total performance time for Live Artist Performers at the event or stage/performance area. As noted above if the use of music falls outside the relevant parameters for Changeover Music, such as duration or stage presence, it will be included in the calculations. For events where there are multiple stages, the calculation will be pro-rated according to the capacity of each stage and/or performance area.

GENERAL ENTERTAINMENT EVENTS AND CATERED ENTERTAINMENT EVENTS – entry fee charged

Table 4 – Rates (entry fee charged)

General Entertainment Events	Musical Works	PPCA Sound Recordings
Stage Use and/or Live Artist Performers	*2.20% of Box Office pro rated	\$0.267 per Attendee
Catered Entertainment Events	Musical Works	PPCA Sound Recording
Stage Use and/or Live Artist Performers	1.32% of Box Office	\$0.267 per Attendee

These rates apply for General Entertainment Events where music is used within the performance or activity and/or where music is performed by Live Artist Performers. Where these rates apply the licence will also cover the use of any Changeover Music at the event.

*The musical works component of a General Entertainment Event will be pro-rated according to the duration of musical works used across the duration of the event.

OneMusic Australia proposes to factor a deduction for the costs of food and beverages into the rate payable for the use of the musical works rights for Catered Entertainment Events. OneMusic Australia has accordingly adopted the maximum deduction currently available under APRA's rates, being 40%, which reduces the rate to 1.32% and will apply this new reduced rate to all events in the Catered Entertainment category.

A separate licence for General Entertainment Events (entry fee charged) may be required if the event uses only Changeover Music and is held in a venue that does not have an existing licence from OneMusic that covers this use.

FREE MUSIC EVENTS AND GENERAL ENTERTAINMENT EVENTS

Table 5 – Free Music Event - rates

Free Music Event	
Musical Works	
Live Artist Performer(s)	2.20% of GAE
AND where applicable	
*Changeover Music	\$0.033 per Attendee
PLUS	
PPCA Sound Recordings	
Live Artist Performer/s (sound recording use)	\$0.267 per Attendee
OR	
Changeover Music	\$0.033 per Attendee

Table 6 – Free General Entertainment Event - rates

Free General Entertainment Event	
Musical Works	
Stage Use and/or Live Artist Performer(s)	2.20% of GAE
AND where applicable	
Background Music	\$0.093 per Attendee
OR	
Changeover Music	\$0.033 per Attendee
PLUS	
PPCA Sound Recordings	
Stage Use and/or Live Artist Performer(s)	\$0.267 per Attendee
OR	
Background Music	\$0.093 per Attendee
OR	
Changeover Music	\$0.033 per Attendee

The Changeover Music and Background Music rates will only apply if the event is held in a location that does not have an existing licence that covers this use, such as events held in Council facilities, where that Council is licensed under the OneMusic Australia Local Government Area licence.

For free music events and general entertainment events, where applicable, a per attendee rate will apply to Changeover Music. For free general entertainment events that use pre-recorded music as a background entertainment for attendees the Background Music per attendee rate applies.

Music use within the performance will be calculated based on a percentage of the artist expenditure for the musical works rights component and, if applicable, the sound recording use right will be charged on a per attendee rate.

Where appropriate OneMusic Australia may apply different rates to different areas of the event to adjust for the varied ways in which music is used across the event as a whole.

Not all events can be easily categorised and sometimes, to ensure that music use is accurately licensed, OneMusic may need to apply other schemes or licences, similar to APRA AMCOS' current application of the per person rate for certain events. OneMusic understands the varied nature of events and will adopt APRA AMCOS' and PPCA's current practice of working with licensees and assessing the use of music on an event by event basis.

RELEVANT DEFINITIONS

Types of events	
Catered Entertainment Event	events where music is played but is not the purpose or focus of the event (as identified by reference to promotional and advertising material) and where the Entry Fee includes food and beverage costs. It does not include concerts, music events or festivals.
Event (in this consultation paper)	Promoted Music Events, Festivals, Free Music Events, General Entertainment Events.
Festival	an event that: <ul style="list-style-type: none"> a) Occurs on at least one full day (being no less than 8 hours in advertised duration), at an outdoor place requiring a stage to be erected or a specific performance area to be created or specifically for the event; b) Is advertised as a festival, in which staging of the event and all associated advertising is not dependent on any one or two headline acts; and c) Includes at least six acts.
General Entertainment Events	events where music is used but is not the primary focus of the performance or activity but does not include a sports event.
Free Music Event	a Promoted Music Event where there is no Entry Fee.
Promoted Music Event	means any concert or other event in Australia at which a Music Performer or a series of Music Performers are featured, for which an entry fee is payable (whether or not an entry fee is actually paid) .
Other definitions	
Attendee	each person attending the Event, regardless of whether that entrant was charged an Entry Fee.
Background Music	recorded music played for Attendees throughout and during the Event that is not used as a prominent feature and/or characteristic part of the entertainment at the Event or otherwise advertised as forming part of the entertainment of the Event.

Changeover Music	recorded music played at the stage, or within the performance space or area before, between and after the performance/s and during the arrival and dispersal of Attendees.
Entry Fee	a fee charged for admission (even if not charged to all patrons) including but not limited to a ticket price, membership fee or cover charge.
Gross Artist Expenditure (GAE)	all monies and the monetary value of all benefits receivable directly or indirectly by all Music Performers at the relevant Event, including all salaries, wages, profit shares, allowances, accommodation, travelling and other expenses and whether receivable by the Music Performer or their agents.
Gross Sums Paid For Admission (Box Office)	the total amount paid for admission to the Event, excluding Third Party Booking Fees; third party credit card charges; and government taxes, duties and charges.
Live Artist Performer	any performer participating in the performance of music including featured or associated singers, DJs, electronic music artists, dancers, models and conductors.
Live Music Performance	music that is performed by a Music Performer. For clarity, this includes Music Performers who use sound recordings.
National Event Promoter	an entity/individual that is currently approved by OneMusic or regularly promotes events that tour in more than two states of Australia.
Percentage of Sound Recording Use	the aggregate of the entire duration of the set of each Live Artist Performer using sound recordings within their performance as a percentage of the entire performance time by Live Artist Performers at the event or stage/performance area.
Stage Use	a performance or activity that includes recorded music.

To see how the proposed OneMusic Australia scheme will apply to your specific circumstances, please check:

- Is music being used during the Event? How is it being performed? Is it being performed by Music Performers, by pre-recorded music or both?
- Is the Event covered by an existing OneMusic Australia licence?
- Is an Entry Fee charged, or is the Event free?

What should I do next?

If you have any questions about OneMusic Australia during this consultation, feel free to ask them at questions@onemusic.com.au.

DATE: 20 May 2019

EVENT

CONSULTATION PAPER

OneMusic Australia is a joint venture initiative of APRA AMCOS and PPCA.

APRA AMCOS is the trading name of the Australasian Performing Right Association and the Australasian Mechanical Copyright Owners Society. APRA AMCOS grants licences for the live performance, broadcast, communication, public playing or reproduction of its members' and affiliates' musical works. APRA AMCOS then distributes the licence fees collected to its over 100,000+ songwriter, composer and music publisher members, and affiliated societies worldwide.

PPCA is the Phonographic Performance Company of Australia Ltd. PPCA 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 Australian recording artists.

In mid-2019, APRA AMCOS and PPCA intend to launch the OneMusic Australia partnership to provide a one-stop shop for the music licence needs of promoters and event producers, music venues and performance spaces where music is used to remove the requirement for them to obtain licences separately from APRA AMCOS and PPCA.

OneMusic Australia aims to harmonise existing tariffs, simplify music licensing, reduce administrative burden and counter market confusion around the difference between APRA AMCOS and PPCA. An eCommerce facility to pay online and, where applicable, to apply for one-off event music licences will provide for easy account management with OneMusic Australia.

APRA AMCOS and PPCA, trading as OneMusic Australia, are parties to the Code of Conduct for Collecting Societies and have a policy to consult, where appropriate, with relevant industry bodies or licensees when developing and implementing new or revised licence schemes for the use of music. We believe that receiving input from music users allows us to better understand how music is used across different industries. Consultation also ensures that our clients have a better understanding of how royalty payments flow and the purpose of such licences, which in turn leads to improved ongoing relationships.

This document serves as notification that OneMusic Australia intends to review the way in which music is licensed at events including but not limited to concerts, festivals, music events (including those where there is no admission fee), comedy, burlesque, variety and circus events. This consultation paper covers events with and without an entry fee and music use by live performers and recorded music.

For the purpose of clarity, this paper applies to events in venues such as hotels, casinos, function centres, places of interest, halls and public vehicles where the relevant entry fee threshold or artist expenditure limit is exceeded or where an event is promoted by a National Event Promoter. OneMusic Australia has released consultation papers for other types of music uses by these types of venues separately [here](#).

Events and performances where music is used in a dramatic context and sports events (where music is used as before, during or after the sport event or activity) will be the subject of separate consultation papers.

Please note also that this paper is not for the purpose of consultation on the individual distribution processes to members, licensors and affiliates undertaken by APRA AMCOS and PPCA, which are a matter for those organisations' respective Boards.

Further information about OneMusic Australia can be found [here](#).

CONSULTATION TIMELINE

OneMusic Australia expects that the consultation on the proposed scheme will progress as follows:

- a) Circulation of this first consultation paper for response;
- b) Consolidation of responses;
- c) Depending on the initial feedback, the circulation of a second consultation paper if required, taking into account submissions made at part b) above;
- d) Final submissions accepted and integrated where appropriate; and
- e) Written documentation provided to businesses serving as at least three months' notification of the commencement of the new scheme.

THE PROPOSED SCHEME

Event promoters and venues where music is performed currently require licences from both APRA AMCOS and PPCA for their use of musical works and sound recordings where applicable. The proposed OneMusic Australia scheme, which is detailed below, is structured to consolidate these licences into one simple to administer scheme.

The goals of the proposed scheme and the OneMusic Australia joint venture in general are:

- a) To simplify licensees' initial and ongoing reporting and administrative requirements; and
- b) To develop simple and industry-relevant structures that are fair and equitable and, insofar as possible, to be licence fee neutral when considered across the industry as a whole.

This consultation paper discusses OneMusic Australia's proposed licence fee arrangements for the playing and performance of music at events.

CONSIDERATIONS

Currently, both APRA AMCOS and PPCA license events under several separate tariffs with licence schemes based on a broad range of metrics, such as number of attendees, box office receipts and/or live artist expenditure, and whether the event has featured music such as headline or support acts, or is a multi-act event. However, in the case of ticketed events, APRA schemes are generally based on a percentage of box office, whereas the PPCA schemes are based on a per-person metric.

Following consultations in January 2016, APRA AMCOS reached agreement with Live Performance Australia (LPA), Australia's peak body for the live performance industry on new phased-in box office percentage rates for its Event Promoters licence and Festival licence. APRA AMCOS also expanded the scope of the scheme to include recorded music events such as Dance Parties and amended its Festival licence to include both single and multi-day events and offered phased-in lower rates for regional festivals until 2019.

OneMusic Australia does not propose to revisit the APRA AMCOS rates agreed with LPA.

The current PPCA licensing structure provides for a per person rate for all attendees at multi-act music events and festivals and other events. At multi-act ticketed events the rates are based on a pro-rating of sound recording use calculated according to the percentage of time acts using sound recording perform compared to all acts at that event. There is also a separate per person attendance rate for Dances and Dance Parties², and a separate per person rate for music performed at concerts as background music prior to, during interval and after the event.

Notwithstanding the different metrics currently used, OneMusic Australia is of the view that where both a musical work and a sound recording are publicly performed they should have equal value. This view is supported by the Copyright Tribunal including in its 'nightclub decision'³. However, OneMusic Australia is conscious of the many different ways in which music can be used throughout an event and has formulated a proposal that will take into account these varying uses.

² This tariff was the subject of a review and determination by the Copyright Tribunal (File No. CT 2 of 2004).

³ See Phonographic Performance Company of Australia Limited under section 154(1) of the Copyright Act 1968 (Cth) [2007] ACopyT_1.

OneMusic Australia notes that a per person rate in respect of Live Music Performances, even with the variations provided under the current PPCA schemes, can cause significant variations in the effective percentage rate paid for ticketed events. This is particularly true where the ticket price is relatively low. It is OneMusic Australia's view that a tariff structure based on a percentage of box office will (a) reduce the variations caused by a per person metric, (b) ensure consistency in approach across the two rights, and (c) be self-adjusting according to the 'box office principle'. It will have no adverse impact on the administrative burden of licensees, as the box office information is already required under the existing APRA scheme.

The use and selection of sound recordings played before, between or after live performance acts is a vital component of the live performance experience. In most instances the music is specifically curated according to the artists performing at the event and the demographics of the likely audience. OneMusic Australia believes that the licence scheme for events should reflect the value of music to the event as a whole.

The APRA AMCOS and PPCA existing schemes, respectively, provide for a reduction to the licence fee according to repertoire and sound recording use across the duration of the event. In terms of APRA AMCOS, adjustments may occur where works are not represented by APRA AMCOS or in the case of certain schemes where the live performances form only part of the ticket price (e.g. a comedy show where only one or two songs are performed). For PPCA, adjustments occur where protected sound recordings are not used in the performance or where a direct licence has been obtained from the copyright owner. Of course, the adjustments will not be the same for the two sets of rights – that is a song may be in the APRA repertoire but the performance doesn't use a protected sound recording, or the song may be a public domain musical work but the performer plays the protected sound recording

OneMusic Australia does not intend to expand the scope of event licences. The use of protected sound recordings within performances⁴ has always required an appropriate licence and this will not change under OneMusic Australia. However, as a consequence of adopting APRA AMCOS' approach to licensing events there may be a shift in the licence holder, which means that some entities which have not previously sought public performance licences for the use of protected sound recordings may be required to review their existing practices to ascertain their full licensing requirements.

This process may be new for some licensees and as such may not immediately deliver on at least one of the aims of the venture: to simplify licensees' initial and ongoing reporting and administrative requirements. Notwithstanding, OneMusic considers that enabling businesses to be fully compliant with their music licensing requirements so they do not unwittingly infringe copyright has a higher precedence.

OneMusic Australia is mindful of the possible increased complexity to some licensees of event-by-event assessment of sound recording use. To that end OneMusic Australia considered introducing a blanket base rate to cover sound recording use across all events. However, after analysis and consideration of the impact of that approach on licensees, OneMusic Australia determined that the variance in sound recording use across events means that a blended rate to cover all sound recording use would result in significant variances and inequities in fees payable between licensees.

RIGHTS

Music in this context includes all works, recordings and music videos represented by APRA AMCOS and PPCA respectively. The breadth of repertoire is vast including the worldwide repertoire of many hundreds of thousands of musicians, and millions of recordings.

To be clear, this scheme excludes the synchronisation of music with video footage. These rights are generally held by record companies and music publishers and require separate clearance and licensing. It also excludes copying music.

STRUCTURE

Effectively there are two strands to OneMusic Australia's proposed events scheme:

- a) Promoted Music Events and Festivals; and
- b) General Entertainment Events and Free Music Events.

Promoted Music Events for the purposes of this paper includes concerts, dance parties and other music performances. General entertainment events are events where music is used but is not the primary purpose or main feature of the event.

⁴PPCA sound recordings can be used in a 'live performance' in several ways. Protected sound recordings include samples, remixes, stems and/or loops triggered via software. Live producer and electronic artists play many parts of their performance using these or elements of these throughout their performance. Many traditional concert acts use pre-recorded backing tracks taken from their studio recordings or use track stems from their recordings.

These two strands are further categorised based on how music is used and whether or not an Entry Fee is charged.

As far as practicable OneMusic Australia proposes to combine the existing definitions and processes currently applied by APRA and PPCA. Following the extensive work conducted by APRA AMCOS and Live Performance Australia in 2016 OneMusic Australia also plans to use the box-office based licence scheme and the existing APRA rates struck under that agreement as the foundation of the OneMusic Australia Music Events scheme.

Promoted Music Events and Festivals

Given the depth of analysis and consideration of relevant issues with the consultation process with Live Performance Australia, OneMusic Australia considers the extension of the headline concert and festival rates to the sound recording right to be reasonable and equitable. The application of these rates also serves to simplify the information required to process the licence and calculate the relevant fees.

Currently PPCA licenses multi-act events on a per person rate which is apportioned on the basis of percentage of time that Music Performers use sound recordings perform at the event. The adoption of a percentage of box office rate to the sound recording use right will in many cases reduce the licence fees currently paid by licensees for events, particularly those events with lower ticket prices. In instances where the licence fees increase OneMusic Australia believes that the fee increase will more accurately reflect the duration of the use of sound recordings at the event.

As the use of the sound recording rights at events varies, adjustments are required to take into account the overall use of sound recordings. For events where adjustments are necessary (based on percentage of sound recording use or direct licensing) OneMusic Australia will continue PPCA's practice of pro rating sound recording use across an event.

This means that the information that is currently provided to PPCA in relation to artist line up, set start and finish times will also be required by OneMusic Australia. Information regarding artist expenditure, Box Office and attendance will also continue to be required under the OneMusic Australia scheme.

For events that have multiple stages, OneMusic Australia also intends to adopt PPCA's current methodology of apportioning sound recording use across different stages. This process ensures that licensees pay only for the music used at each stage and for the proportion of attendance at that stage. For example, at a Festival or Promoted Music Event with three stages, where only one stage includes Music Performers using sound recordings, the licence fee in respect of the sound recording use right will be calculated based on the proportion of attendees at that stage.

This means that licensees requiring the sound recording use right at events with multiple stages will be required to provide apportioned attendance details for the events (as is required under PPCA's current scheme).

Adjustments for the use of music outside APRA's repertoire, or subject to licence back or opt out arrangements, will continue with no change to current practices.

Other adjustments may also be required which could impact on the fee payable, for these reasons OneMusic Australia's invoices will separately identify the musical works and sound recording components of the licence fee to ensure continued transparency in relation to the coverage of the licence.

The rates for Promoted Music Events in this paper will apply to all relevant events operated by National Event Promoters (see below for further detail on One Music Australia's proposal for National Event Promoters) and events in dedicated music and performance venues. The Promoted Music Event rates will also apply to events in venues such as hotels, places of interest, function centres etc where the gross artist expenditure and/or ticket price thresholds are met.

The proposed fee structure for Promoted Music Events is illustrated in Table 1. The relevant sound recording use percentage bands are set out in Tables 2 and 3. The following tables set out example fee calculations and methodologies for different Promoted Music Events and Festivals.

Example 1 – Festival

- 3 days and 5 stages (varied sound recording use across all stages)
- Total attendance: 6,000 people
- Gross Box Office: \$1,440,000

	Stage	Percentage Use Band	% of BoxOffice	Stage attendance	Percentage of attendance	OneMusic Licence fee
Sound recording right calculations	70% - 89.99%	1.320%	2160	36%	\$6,842.88	\$6,842.88
	35% - 69.99%	0.866%	2160	36%	\$4,489.34	\$4,475.35
	0.01% – 14.99%	0.247%	1080	18%	\$640.22	\$641.52
	90% - 100%	1.650%	300	5%	\$1,188.00	\$1,188.00
	90% - 100%	1.650%	300	5%	\$1,188.00	\$1,188.00
<i>Sub -total</i>				<i>6000</i>		<i>\$14,348.45</i>
Musical works rights calculation	n/a	n/a	1.650%	n/a	n/a	\$23,760.00
Total fees						\$38,108.45

Example calculation for Percentage Use Band (Stage 1) - The total set times of Music Performers using sound recordings was 20.4 hours out of a total performance time at that stage of 24 hours. The sound recording use percentage band is 70% - 89.99%. The relevant Festival percentage of Box Office (1.32%) is then pro rated for the percentage of total attendance at that stage (36%).

As there is no proposed change to the APRA rates or structure under the OneMusic Australia scheme, the licence fee for a festival of this nature remains the same.

Under the existing PPCA per person rate licence structure, the licence fee for an event of this type would be \$12,064.80. This licence fee would have applied, regardless of whether the festival ran for one day or for eight days. So those events with longer durations and the resulting higher ticket prices may see a fee increase. We believe the proposed OneMusic Australia scheme will result in a more equitable and reasonable licensing scheme for event promoters, as it more accurately reflects the use of sound recording use across events.

Example 2 – Festival

- 2 days and 3 stages (one stage with no sound recording use)
- Total attendance 14,000 people
- Gross Box Office \$1,680,000

	Stage	Percentage Use Band	% of Box Office	Stage attendance	Percentage of attendance	OneMusic Licence fee
Sound recording right calculations	1	n/a	0.00%	1,120	8%	\$0.00
	2	35% - 69.99%	0.866%	2,520	18%	\$2,618.78
	3	0.01% - 14.99%	0.247%	10,360	74%	\$3,076.92
<i>Sub-total</i>				14,000		\$5,695.70
Musical works rights calculation	n/a	n/a	1.65%			\$27,720.00
Total fees						\$33,415.70

As there is no proposed change to the APRA rates or structure under the OneMusic Australia scheme the licence fee for a festival of this nature remains the same.

Under the existing PPCA licence structure of a per person rate the licence fee for an event of this type would be \$9,455.00. The introduction of additional sound recording use bands within the One Music Australia proposed structure provides a more granular assessment of music use across the event, which may result in variances of fees payable by some licensees. In this case, the variation is a reduction in the sound recording component of licence fees payable.

Example 3 – Promoted Music Event

- 1 stage (including sound recording use by Music Performers)
- Total attendance 5,800
- Gross Box Office \$400,200

	Percentage Use Band	% of Box Office	Stage attendance	Percentage of attendance	OneMusic Licence fee
Sound recording right calculations	90% – 100%	2.2%	5800	100%	\$8,804.40
Musical works rights calculation	n/a	2.2%			\$8,804.40
Total fees					\$17,608.80

Licence fees under PPCA's existing structure for this event would be \$21,518.00, or if discretionary concessional rates based on ticket price applied the fee would be \$10,962.00. OneMusic Australia's shift to a percentage of box office methodology for the sound recording use right, coupled with the percentage of sound recording use bands, mean that licence fees for the sound recording right will more readily adjust for the use of sound recordings by Music Performers and also adjust based on box office earnings as opposed to being fixed at a per person rate, regardless of box office earnings.

Example 4 – Promoted Music Event

- 1 stage, less than 8 hours (sound recording use limited to Changeover Music)
- Total attendance 15,000
- Gross Box Office \$2,700,000

	Percentage Use Band	% of Box Office	Stage attendance	Percentage of attendance	OneMusic Licence fee
Sound recording right calculations		n/a	15,000	\$0.033	\$495.00
Musical works rights calculation	n/a	2.20%			\$59,400.00
Total fees					\$59,895.00

Depending on the nature of the event, licence fees under PPCA’s existing scheme could vary from \$64.04 to \$3,900. While the application of the new scheme may, in the first instance, see an increase for some OneMusic Australia licensees we believe in the long term it will provide a more accurate coverage of the actual use of sound recordings and equitable fees across the scope of licensees for the use of this right.

General Entertainment Events (entry fee charged)

The rates for these types of events are set out in Table 4.

Example 5

- A ticketed fashion parade featuring DJ performances (music used for the entire duration of the Event)
- Attendance 1500
- Gross box office \$67,500

Sound recording right calculations	Attendance	Per person rate		OneMusic Licence fee
Music Performer(s)	1,500	\$0.267		\$400.50
Musical works rights calculation (Box Office)			% of Box Office	
	n/a	n/a	2.2%	\$1,485.00
Total fees				\$1,885.50

Example 6

- A ticketed comedy show
- 30 minutes of pre-recorded music within the 70 minute performance
- Attendance 350
- Gross box office \$26,250

Sound recording right calculations	Attendance	Per person rate	% of Box Office	OneMusic Licence fee
Stage Use	350	\$0.267	n/a	\$93.45
Musical works rights calculation (Box Office)				
Stage Use	n/a	n/a	*2.2%	*\$247.50
Total fees				\$340.95

*Pro-rated for use of musical works. The musical works fee equates to 42.86% (being the duration of musical works used across the duration of the event) of percentage of Box Office $[(30/70) \times (2.2\% \times \$26,250)]$.

Free Music Events and Free General Entertainment Events

The rates for these types of events are set out in Tables 5 and 6.

For free music events and free general entertainment events, where applicable, per attendee rates will apply to Changeover Music and Background Music for both the musical works right and sound recording use right. These music use categories have to date been licensed under PPCA's Tariff B (currently \$0.1828 per person for background use) and under either a general permit licence, or per person rate by APRA AMCOS. OneMusic Australia believes that the implementation of equal per attendee rates for both the musical works rights and sound recording use rights in these categories will reflect the actual use of music at these events and increase OneMusic Australia's ability to cover the varying ways music is used across an event more accurately.

Music use within the performance will continue to be calculated based on a percentage of the artist expenditure for the musical works rights component and, if applicable, the per attendee rate based on PPCA's existing Tariff B for featured use for the sound recording use right.

Where appropriate OneMusic Australia may apply different rates to different areas of the event to more readily adjust for the varied ways in which music is used in events of this type.

Example 7 – Free Music Event

- One day (sound recording use Changeover Music only)
- Attendance 55,000
- Gross artist expenditure \$45,000

Sound recording right calculations	Attendance	Per person rate		OneMusic Licence fee
Changeover Music	55,000	\$0.033	n/a	\$1,815.00
Musical works rights calculation (GAE)	Attendance	Per person rate	2.2% of GAE	
Changeover Music	55,000	\$0.033		\$1,815.00
Live Artist Performer				\$990.00
Total fees				\$4,620.00

Under PPCA's existing licensing scheme this event would have been licensed under Tariff B – background use, currently \$0.1828 per person. The proposed OMA rate for Changeover Music means that the use of sound recordings at events can be more accurately described and charged based on the nature of use.

APRA AMCOS' existing scheme for this type of event would be the sum of the percentage of artist expenditure and a general permit licence to cover other uses of music.

Example 8 – Free Music Event

- A one day free event
- Multiple stages using Live Artist Performers (including one stage with Live Artist Performers using sound recordings within performance with a capacity of 5000 people*)
- Attendance 45,000
- Gross artist expenditure \$90,000

Sound recording right calculations	Attendance	Per person rate		OneMusic Licence fee
Live Artist Performers	*5,000	\$0.267		\$1,335.00
Musical works rights calculation (GAE)			% GAE	
Live Artist Performers			2.20%	\$1,980.00
Total fees				\$3,315.00

*For an event of this nature the OneMusic Australia proposed scheme reflects the current rates charged by PPCA and intends to implement PPCA's practice of apportioning attendance for multi-act/multi-stage event to free events of that type where appropriate.

Example 9 – General Entertainment Event (free)

- A free food fair
- Background Music (pre-recorded music used continuously throughout the event), no Live Music Performances
- Attendance 2000

Sound recording right calculations	Attendance	Per person rate		OneMusic Licence fee
Background Music	2,000	\$0.093		\$186.00
Musical works rights calculation	Attendance	Per person rate	% of GAE	
Background Music	2,000	\$0.093	n/a	\$186.00
Total fees				\$372.00

The PPCA rate for this type of event is currently \$0.1828, the OneMusic scheme means fees for sound recording rights in these instances will decrease.

The APRA AMCOS existing scheme for this type of event would be a general permit licence to cover uses of music.

PART C – ONEMUSIC AUSTRALIA LICENSING STRUCTURE - GENERAL COMMENTS

Multiple uses of music

Some events may require a combination of various components of the events licensing scheme to appropriately cover all uses of music within the event. For example, a cultural, or arts festival may include a series of free concerts, ticketed shows that include some music use, featured music and live performances at the food markets and pop up bars, as well as performances requiring a dramatic context licence.

Reporting

As the OneMusic Australia events licence scheme is adopting the practices already in place by APRA AMCOS and PPCA, there will be no new reporting requirements. Information regarding artist line up, set start and finish times, sound recording use, artist expenditure and estimated attendance will still be required prior to the event. The provision of information such as gross box office, final attendance numbers (where relevant) and set lists according to the existing APRA AMCOS timeframes will continue under OneMusic.

OneMusic will continue the earlier initiatives of PPCA and APRA AMCOS to liaise with promoters on the adoption of music recognition technology at suitable events and festivals, in order to obtain better data on which to base distributions without increasing the reporting obligations of licensees.

PART D – NATIONAL EVENT PROMOTERS - BLANKET LICENCE

OneMusic Australia intends to continue APRA AMCOS' current licensing structure of offering blanket licences to approved National Event Promoters and extend the licence coverage to include the use of sound recordings by a Live Artist Performer (i.e. within an artist's live performance/s) and as Changeover Music if required.

The OneMusic Australia Blanket National Event Promoter licence will:

- a) Include both the APRA AMCOS rights and PPCA rights;
- b) Apply the rates for music use and methodology for calculating the licence fees for Promoted Music Events as set out in the OneMusic Australia event licence scheme;
- c) Apply to all events promoted by the approved National Event Promoters, subject to the same exclusions as currently set out in the existing Blanket National Event Promoters licence.

Exclusions

The Blanket National Event Promoter licence under OneMusic will not cover certain events. These events will be licensed separately under other licences from OneMusic. Specifically:

- Festivals;
- General Entertainment Events;
- Sport Events;
- Events licensed under APRA's symphony and orchestra licence.
- Dramatic Context.

Given the expansion of the rights granted by this licence to include the PPCA rights, where necessary, the application of the scheme may result in a shift in licence holder, i.e. from venue to promoter or from promoter to venue. As such, some entities may be required to collate and provide information not previously reported under the Blanket National Event Promoter licence. OneMusic Australia believes that while in the initial period this may impose some additional administrative work on licensees the benefit of streamlining the licence and providing for one reporting avenue for multiple rights, will result in long term gains for licensees.

TRANSITIONAL ARRANGEMENTS

Our analysis shows that there are a number of event promoters and music venues that are currently licensed only by APRA AMCOS or PPCA but actually require licences for both organisations' rights. APRA AMCOS and PPCA recommend that you revisit your licensing status now, rather than waiting for OneMusic Australia to commence, in order to ensure you are fully covered and not unwittingly infringing.



SUBMITTING YOUR FEEDBACK

OneMusic Australia is committed to developing music licensing schemes that are fair, equitable and relevant to Australian industries. Your feedback on the above proposal is integral to this process.

Please provide your feedback in the form of a submission to consultation@onemusic.com.au by close of business Friday, 30 August 2019.

All submissions must be in a Microsoft Word or PDF format.

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.