



**APRA  
AMCOS**

# Code of Conduct for Copyright Collecting Societies

Public report to Code Reviewer 1 July 2019 – 30 June 2020

**AUSTRALASIAN PERFORMING RIGHT ASSOCIATION LIMITED**

**AUSTRALASIAN MECHANICAL COPYRIGHT OWNERS SOCIETY LIMITED**

**CODE OF CONDUCT FOR COPYRIGHT COLLECTING SOCIETIES**

**REPORT TO CODE REVIEWER 1 JULY 2019 – 30 JUNE 2020**

This report is made on behalf of Australasian Performing Right Association Limited (**APRA**) and Australasian Mechanical Copyright Owners Society Limited (**AMCOS**). APRA administers AMCOS under an arrangement between the two societies dated 1 July 1997.

APRA AMCOS has previously reported comprehensively in respect of earlier years and has also previously provided details of the history and constitution of each society, as well as a history and copy of each licence scheme offered by the companies. This Report relates to the period from 1 July 2019 to 30 June 2020 (**Review Period**).

If further information is required, we are of course happy to provide it. As before, we also would welcome and are happy to arrange a visit to the APRA AMCOS premises where relevant directors and managers will be able to answer questions and demonstrate the facilities.

This Report follows the structure of the Code itself, also taking into account the changes to the Code of Conduct which came into effect on 1 July 2019 and indicates where there have been no developments since the previous Code Review.

**1. Legal framework (Code of Conduct 2.1)**

- 1.1 A history of both societies has been provided previously.
- 1.2 APRA has not changed any of the principal characteristics of its membership structure in the Review Period.
- 1.3 The APRA Board has six writer directors, elected by the writer membership, and six publisher directors, elected by the publisher membership. The AMCOS Board is elected by the AMCOS membership. Being directly elected by the membership, both Boards are representative and accountable. A list of the current Directors on the APRA and AMCOS Boards can be read at <https://apraamcos.com.au/about-us/board-of-directors/>

- 1.4 A copy of the APRA AMCOS Year in Review (an easy to read annual summary of both organisations' performance, achievements and initiatives) for the 2018/19 financial year can be read at [https://apraamcos.com.au/media/YIR/2019/APRA\\_AMCOS\\_Year\\_in\\_Review\\_2019.pdf](https://apraamcos.com.au/media/YIR/2019/APRA_AMCOS_Year_in_Review_2019.pdf)
- 1.5 A copy of the APRA Statutory Accounts for the 2018/19 financial year is at <https://apraamcos.com.au/about-us/governance-and-policy/annual-reports/>
- 1.6 A copy of the AMCOS Statutory Accounts for the 2018/19 financial year is at <https://apraamcos.com.au/about-us/governance-and-policy/annual-reports/>
- 1.7 As at 30 June 2020, APRA AMCOS had 314 employees (including casual compliance staff) in Australia and an additional 30 employees in the APRA AMCOS New Zealand office.
- 1.8 The number of APRA AMCOS employees has decreased during the Review Period, as a result of both the adverse impacts to the business on a day to day basis and the expected substantial loss in licensing revenue arising from the COVID-19 pandemic. A comprehensive process of identification, consultation and agreement was undertaken between March and June 2020, resulting in headcount reductions achieved through voluntary redundancies, compulsory redundancies and fixed term contract end dates being brought forward. More information on APRA AMCOS' response to the COVID-19 pandemic can be read at paragraph 3.31 below.
- 1.9 A list of APRA AMCOS Senior Management as at 30 June 2020 is available at <http://apraamcos.com.au/about-us/organisational-structure/>
- 1.10 The Constitutions of both APRA and AMCOS are available on the APRA AMCOS website at all times and can be read at <http://apraamcos.com.au/about-us/governance-and-policy/apra-amcos-corporate-docs/>
- 1.11 Neither APRA nor AMCOS are declared societies under the *Copyright Act 1968*, and accordingly are not required to comply with the Attorney General's Guidelines for Collecting Societies. However, in practice, APRA AMCOS satisfies many of the requirements.
- 1.12 APRA AMCOS has a Privacy Policy which complies with the Australian Privacy Principles. A copy of the APRA AMCOS Privacy Policy can be read at <http://apraamcos.com.au/privacy-policy/>

## **2. Members (Code of Conduct 2.2)**

- 2.1 As at 30 June 2020, APRA had 108,092 (Australian and New Zealand) members, comprising composers, authors and publishers. Of these, 104,185 were local writer members and 557 were local publisher members. In addition, APRA had 2,514 overseas resident writer members and 8 overseas resident publisher members. Most Australian and New Zealand composers and publishers are members.
- 2.2 As at 30 June 2020, AMCOS had 22,224 (Australian and New Zealand) members, of whom 21,208 were writers and 499 were publishers. In addition, AMCOS had 511 overseas resident writer members and 6 overseas resident publisher members.
- 2.3 As at 30 June 2020, APRA AMCOS had 1,704 Aboriginal and Torres Strait Islander (ATSI) members which represented an increase of 7.2% during the Review Period. Although Indigenous membership is still low, APRA AMCOS is committed to increasing awareness through the National Indigenous membership strategy, overseen by our National Manager, Aboriginal and Torres Strait Islander (ATSI) Music Office.
- 2.4 APRA and AMCOS' relationships with their members are at the core of the APRA AMCOS operations. Communications with members are frequent, and member services staff are expert in advising members on their relationship with APRA AMCOS and on the music business generally. Members interact freely with APRA AMCOS and have direct access to all levels of management.
- 2.5 Members, overseas affiliates, Board Directors and media can login to a secure section of the APRA AMCOS website which provides a number of online services. The website address is <http://apraamcos.com.au/>
- 2.6 APRA AMCOS produces a large amount of written material for members, which has been provided previously.
- 2.7 Royalty queries to the Membership department are logged in the department's query tracking system that uses the company's internal email to forward messages to all relevant staff. This system ensures that complaints made by members are also logged and forwarded to the Head of Member Services. Member complaints are discussed in more detail at paragraph 9.4 below.

- 2.8 During the Review Period, the Writer Services department engaged in email correspondence with writer members on some 53,018 separate occasions. The Publisher Services department sent 17,976 emails to publisher members. In addition, over 2,603,167 emails were sent to members as part of email broadcasts to the membership, which contained information including; event notices, payment advice and APRA AMCOS publications.
- 2.9 Writer Services staff log member phone calls eight weeks per year; one week for APRA distribution related calls after each APRA distribution and one week for AMCOS distribution related calls after each AMCOS distribution. During the Review Period, Writer Services staff logged 144 phone queries following distributions.
- 2.10 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Membership department.
- 2.11 During the Review Period, positive feedback was received in relation to the 'Live Chat' service provided on our website.

#### International relations

- 2.12 APRA AMCOS has an International department that is responsible for the reciprocal representation agreements with other societies administering performing and mechanical rights around the world. The International department also administers the non-exclusive mandates granted to APRA AMCOS in respect of certain publishers' repertoires for multi-territory digital services on a Pan Asian basis, as described in more detail in the Multi-Territory Licensing Project section below.
- 2.13 The International department monitors the use of APRA repertoire overseas. It also makes claims for missing payments and researches members' notifications and enquiries relating to overseas use and payments. The department acts as the conduit for communications between APRA AMCOS and their respective affiliated societies, the umbrella representative bodies CISAC and BIEM, as well as our dealings with WIPO. The International department undertakes overseas royalty distributions for performing rights to members.
- 2.14 In the most recently audited financial statements for the 2018/19 Financial Year, APRA collected a record amount of over AUD\$45.7m for the use of Australian and New Zealand repertoire overseas, while AMCOS collected over AUD\$1.4m. These amounts do not include

revenues collected from APRA AMCOS' licensing of certain publishers' repertoires to multi-territory digital services, as that revenue is included in APRA AMCOS' digital revenue results.

2.15 During the Review Period, APRA distributed approximately \$50.7m in performing right distributions from affiliate societies to APRA members across 12 monthly distributions. This amount was comprised of 531 individual distribution records from 58 different societies. AMCOS distributed approximately \$972.6k mechanical distributions from affiliate societies to AMCOS members across 4 quarterly distributions. This amount was comprised of 82 individual distribution records from 27 different societies.

2.1 During the Review Period, the International department was involved in a number of regional and international activities.

#### Opt Out and Licence Back

2.2 APRA provides members with the opportunity to 'opt out' and request that their entire repertoire be assigned to them for all territories in respect of all or particular usages or 'licence back' specific works for specific usages in Australia and/or New Zealand. During the Review Period, APRA received and approved 5 licence back applications. No opt out applications were received. Further confidential details regarding these applications can be provided on request. A copy of all information and forms relating to opt out and licence back, including our plain English information guides, are available on the website at <https://apraamcos.com.au/about-us/alternatives-to-apra-amcos/managing-your-rights/>

2.3 In 2016 the AMCOS Board approved a variation to the opt out provisions in the AMCOS input Agreement, to offer increased flexibility to all its members in the way they are able to withdraw rights from AMCOS for digital music services. For digital music services that operate internationally, AMCOS members are now permitted to withdraw their digital reproduction rights specifically in relation to nominated services, rather than for all services within particular categories of usage as was previously the case. That is, members can now notify AMCOS that they wish to negotiate directly with particular international digital music services, provided the member gives AMCOS adequate prior notice.

#### Member Benefits Program

2.4 APRA AMCOS has developed an extensive benefit program for its members. The program provides full Australian APRA AMCOS members with exclusive information, advice, services

and benefits. Members can take advantage of great deals that can assist with their careers as songwriters/composers. The benefits program and information can be read on our website at <http://apraamcos.com.au/about-us/apra-amcos-benefits/>

### **3. Licensees (Code of Conduct 2.3)**

- 3.1 APRA AMCOS has large licensing departments dedicated to liaising with licensees and potential licensees. The two main areas of licensing operations are OneMusic (previously General Licensing and Business & Events Licensing) and Media Licensing. OneMusic Australia, a joint licensing project between APRA and the Phonographic Performing Right Association (PPCA) which aims to provide a single licensing solution for music and recordings in Australia, launched on 1 July 2019 for new business licensing, with renewals of existing APRA and PPCA licences beginning from 1 September 2019.
- 3.2 Collectively, OneMusic and Media Licensing administered licences for more than 114,000 businesses and events across Australia and New Zealand during the Review Period. The decrease in licensees can be attributed to the ongoing terminations and relicensing efforts associated with OneMusic Australia.
- 3.3 The fees paid to APRA AMCOS by licensees vary according to the licence scheme applicable to the particular circumstances for use.

#### OneMusic Australia

- 3.4 The OneMusic Australia licensing department administers the vast majority of licences. Since 1 July 2019 OneMusic Australia has licensed both APRA AMCOS rights and PPCA rights under a single licence.
- 3.5 Licensees have access to ‘plain English’ Licence Information Guides tailored to their industry type (with the information guides also forming part of the ACCC’s conditions of authorisation), are able to get a quote and take out a licence online via the OneMusic Australia website. Licensees can also complete licences by submitting information for processing by the OneMusic Australia licensing department. Links to each Licence Information Guide can be found on the OneMusic Australia website at <https://onemusic.com.au/licences/>. Information on licences still administered by APRA AMCOS can be read at <https://apraamcos.com.au/music-customers/licence-types/>

- 3.6 During the Review Period, the OneMusic Australia and Finance (Credit Management) departments engaged in approximately 652,044 contacts with licensees, including; letters, emails and telephone calls.
- 3.7 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Licensing departments. A list of relevant activities is included at paragraph 8.7 below.

### Media Licensing

- 3.8 The Media Licensing department covers four key areas of licensing: Broadcast Licensing; Digital Licensing; Recorded Music Licensing; and Key Industries (previously part of Business & Events Licensing).
- 3.9 Broadcast Licensing includes commercial and community radio, the ABC and SBS and subscription and commercial television. In total, approximately 845 licensees were administered by the department during the Review Period. The department also administers production music (AMCOS controlled Production Music is music specifically written and recorded for inclusion in all forms of audio and audiovisual productions). There were 602 Australian production music clients licensed during the Review Period.
- 3.10 Digital Licensing includes video on demand services, digital subscription music services, music downloads, ringtones and general websites. In total, approximately 470 licensees were administered during the Review Period.
- 3.11 Recorded Music Licensing includes CD sales, business to business applications, dance schools and videographers. In total, approximately 528 licensees were administered during the Review Period.
- 3.12 Key Industries include schools, universities and colleges licensing, government, airlines, dramatic context, funerals and Eistedfoddau. Approximately 10,200 key industry licensees were administered during the Review Period.
- 3.13 Media Licensing clients are, for the most part, aware of their copyright and licensing obligations.



### Information provided to Licensees

- 3.14 The information made available to licensees and potential licensees differs according to the nature of the relevant licence. For example, sophisticated national broadcasters and telecommunications companies generally require less information than small business operators with less exposure to copyright law and with limited access to specialist legal advice. The information provided by APRA AMCOS takes these factors into account.
- 3.15 APRA AMCOS' website contains a Licensee section with information in relation to our various licenses and with contact details for the relevant Licensing department. Standard information and materials given to licensees can be viewed on our website, including links to public performance licence information now being administered through OneMusic Australia at <http://apraamcos.com.au/music-customers/>

### APRA AMCOS relationships with relevant trade associations

- 3.16 APRA AMCOS works hard at maintaining its relationships with various bodies representing major licensee groups, including; television and radio broadcasters, record companies, internet service providers, small businesses, hotels, restaurants, fitness centres and educational institutions.
- 3.17 During the Review Period, APRA AMCOS supported the activities of a number of trade associations (including the Australian Hotels Association, Restaurant & Catering Association and Clubs Australia) by way of sponsorships.
- 3.18 APRA AMCOS regularly consults with relevant trade associations in relation to the introduction of new licence schemes or material variations to existing licence schemes. APRA AMCOS' approach in this regard is demonstrated by the successful negotiation of new licence schemes with relevant industry bodies.

### Tariff Reviews

- 3.19 We have previously provided detailed information in relation to the history and development of all significant existing APRA AMCOS licence scheme tariffs. We have detailed below tariffs that were introduced, re-negotiated or phased in during the Review Period.
- 3.20 As at the end of the Review Period, APRA AMCOS was in the process of consulting with OneMusic Australia licensees and renewing or establishing licence arrangements with a

number of major media licensing services: Facebook, YouTube, Netflix, Spotify, Apple Music, Apple TV+. Amazon Prime Video, Amazon Music and Disney+.

#### *OneMusic Australia Licence Consultations*

- 3.21 Under OneMusic Australia, APRA AMCOS and PPCA will offer a single licence to virtually all music users who require both APRA AMCOS and PPCA licences for the public performance of music. Since the last report, the consultation process for 18 of the licence proposals has been completed, with consultation for 2 licence schemes and 4 tariffs ongoing. OneMusic Australia launched on 1 July 2019 for new business licensing, with renewals of existing APRA and PPCA licences to begin from 1 September 2019.

#### *Free TV*

- 3.22 Free TV (as the industry body for Australian commercial television operators) terminated its licence with APRA as at 31 December 2018. Free TV and APRA referred the matter to APRA's ADR process and agreed to a confidential, binding arbitration process. The arbitration took place in late November 2019 with the award (decision) was delivered in March 2020. APRA and Free TV agreed an interim licence arrangement while they undertook the arbitration process.

#### *Foxtel*

- 3.23 Following on from APRA's renegotiation of its licence with Fox Sports during the previous review period, AMCOS' licences with Foxtel and Fox Sports were both renewed in October 2019.

#### Multi-Territory Licensing

- 3.24 The aim of APRA AMCOS' multi territory licensing is to co-operate with music publishing rightsholders in order to establish a simple one-stop shop for multi-territory licensing schemes for digital, online and mobile usage, covering the largest number of territories for the largest possible repertoire of musical works. Rightsholders give APRA AMCOS non-exclusive rights in certain repertoire of its musical works. APRA then licenses that repertoire to digital service providers in its mandated territories and undertakes the ongoing invoicing, processing, claiming and distribution for online service types.

- 3.25 APRA AMCOS' Multi Territory Licensing commenced across the Asia Pacific region in July 2013 and currently represents Universal Music Publishing, Hillsong Music Publishing, Concord Music Publishing, Mushroom Music Publishing, Downtown Music and Songtrust Music, Origin Music Publishing, Native Tongue Music Publishing, Cooking Vinyl, Ultra Music Publishing and STIM (APRA's Swedish sister society).

#### Disaster Relief

- 3.26 During the Review Period APRA AMCOS continued its policy regarding Disaster affected licensees, which was introduced as a response to various natural disasters that occurred back in 2010. APRA AMCOS' actions are intended to alleviate financial pressure on affected businesses and include deferring licence fees renewals, providing extended payment periods and making corporate donations to relief appeals.
- 3.27 APRA AMCOS staff use online, print and broadcast media sources to remain actively aware of possible areas that may be affected by disaster and monitor events closely to establish the appropriate course of action.

#### *2019/20 Bushfires*

- 3.28 The fires that devastated areas of Victoria, New South Wales, South Australia and Tasmania impacted many of APRA AMCOS' members, licensees and staff. At the onset of the crisis over the summer of 2019/2020, APRA AMCOS quickly identified the need to provide support to staff, members and licensees in regions that were impacted by the fires.
- 3.29 On 6 January 2020 APRA AMCOS and OneMusic Australia wrote to more than 60,000 licensees and posted messages on social media to advise that the disaster relief policy had been enacted and accounts for licensees within declared natural disaster zones would be held for a minimum of three months. Businesses undergoing relicensing through OneMusic Australia were also advised that their current licence would be extended on a complimentary basis for 12 months.
- 3.30 A series of initiatives were established to support members from offering advances on royalties and small contributions from the cultural fund for bushfire relief fundraisers, to offering complimentary licences for fundraising events. While the financial impact to APRA AMCOS of this activity was minimal, the message of support has been important in terms of building goodwill.

### *COVID-19 pandemic*

- 3.31 In March 2020, APRA AMCOS again moved quickly to support members, licensees and staff in response to the COVID-19 pandemic.
- 3.32 APRA AMCOS' 420 staff across Australia and New Zealand were successfully transitioned to a work from home arrangement from 17 March 2020. All Departments and Teams worked quickly and efficiently to ensure both intra and inter-departmental workflows remained effective and to date there has been little to no discernible impact on service delivery to members.
- 3.33 APRA AMCOS and OneMusic Australia responded extremely quickly to COVID-19 lockdown measures issued by the Australian Government on 23 March 2020. Accounts were placed on hold based on industries identified by the Federal government to close or limit trading due to social distancing restrictions, with 'on hold' meaning pausing all licensing activity, correspondence, all invoicing and payments including those managed by external debt collectors. Communications were carried out via email, phone and social media. As of 30 June 2020, approximately 25,000 accounts were still being held in industries affected by closures and restrictions to trade. Any business outside of the industries identified as impacted by COVID-19 that have advised of their closure have also been put on hold. A fee relief will be applied to these industries and businesses during 2020 and 2021 when restrictions are lifted by State and Federal Governments
- 3.34 In response to the impact on members' lives and their significantly reduced capacity to earn in the wake of the COVID-19 pandemic, APRA AMCOS continues to work with industry partners to lobby government to secure immediate and short-term financial stability for both members and the ecosystem of individuals and businesses that surround them. Several measures were initiated to provide an ongoing flow of income to our members. The annual Live Performance payment was brought forward from November to May, an expansion of live performance reporting was introduced to include streaming, recoupable advance payments were offered to writer members where hardship was experienced, and APRA AMCOS launched The Sustainability Fund to provide direct financial support to songwriter and composer members in the creation of new music. Active members worldwide, at any career stage and working in any musical genre were eligible to apply for a \$2,000 grant.

3.35 APRA AMCOS and OneMusic Australia responded extremely quickly to COVID-19 lockdown measures issued by the Australian Government on 23 March 2020. Accounts were placed on hold based on industries identified by the Federal government to close or limit trading due to social distancing restrictions, with 'on hold' meaning pausing all licensing activity, correspondence, all invoicing and payments including those managed by external debt collectors. Communications were carried out via email, phone and social media. As of 30 June 2020, approximately 25,000 accounts were still being held in industries affected by closures and restrictions to trade. Any business outside of the industries identified as impacted by COVID-19 that have advised of their closure have also been put on hold. A fee relief will be applied to these industries and businesses during 2020 and 2021 when restrictions are lifted by State and Federal Governments.

#### **4. Distribution (Code of Conduct 2.4)**

4.1 The most recently audited financial statements for the year ended 30 June 2019 show that APRA AMCOS' total combined net distributable revenue for the year was \$471.8m. Further information regarding APRA AMCOS' performance is contained in the 2018/19 APRA AMCOS Year in Review, which can be read at

[https://apraamcos.com.au/media/YIR/2019/APRA\\_AMCOS\\_Year\\_in\\_Review\\_2019.pdf](https://apraamcos.com.au/media/YIR/2019/APRA_AMCOS_Year_in_Review_2019.pdf)

4.2 APRA and AMCOS distribute royalties quarterly, with the exception of the APRA Performance Returns distribution, which is performed annually. Two performance returns distributions were performed during the Review Period, with the November 2020 distribution brought forward to May 2020 in response to members experiencing financial hardship as a result of the COVID-19 pandemic.

##### Distribution Rules and Practices

4.3 APRA and AMCOS maintain, and make available on the website, comprehensive Distribution Rules and Practices. The APRA and AMCOS Distribution Rules and Practices can be read at <http://apraamcos.com.au/about-us/governance-and-policy/distribution-rules-and-practices/>

4.4 During the Review Period APRA AMCOS published a 'plain English' information guide summarising its Distribution Policy, including how undistributed funds are dealt with. The information guide can be read at <https://apraamcos.com.au/media/Distribution-Rules-and-Practices/Distribution-Information-Guide.pdf>

- 4.5 APRA and AMCOS make updates to their Distribution Rules and Practices from time to time, in accordance with their Constitutions. APRA AMCOS regularly consults with its Boards and other key industry groups in relation to changes to Distribution Rules and Practices, considering the views of each membership, objective data regarding performances, the approaches of affiliated societies to the process and methods of distribution.
- 4.6 The APRA Distribution Rules were updated in the year ending June 2020 to:
- a) Remove the rule which downgraded the value of LPR claims where a work was deemed to have been performed for less than one minute
- 4.7 The APRA Distribution Practices were updated in the year ending June 2020 to:
- a) Update the list of Background Music Suppliers for whom APRA performs a direct distribution
  - b) Provide details about partially payable distributable events
  - c) Provide details about the expanded analysis applied to Video On Demand data
  - d) Remove reference to APRA staff reviewing the top 1,000 unmatched YouTube videos
  - e) Provide a detailed list of Streaming Services included in the distribution
  - f) Detail that the threshold for inclusion in a streaming distribution was lowered from 100 streams to 50 streams
  - g) Update the distribution policy for Facebook licence fees, to reflect that revenue is now distributed directly to data collected from Facebook
  - h) Include a section to detail the creation of a new 'Childcare Centres' distribution pool
  - i) Update the distribution policy regarding Community radio, whereby data provided by AMRAP is now included to supplement reporting received from broadcasters
- 4.8 Detailed information regarding changes to APRA's Distribution Rules and Practices during the Review Period can be provided upon request.
- 4.9 The AMCOS Distribution Rules were updated in the year ending June 2020 to:
- a) Reflect the change in policy regarding Joint ARIA Licences, whereby the AMCOS share was previously used to fund industry schemes but is now distributed to members
  - b) Update the Music On Devices distribution practice, whereby a small deduction is made from this line of business to fund industry schemes, with the balance distributed to members

- c) Include a section to detail the creation of a new 'Childcare Centres' distribution pool
- 4.10 The AMCOS Distribution Practices were updated in the year ending June 2020 to:
- a) Remove reference to AMCOS staff reviewing the top 1,000 unmatched YouTube videos
  - b) Provide a detailed list of Streaming Services included in the distribution
  - c) Detail that the threshold for inclusion in a streaming distribution was lowered from 100 streams to 50 streams
  - d) Record the updated distribution practice for Commercial Radio licence fees, where data is now extracted from APRA's radio data
  - e) Update the distribution policy for Facebook licence fees, to reflect that revenue is now distributed directly to data collected from Facebook
  - f) Include a section to detail the creation of a new 'Childcare Centres' distribution pool
- 4.11 Detailed information regarding changes to AMCOS' Distribution Rules and Practices during the Review Period can be provided upon request.
- 4.12 APRA AMCOS has a large Membership department whose staff are trained to deal with members' (and others') enquiries, including in relation to distribution. The Boards of APRA and AMCOS both have a Membership and Distribution Committee that deals with, among other things, requests by members for distributions in relation to "unlogged performances". This committee also deals with complaints from and disputes between members. Members are strongly encouraged to resolve disputes between them using Resolution Pathways, APRA AMCOS' external Alternative Dispute Resolution facility.

#### Investment in Systems Development

- 4.13 In 2014 APRA AMCOS commenced a core system replacement project to ensure a best-in-industry service offering in the years ahead. The first release of the system, the Amplify platform, went live on 1 July 2019 as part of the OneMusic Australia launch. APRA AMCOS has since made a strategic decision to shift its focus from the second release of the core system replacement project to innovation and delivering new services at speed, in response to what writers, publishers and industry stakeholders were asking for. As at the end of the Review Period 14 of 17 major strategic business initiatives had been delivered, representing a significant long-term value proposition. These initiatives included technology for improved

data ingestion and matching and improvements to the Amplify platform for licensees and the OPUS portal.

- 4.14 In July 2020 APRA AMCOS delivered an Earnings Insights Portal, accessed via the Writer Portal and Publisher Portal, as well as the backend services required for the new Member Mobile Application. A demonstration can be arranged on request. The new features include:

**Publisher and Writer Portals**

- Login/Admin Portal for IDM (Identity Management)
- User/Member Management within Admin Portal
- User/Member Management within the Publisher Portal
- Earnings Insights Integration within the Publisher and Writer Portal

**Earnings Insights**

- Dashboard/Landing Page:
  - Earning Overview section with interactive proportion and trend graphs.
  - Earnings by Category section (Publisher Member)
  - Quick access to recent distribution reports
  - Distribution Calendar and Frequently Asked Questions
- Access to Reports from Domestic and International Distributions from the past seven years, with filter/sort functions
- Distribution Report Overview, via interactive visual graphs and sortable lists
- ‘All Works’ listing page to view all earning works in each report, with search/sort functions
- Publishing Activity Selection (Publisher Member)

- 4.15 A new APRA AMCOS website and mobile app are planned for delivery in the next Review Period.

**5. Expenses (Code of Conduct 2.5)**

- 5.1 APRA’s accounts show that its operating expenses are deducted from total gross revenue.

- 5.2 Commission on revenue pays AMCOS’ expenses, with the commission rate depending on the source of the revenue. Details of the commission applicable to revenue sources are available on request.

- 5.3 APRA AMCOS achieved a group expense to revenue ratio of 12.9% for the year ended 30 June 2019. Further information is contained in the 2018/19 APRA AMCOS Year in Review,



which can be read at

[https://apraamcos.com.au/media/YIR/2019/APRA\\_AMCOS\\_Year\\_in\\_Review\\_2019.pdf](https://apraamcos.com.au/media/YIR/2019/APRA_AMCOS_Year_in_Review_2019.pdf)

## **6. Governance and accountability (Code of Conduct 2.6)**

- 6.1 The Annual Report of each company contains the matters set out in the Code of Conduct at clause 2.6(e).
- 6.2 The relationship between APRA and AMCOS and their respective Boards of Directors is in each case governed by the company's Constitution and Charter of Corporate Governance. The Boards have both established Audit and Governance sub-Committees which meet at least 6 times a year and focus exclusively on issues related to the corporate governance of the companies.
- 6.3 APRA AMCOS Management also has an internal Corporate Governance Committee, comprising of the Chief Executive and Executive Leadership Team. The Committee meets regularly to discuss matters pertaining to the day to day operation and management of the organisations. The Committee deals with policy setting and other matters relating to Human Resources and Industrial Relations matters, risk management, infrastructure, general administration and regulatory compliance.
- 6.4 APRA AMCOS also has a Staff Code of Conduct and a Service Provider Code of Conduct, both of which complement the Code of Conduct for Copyright Collecting Societies. The Staff Code of Conduct sets out the standards by which APRA staff are expected to treat one another. The Service Provider Code of Conduct sets out our commitment to shared professional standards.
- 6.5 APRA and AMCOS maintain complete financial records, audited each year. A statement by each Company's Auditor is included in the Annual Reports, available at <https://apraamcos.com.au/about-us/governance-and-policy/annual-reports/>
- 6.6 During the Review Period APRA AMCOS prepared additional detailed information at an anonymised or aggregate level about the accounting and distribution of licence revenue and reporting of expired undistributed funds. The APRA and AMCOS 'Transparency Reports' for the financial year ended 30 June 2019 are included as an annexure (**Annexure B**) to this report.

## ACCC Authorisation

- 6.7 APRA's membership, licensing, distribution and international arrangements are all the subject of an authorisation by the Australian Competition and Consumer Commission. APRA's current conditional authorisation was previously granted for a period of five years, expiring 28 June 2019. In granting this and past authorisations, the ACCC confirmed that the conduct and arrangements for which APRA sought re-authorisation are likely to result in a public benefit and that the public benefit will outweigh the likely public detriment. APRA successfully complied with all the ACCC's conditions of authorisation.
- 6.8 APRA lodged its application for a new authorisation on 24 December 2018. APRA sought re-authorisation for a period of 5 years subject to the same conditions that apply under its existing authorisation. A copy of APRA's application for authorisation can be provided upon request.
- 6.9 On 5 June 2019, the ACCC issued a draft determination proposing to re-authorise APRA's arrangements for a period of 5 years, subject to the same conditions imposed in 2014 and some additional conditions relating primarily to issues of transparency.
- 6.10 Given that the re-authorisation assessment process was ongoing, on 27 June 2019 the ACCC granted APRA interim authorisation on the same terms as the existing authorisation until such time as the new authorisation is granted.
- 6.11 On 13 July 2020, the ACCC released a final determination granting conditional authorisation to enable APRA to continue its arrangements for the acquisition and licencing of performing rights in musical works for a further 4 years. The conditions of authorisation primarily focus on improving the transparency of APRA's licencing and distribution arrangements. The ACCC's final determination can be read at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australasian-performing-right-association-limited-0>

## **7. Staff Training & Development (Code of Conduct 2.7)**

- 7.1 APRA AMCOS staff at management level have all been comprehensively trained regarding the Code of Conduct.
- 7.2 The Executive Leadership Team meets several times per week to discuss matters relating to policy and strategy development and assessment. Issues relating to service and staff

performance and training are regularly tabled. In addition, the wider senior management team meets in the week following each scheduled Board meeting. These meetings provide a cross-departmental opportunity to discuss APRA AMCOS' interaction with stakeholders and wider communities and the opportunity of reviewing company policies. The Code of Conduct (including the complaints procedures and the Review process) is discussed regularly at these meetings.

- 7.3 Senior Manager, Manager and Team Leader Forums are also held at regular intervals throughout the year. The Chief Executive and Executive Leadership Team directly address the middle and frontline management teams in these forums. They are an opportunity for the frontline to escalate any concerns or initiatives directly to the senior leadership and for the Chief Executive to share information about business and membership trends and concerns and to set performance expectations. In addition, other members of the senior management team are invited to address these groups directly.
- 7.4 The Music Licensing and Membership divisions usually hold staff training conferences at least once per year, however the COVID-19 pandemic has meant that conferences could not go ahead as planned. All departments in APRA AMCOS also conduct regular departmental staff meetings which provide important opportunities to discuss Code of Conduct relevant topics, including; client service, conflict management and time management and the procedures for identifying and dealing with complaints.
- 7.5 APRA AMCOS also holds companywide staff briefings throughout the year. The briefings focus on the respective needs and expectations of general staff, middle and senior management and also the expectations of the organisation. The focus of the training sessions has in the past covered Code of Conduct, ACCC authorisation and the CLEF Project, as well as performance within and between departments and with our external stakeholders. With most APRA AMCOS staff working from home, staff briefings are currently being held every 2-4 weeks to ensure staff are being kept up to date.
- 7.6 Details relating to induction and training sessions organised by Human Resources have been provided to the Code Reviewer. The Code of Conduct and Staff Code of Conduct are central components of the induction program that all new staff attend when they join the company. As well as the induction sessions conducted by Human Resources, roles with a high level of client and/or member contact also receive additional training from within the relevant departments in relation to handling complaints and the complaints procedure.

- 7.7 APRA AMCOS has developed a brand blueprint, which further outlines our purpose, values and personality.
- 7.8 The APRA AMCOS website includes a “live chat” facility so we can respond to urgent enquiries in real time. The staff who respond to live chat enquiries are required to attend two 2-hour training sessions to understand the live chat service guidelines and ensure that the highest level of customer service is offered via this channel. A copy of the guidelines have been provided previously. In June 2020, digital chat assistance technology ‘APRABot’ was implemented within the live chat facility, which has resulted in up to 76% of simple queries being handled in real time by this technology.
- 7.9 APRA AMCOS is committed to taking a proactive approach to staff development and wellbeing, such internal programs include:
- Higher Education Assistance Program
  - Leadership Development Programme
  - Mentoring & High Potentials Programme
  - Buddy Program
  - In-house Training Programs
  - BeSpoke Coaching (leadership presence and presentation skills)
  - Employee Assistance Programme
  - Purchased Leave Scheme
- 7.10 APRA AMCOS runs an Employee Wellbeing Program that includes education seminars on resilience, stress management, work-life balance and dealing with change. Further information is available upon request.
- 7.11 Pursuant to the *Workplace Gender Equality Act 2012*, APRA AMCOS submits its annual report to the Workplace Gender Equality Agency (**WGEA**) outlining its performance against a set of standardised gender equality indicators. A copy of the most recently filed report can be read at <http://apraamcos.com.au/about-us/governance-and-policy/annual-reports/>. As required by the Act, we notify staff and members of this report each year.
- 7.12 APRA AMCOS operates a ‘Wiki’ facility. This resource forms the basis of staff training and is a key information source for all APRA AMCOS staff. All new APRA AMCOS staff are trained in accessing and using the Wiki, which houses policies relating to Client Service, Human Resources, Work, Health and Safety and Departmental Organisation Charts.

## 8. Education and Awareness (Code of Conduct 2.8)

8.1 APRA AMCOS devotes considerable resources to the education of members, licensees, industry associations and members of the public, regarding the matters set out at clause 2.8(a) of the Code of Conduct. A list of the organisations and associations with which APRA AMCOS has an ongoing relationship has been provided to the Code Reviewer.

8.2 As Australia's oldest and largest collecting society (incorporated 1926), APRA in particular is in a position to have developed extensive materials and expertise in such matters. APRA AMCOS participates and contributes to various education and awareness initiatives including:

- Various Grant Programs, Sponsorships, Competitions and Promotions
- Indigenous Member Strategy
- Aboriginal and Torres Strait Islander (ATSI) Music Office
- Ambassador Program
- Events
- Member Advisory Group Development
- SongHubs and SongMakers programs
- Sounds Australia & Live Music Office; and
- Various industry related organisations and programs

8.3 In July 2020 the Collecting Societies who adhere to the Code of Conduct established a consolidated online portal for the public dissemination of governance, financial and data information, including all documents relating to the Collecting Societies' compliance with the Code. The website continues to be maintained and can be viewed at

<https://www.copyrightcodeofconduct.org.au/>

### Member Education

8.4 Representatives of APRA AMCOS regularly participate in seminars and public forums with a view to increasing members' knowledge and skills. APRA AMCOS conducts regular members' forums, at which APRA AMCOS staff and others speak to the membership about industry issues such as contract negotiation. APRA AMCOS staff also regularly speak at seminars, giving specialised advice to members of the music industry and to users of music. The Member Services staff hosted 305 events during the Review Period which were attended by

5,525 members at APRA AMCOS' head office, state based offices and in the US and UK. The events included information sessions, workshops, and subject specific presentations.

- 8.5 During the Review Period, Member Services hosted Publisher Portal Reference Groups and Publisher Pulse seminars. Every few months the reference group and seminars are held in Sydney and Melbourne and virtually to discuss various issues in Australia and overseas which affect Australian publishers. The purpose of these sessions is to provide publishers with information on the new system, education on general topics that are relevant for their business, seek their feedback and improve internal reporting processes. APRA AMCOS is committed to providing the best customer service to publisher members and the Publisher Portal Reference Groups and Publisher Pulse seminars are proving to be an effective way of achieving this goal.

#### Licensee Education

- 8.6 Music Licensing staff attended a number of industry association functions and events nationally. Music Licensing staff attended approximately 144 functions, events and award ceremonies during the Review Period.
- 8.7 APRA AMCOS produces a large amount of written material for licensees, which is available on the APRA AMCOS website and the OneMusic website.

#### International Relations

- 8.8 During the Review Period, the International department was involved in a number of regional and international activities, including:
- Music Matters, Singapore
  - Meetings held with international publisher and DSP clients
  - Meetings held with affiliate societies
  - A presentation at the WIPO National Seminar on Copyright for PNG
  - A presentation at the annual Asian Regional Training Program on Collective Management of Copyright and Related rights in Hanoi Vietnam
  - A presentation at the International Forum on Copyright and Creative Industries in the Digital Economy in Chengdu, China
  - Hosted visits to APRA AMCOS with CISAC and WIPO
  - Various submissions to Government inquiries.

## Government Relations

- 8.9 APRA AMCOS continues to further develop its profile with State and Federal governments, oppositions and departmental staff. The objective is to both increase the general awareness of APRA AMCOS' breadth of operation and lobby on specific relevant issues.

## APRA AMCOS Website & Social Media

- 8.10 As previously reported, the APRA AMCOS website (<http://apraamcos.com.au/>) provides the broad information repost for the organisation's diverse member and licensee services. The website is at the heart of the organisation's digital communications strategy and also provides information of interest to the wider public. The site contains a vast amount of information about copyright and the activities of the two societies. Among other things, members of the public can search the website to check composer details of particular works within the APRA repertoire.
- 8.11 Traffic to the APRA AMCOS website dipped slightly during the Review Period, from 386,281 to 379,410. Sessions decreased from 763,704 to 714,282; and page views decreased to 3,166,902 from 3,405,087 the previous year. The website saw some growth, with users spending more time on our site, on average 5.25 mins this period, compared to 5.21 mins last year; and viewed 4.43 pages per session compared to 4.46 pages per session last year.
- 8.12 The OneMusic Australia website (<https://www.onemusic.com.au/>) launched on 1 July 2019. The website contains general information about OneMusic, an FAQ section, plain English guides to each of the licence schemes, downloadable PDFs of OneMusic licence agreements and the opportunity for licensees to get a quote for many of the licence schemes online. The website also links to the OneMusic eCommerce portal, which will enable all licensees to pay their licence fees online and some licensees (according to their industry) to obtain their licence through the portal at a time of their convenience. The website kicked off the first year with a total of 130,352 users and 199,192 sessions. During this period 528,994 pages were viewed while users spent an average of 3.03 minutes on the website.
- 8.13 The Communications department is responsible for the maintenance and ongoing development of the APRA AMCOS and OneMusic websites. A demonstration can be arranged on request.

- 8.14 Increasing importance has been placed on social media as an effective means of communication, and enabler of connection within communities. As such social media is a key component of APRA AMCOS' communications strategy. Social media utilised includes Facebook, Twitter, Instagram, YouTube and LinkedIn. APRA AMCOS social media presence allows greater and more time sensitive means of communications, especially with members. Again, in this review period, we've seen excellent growth in acquiring followers on Facebook, Twitter and Instagram; and increased engagement.
- 8.15 During the Review Period APRA AMCOS gained an additional 758 page likes (followers) on Facebook, bringing the total Facebook page likes to 32,729. Twitter followers totalled 21,738. Instagram saw an increase in followers to 14,976 followers, up from 12,340 at 30 June 2019. YouTube views reached 253,700 views.
- 8.16 OneMusic's Facebook page amassed 417 page likes in the first year.

## **9. Complaints and Disputes (Code of Conduct 3)**

- 9.1 For the purposes of this review, APRA AMCOS has applied the distinction between Complaints and Disputes endorsed by the Code Reviewer in his most recent report upon a Review of the Operation of the Code of Conduct.
- 9.2 The APRA AMCOS Complaints Policy and Procedure is available at <https://apraamcos.com.au/feedback-centre/compliment-and-complaint-details/>
- 9.3 APRA AMCOS has included all documents and correspondence that have been dealt with as complaints during the Review Period to the Code Reviewer on a confidential basis. APRA AMCOS requests that the names of the complainants and other factors that might identify them be kept confidential. APRA AMCOS acknowledges that a number of stakeholders have made submissions regarding APRA to the ACCC as part of its re-authorisation process during the Review Period. APRA has responded to these submissions in that forum and not included them here again.
- 9.4 There were five (5) new member code complaints during the Review Period. There were no complaints carried over from the previous Review Period.
- 9.5 There were nine (9) new licensee code complaints received during the Review Period. There was one (1) complaint carried over from the previous Review Period.



- 9.6 A high level summary of complaints has been provided as an annexure to this report (**Annexure A**) and detailed confidential summaries of the complaints provided to the Code Reviewer.
- 9.7 For the purpose of the review, and internally, APRA AMCOS has adopted a broad approach to the definition of complaint. That said, where APRA AMCOS is unsuccessful in its attempts to license a user of music and the matter is referred to APRA AMCOS' external solicitors, these matters are not characterised as complaints unless a complaint regarding the actual conduct of an APRA AMCOS' employee or APRA AMCOS' external solicitors is received.
- 9.8 As at 30 June 2020, there were 102 ongoing general infringement matters under the management of APRA AMCOS' licensing departments, with 83 of these matters under the management of APRA AMCOS' external solicitors. The increase in matters under the management of APRA AMCOS' external solicitors from the previous period is a result of a bulk referral of infringement matters arising from the process of transitioning former APRA AMCOS and PCCA licensees to OneMusic Australia licences. More information regarding the activities of external solicitors (including litigation commenced during the Review Period) is available on request.
- 9.9 Where a licensee refuses to pay invoices issued by APRA AMCOS, the matter is pursued by the Finance department and then referred to APRA AMCOS' external mercantile agent to manage and, if necessary, pursue through debt recovery proceedings. As at 30 June 2020, 219 clients were under the management of APRA AMCOS' Australian external mercantile agent and 169 were under the management of APRA AMCOS' New Zealand external mercantile agent. These matters are not characterised as complaints unless a complaint regarding the conduct of the Finance department or the debt collectors has been made. There were no such complaints during the Review Period. More information regarding the activities of APRA AMCOS' external mercantile agent is available on request.

#### Alternate Dispute Resolution

- 9.10 As reported previously, APRA AMCOS funds an independent ADR facility called "Resolution Pathways". Details regarding APRA AMCOS' independent ADR facility for licensees and members can be found at <http://www.resolutionpathways.com.au/>

- 9.11 APRA AMCOS' independent ADR facility assists with the resolution of disputes between APRA AMCOS and its licensees (or potential licensees), between APRA AMCOS and its members and also disputes between APRA AMCOS members.
- 9.12 APRA appointed Shirli Kirschner of Resolve Advisors as the Independent Dispute Facilitator to administer its ADR scheme. Ms Kirschner worked with APRA's management and the ACCC to establish a prescribed governance framework for the independent ADR facility, with the fundamental feature of this framework being the appointment of a Consultative Committee, made up of an equal number of Member and Licensee representatives, with whom the Independent Dispute Facilitator must consult on matters such as monitoring the operation of the Scheme, including the costs of the Scheme; receiving feedback on the Scheme; and in consultation with the Facilitator, making a recommendation about budget for operation of the Scheme.
- 9.13 The ADR facility is publicised on the APRA AMCOS website and the OneMusic website, in materials released to the public and in legal correspondence. APRA AMCOS' external solicitors also have a standing instruction to make the existence of the facility known to parties prior to commencing legal proceedings and negotiations.
- 9.14 APRA AMCOS strongly encourage its members to resolve disputes among themselves by way of ADR. Where APRA AMCOS 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 AMCOS 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 settled by agreement between the parties or resolved by a Court or alternative dispute resolution. APRA AMCOS' policy in this regard is set out at Rule 13 and Rule 7 of APRA and AMCOS' respective Distribution Rules.
- 9.15 Under the terms of its authorisation from the ACCC, the ADR facility's independent Resolution Facilitator is obliged to submit an annual report to the ACCC detailing those disputes notified to her under the ADR facility. The ADR facility's independent Resolution Facilitator also submits quarterly or periodic reports. A copy of the independent Resolution Facilitator's annual dispute report to the ACCC for the year ended 31 December 2019 and copies of the quarterly reports have been provided to the Code Reviewer on a confidential basis.

## **10. Publicity and Reporting of Code (Code of Conduct 4)**

- 10.1 APRA AMCOS has kept its members and licensees updated with information regarding the Code of Conduct, in particular by maintaining relevant information including a copy of the Code on the website, available at <http://apraamcos.com.au/about-us/governance-and-policy/code-of-conduct/>
- 10.2 Australian collecting societies APRA AMCOS, ASDACS, AWGACS, The Copyright Agency, PPCA and Screenrights have launched a new standalone website for the Code of Conduct for Copyright Collecting Societies (<https://www.copyrightcodeofconduct.org.au/>).
- 10.3 The new site and amendments to the Code are both initiatives undertaken in response to a review of the Code undertaken by the Department of Communications and the Arts which recommended:
- increased clarity around the role of the Code;
  - improved transparency around collecting societies' operations; and
  - strengthened governance arrangements for collecting societies and the Code.
- 10.4 Prior to this Review Period, compliance reports were provided to the Code Reviewer on a confidential basis. As a result of the review, societies are now publishing their compliance reports, with any confidential material (such as correspondence between a society and a complainant) redacted. Compliance reports are available at <https://www.copyrightcodeofconduct.org.au/annual-compliance>
- 10.5 APRA AMCOS publishes the invitation for any interested party to make submissions to the Code Reviewer on its website each year. A copy is available at <https://apraamcos.com.au/news/2020/june/code-of-conduct-for-collecting-societies/>

## **11. Monitoring, Review and Amendments (Code of Conduct 5)**

- 11.1 APRA AMCOS constantly explores opportunities for obtaining more accurate information of music usage in an attempt to improve the accuracy of distributions made to writers, publishers and affiliates.
- 11.2 The distribution department receives music performance reports from radio and television stations, streaming and download services, concert promoters, members and many other types of users of copyright music.

11.3 Further, APRA AMCOS continues to invest significantly in music recognition software, with the cooperation of licensees, to ensure accurate distribution of royalties for the performance of music. The Online Portal for Uploading Songs (OPUS) reporting system also enables writers and publishers to upload audio files directly to APRA AMCOS' database so that they can be matched with music used in advertisements. OPUS utilises music recognition technology to provide accurate and efficient tracking of jingle play on television and radio. More information on the improved OPUS portal can be read at <https://apraamcos.com.au/music-creators/jingle-reporting/>

**Complaints Summary  
1 July 2019 – 30 June 2020**

Reference	Date	Issue	Status
C01	12/2/2020	No response provided to customer's query.	Resolved 26/2/2020 – investigation conducted, internal issues remedied and customer issued an apology and explanation.  Subject matter of query resolved 23/3/2020.
C02	15/7/2019	Adverse customer service experience seeking feedback about an application for an APRA AMCOS member initiative.	Resolved 13/2/2020 – written response issued to the customer addressing both the complaint and delay in response.
C03	13/5/2020	Distribution methodology of royalties for music used in dance schools.	Resolution pending – matter referred to Alternative Dispute Resolution facility.
C04	3/6/2020	Customer's posts not being shared on the SongHubs Instagram page.	Resolved 7/7/2020 – written response issued to the customer addressing the complaint.
C05	14/12/2019	Reduction of royalties and non-receipt of a royalty payment.	Resolved 20/12/2019 after customer updated outdated banking details and a written response was issued to the customer explaining the decrease to his royalties.
C06	05/10/2019	Customer felt harassed after receiving OneMusic Australia correspondence outside business hours and queried aspects of the OneMusic Australia licence applicable to his business.	Resolved 16/10/2020 – customer satisfied with OneMusic Australia's responses via email and phone.
C07	22/10/2019	Customer displeased after being contacted by OneMusic Australia while his business had temporarily closed.	Resolved 22/11/2019 – further contact held until business reopens.
C08	08/10/2019	Customer queried aspects of the OneMusic Australia licence applicable to his business.	Resolved 3/3/2020 – written response issued to the customer addressing the complaint. No response received.
C09	11/11/2019	Customer displeased with tone of correspondence from a OneMusic Australia staff member.	Resolved 29/11/2019 – investigation conducted and apology issued to customer for tone of staff member.
C10	10/12/2019	Customer considered OneMusic Australia fees excessive.	Resolved 19/12/2019 – written response issued to the customer addressing the complaint. Customer has since entered into a licence.
C11	20/12/2019	Customer felt pressured by OneMusic Australia's correspondence and claimed there was insufficient consultation about OneMusic Australia's licence schemes.	Resolved 12/1/2020 -written response issued to the customer addressing the complaint. No response received.
C12	29/12/2019	Adverse customer service experience while enquiring about licences.	Resolved 6/1/2020 after Manager liaised directly with customer and addressed all queries.
C13	15/12/2019	Overdue payment reminders issued in error.	Resolved 14/1/2020 after billing status remedied and customer advised of outcome.
C14	15/2/2020	Overdue payment reminders issued in error.	Resolved 24/2/2020 after billing status remedied and customer advised of outcome.
C15	27/11/2018	Customer disputed validity of his 1 <sup>st</sup> licence and refused to pay overdue fees for his 2 <sup>nd</sup> licence.	Resolved 13/8/2019 – settlement agreed for client to pay fee for 1 <sup>st</sup> licence but receive a partial refund 2 <sup>nd</sup> licence.

# APRA TRANSPARENCY REPORT

## FOR THE YEAR ENDED 30 JUNE 2019

(i)	(a) Total rights revenue per type of use	
		\$
	Broadcasting	114,602,831
	Digital	94,822,253
	General Revenue	89,642,349
	Educational	4,002,605
	International	45,784,539
		<b>348,854,577</b>
	(c) Income on investment of rights revenue	
		\$
	Interest	1,684,966
	All interest income is distributed to rightsholders.	
(ii)	(a) Total operating costs	
		\$
	Total expenses	60,279,912
	(b) Total remuneration to board directors	
		\$
	Directors Fees	649,659
	(c) Cost to revenue ratio*	13.71%
	*For the purposes of calculating this ratio AMCOS is treated as a business unit within APRA and the costs of that business unit are offset by that management fee received.	
(iii)	(a) Total revenue attributed to members	
		\$
	Total revenue	364,924,530
	Total expenses	(60,279,912)
	Net revenue owing to members	<b>304,644,618</b>

(b) Total amount paid to members

	\$
Australian Writers	57,231,217
Australian Publishers	100,713,782
New Zealand Writers	6,900,094
New Zealand Publishers	162,978
Other right holders	5,520,747
International affiliates	99,643,238
Total amount paid to right holders	<b>270,172,055</b>

(c) Total amount attributed but not distributed to members

	\$
Unidentified amounts and amounts in dispute	20,857,743
Amounts awaiting distribution	154,087,156
Total amount not distributed to members	<b>174,944,899</b>

(iv) information about expired undistributed funds, including:

(a) reasons why funds remain undistributed

At the end of any financial year APRA will always have undistributed royalties. This stems from the need to collect and process music reports from licensees as well as any associated song and composition registrations from members as part of each quarterly distribution process, and the fact that ownership of a song or composition may be in dispute by the right holders. APRA licensees supply music data reports after the end of each month or quarter (depending on their licence agreement terms). That data needs to be matched and researched by APRA's team of experts to determine the identity of the right holders that need to be paid. Royalties are typically held in instances where music reports are yet to be supplied, or are only partially received (eg: 20 out of 100 set lists from a festival) as it's impossible to calculate and allocate the value to the rights holders without these details. While every effort is taken to reduce the gap between receiving licence fees and the payment of royalties, due care and diligence needs to be taken to ensure that the composers and publishers have been identified and royalties are calculated and paid correctly. APRA's distribution schedule can be found in the APRA Distribution Practices guide on our website.

(b) steps taken to locate and distribute funds to rightsholders

APRA uses a system of complex matching rules to automate the processing of music logs, as well as a team of experts to research the rights holders for any songs or compositions that can't be identified through our matching algorithms. APRA also publishes a list of songs and compositions for members to review where a record is in dispute or remains unidentified or unclaimed following our matching and research processes. When these songs and compositions are subsequently claimed/registered by a member, APRA releases the associated

royalties to the relevant rights holder(s). APRA also actively encourages members to work together to resolve ownership disputes through the use of Resolution Pathways.

(c) the uses for which funds are to be applied

In accordance with APRA's Distribution Rules and Practices, after all possible efforts to obtain outstanding music logs have been exhausted, APRA may elect to distribute the related licence fees on a follow the dollar basis by using analogous data. This process ensures that the correct balances are in place between taking reasonable steps to match licensing revenue with the associated songs and compositions that were used, and ensuring that the unidentified royalty income is returned to APRA members at the earliest possible opportunity. This does not apply to instances where the ownership of the songs and compositions is in dispute. APRA continues to hold royalties associated with the disputed song or composition until the right holders have reached agreement.

(v)	(a) Total amount received from other societies	
		\$
	United States of America	15,713,239
	United Kingdom	7,501,413
	Germany	5,260,595
	Canada	2,928,594
	Italy	2,597,981
	Netherlands	1,775,523
	Denmark	1,709,956
	Japan	1,256,412
	Switzerland	1,045,767
	All other territories	5,995,059
		<b>45,784,539</b>
	(b) Total amount paid to other societies	
		\$
	United States of America	61,091,193
	United Kingdom	25,758,111
	Canada	3,223,038
	Sweden	2,502,839
	France	1,868,987
	Germany	1,317,002
	Netherlands	680,723
	Italy	420,323
	Ireland	436,956
	All other territories	2,344,066
		<b>99,643,238</b>



# CULTURAL FUND CONTRIBUTIONS

Total deducted from APRA Revenue	5,316,079
<i>Allocated to:</i>	
Music Grants	914,735
Other programs & initiatives	4,401,344

## MUSIC GRANTS AWARDED:

### Australia:

- 4Elements Workshop
- 8CCC community radio - workshops in conjunction with Music NT
- A Hitch To The Sticks festival
- A Taste of Broome project
- Adelaide Eisteddfod Society Inc sponsorship
- Always Good Nights Laneway Sessions
- Artology Ltd fanfare competition
- Arts Law Centre of Australia - Music Creators Law Help
- Association of Artist Managers
- Australian Blues Music Festival
- Australian Children's Music Foundation
- Australian Guild of Screen Composers
- Australian Independent Country Music Awards
- Australian Independent Record Label Association (AIR)
- Australian Jazz Bell Awards
- Australian Jazz Convention
- Australian Music Industry Network
- Australian Music Prize
- Australian Society for Music Education SA
- Australian Songwriters Association Inc
- Australian Teachers of Media
- Australian Women in Music Awards
- Backbone Youth Arts Incorporated - songwriting workshops for young people
- Bad Apples Music - Indigenous Forum
- Barunga Festival
- Bluesfest Busking Competition
- Burra Country Music Festival
- Carol Lloyd Award
- CHANGES music conference
- Community Broadcasting Association of Australia
- Contemporary Music Victoria
- Country Music Association of Australia
- Creative Youth Australia - National High School Awards
- Cygnet Folk Festival
- DAG Sheep Station - annual singer songwriter retreat
- Darebin Music Feast Songwriters Award
- Desert Harmony Festival
- Electronic Music Conference
- Emily Burrows Award
- Ensemble Offspring - Hatched Academy
- Festival of Original Music
- Fiji Performing Rights Association - International Achievement Award
- Fine Music 102.5 Young Composer of the Year Award
- FUN with Oh Pep! - songwriting workshops
- Girls Rock! Melbourne
- Grant McLellan Fellowship
- Green Music Australia
- GRID artist development program
- Hack Sounds - masterclasses and workshops for electronic musicians
- Heaps Decent
- Hilltop Hoods Initiative

- Illawarra Folk Festival
- Josh Pyke Partnership
- Lighthouse Award
- Livespark: Mix Tape music series
- Liquid Architecture - masterclasses and workshops
- Little Acorn Music - South Australian songwriting camp
- Livespark: Mix Tape music series
- Macquarie University Artist In Residence
- McGinty's Songwriter Competition
- Melbourne Blues Appreciation Society - Youth in Blues project
- Melbourne Electronic Sound Studio - electronic production course
- Melbourne International Jazz Festival - Close Encounters series
- Melbourne Jazz Co-operative
- Melbourne Recital Centre - Deep Listening Experimental Music Festival
- Melbourne Women's International Jazz Festival
- Melbourne Writers Festival
- Moogahlin Performing Arts Inc - Indigenous mentorship program and creation of new works
- Multicultural Arts Victoria - Indigenous songwriting camp
- Music ACT
- Music NSW
- Music NT
- Music SA
- Music Tasmania
- Musicians Making A Difference
- MyState Student Film Festival Awards
- National Jazz Awards
- National Live Music Awards
- One of One
- PBS community radio
- Port Fairy Folk Festival
- Port Fairy Spring Music Festival
- Q Music
- Queenscliff Music Festival
- Queensland Music Festival
- Rob Potts scholarship
- Sanaa Street Festival
- Sarabah Sessions mentorship program
- Songline session at 2 Worlds Festival
- Songsalive!
- Southern Cross University Contemporary Music Program
- Splendour in the Grass Forum
- St Kilda Festival - Live N Local
- St Kilda Film Festival
- Sunlit Sounds showcase
- Sydney Fringe Festival
- Sydney Improvised Music Association
- Talent Development Project
- The Big Sky Girls mentoring program
- The Fred Leone Project - creation of works in Butchulla language
- The Gardens of Unearthly Delights - The Garden Sessions
- The Industry Observer - Expert Opinion panel discussion
- The Inland Concert Series Inc
- The Push - Freeza Push Start and Push Songs program
- The Semaphore Songwriters Project
- This Is Ricochet - songwriting camp
- Titjikala Music Mentor Program
- Top Dog Group - songwriting camp
- Topology Incorporated - creative development workshops
- Tura New Music
- Turn Up Music Conference
- Unsound Festival - Discourse program
- WAM
- West Australian Country Music Awards
- Wild Mountain Sounds - songwriting retreat
- Wingham Akoostik Music Festival
- Yalu Marnggithinyaraw Indigenous Corporation - Songlines sessions

## **New Zealand:**

- 48hr Music Production Challenge
- Annual Music Month Summit
- Composers Association - Annual Composers Workshop
- Going Global Music Summit
- Kiwi Kids Music Association
- Music Manager Forum – Regional Upskilling Seminars
- Music Producer Series
- New Zealand Country Music Awards
- New Zealand Jazz Awards
- New Zealand Music Month
- Pacific Music Awards
- Play It Strange Trust
- RockQuest
- Screen Composers Guild of New Zealand
- SOUNZ Centre for New Zealand Music
- Taite Music Prize
- Te Matatini Festival
- Toi Maori Aotearoa
- You're The Future Of Music Workshop

## OTHER PROGRAMS AND INITIATIVES:

### **Awards and recognition -**

- APRA Music Awards
- Art Music Awards
- NZ Children's Music Awards
- NZ Music Hall of Fame
- Screen Music Awards
- Silver Scroll Awards

### **Advocacy - local to global -**

- Aboriginal and Torres Strait Islander Music Office
- Ambassador program
- Live Music Office
- Music Rights Australia
- Pacific Islands outreach
- Playback (APRA radio program)
- Research support - Country Music Association of Australia, Born Global
- Sounds Australia
- Te Ao Maori

### **Membership Development Programs -**

- Art Music Fund
- Mentoring program
- National event series
- Prelude Program
- Professional Development Awards
- SongHubs
- SongMakers

## CHARITY SUPPORT

- MusicHelps
- Nordoff Robbins Music Therapy
- Support Act

# AMCOS TRANSPARENCY REPORT

## FOR THE YEAR ENDED 30 JUNE 2019

(i)	(a) Total rights revenue per type of use	
		\$
	Broadcasting	12,155,420
	Digital	80,566,672
	Business to Business	7,871,273
	Educational	10,164,286
	Physical Product	2,854,323
	Production Music	2,791,947
	International	1,497,495
		<b>117,901,416</b>
	(c) Income on investment of rights revenue	
		\$
	Interest	543,556
	All interest income is distributed to rightsholders.	
(ii)	(a) Total operating costs	
		\$
	Total expenses	12,450,868
	(b) Total remuneration to board directors	
		\$
	Directors Fees	325,000
(iii)	(a) Total revenue attributed to members	
		\$
	Total revenue	117,901,416
	Total commission	(11,637,582)
	Net revenue owing to members	<b>106,263,834</b>

(b) Total amount paid to members

	\$
Australian Writers	2,830,265
Australian Publishers	132,767,796
New Zealand Writers	456,039
New Zealand Publishers	266,422
Other right holders	2,526,906
International affiliates	2,584,629
Total amount paid to right holders	<b>141,432,057</b>

(c) Total amount attributed but not distributed to members

	\$
Unidentified amounts and amounts in dispute	18,798,902
Amounts awaiting distribution	60,872,424
Total amount not distributed to members	<b>79,671,326</b>

(iv) information about expired undistributed funds, including:

(a) reasons why funds remain undistributed

At the end of any financial year AMCOS will always have undistributed royalties. This stems from the need to collect and process music reports from licensees. Royalties are typically held in instances where music reports are yet to be supplied, or are only partially received, as it's impossible to calculate and allocate the value to the rights holders without these details. The music report data needs to be matched and researched by APRA AMCOS' team of experts to determine the identity of the right holders that need to be paid. Song and composition registrations from members are also required as part of each quarterly distribution process. Where songs are identified and this registration is not complete, the distribution is held. Any song or composition which is the subject of a dispute among right holders also has its distribution held. While every effort is taken to reduce the gap between receiving licence fees, identifying right holders, resolving disputes and the payment of royalties, due care and diligence needs to be taken to ensure that the composers and publishers have been identified and royalties are calculated and paid correctly. AMCOS' distribution schedule can be found in the AMCOS Distribution Practices guide on our website.

(b) steps taken to locate and distribute funds to rightsholders

AMCOS uses a system of complex matching rules to automate the processing of music logs, as well as a team of experts to research the rights holders for any songs or compositions that can't be identified through our matching algorithms. AMCOS also publishes a list of songs and compositions for members to review where a record is in dispute or remains unidentified or unclaimed following our matching and research processes. When these songs and compositions are subsequently claimed/registered by a member, AMCOS releases the associated royalties to the relevant rights holder(s). AMCOS also actively encourages members to work together to resolve ownership disputes through the use of Resolution Pathways.

(c) the uses for which funds are to be applied

In accordance with AMCOS' Distribution Rules and Practices, after all possible efforts have been exhausted, the AMCOS Board may elect to perform an extraordinary distribution of unclaimed funds which have been held for extended periods of time. These funds are distributed against a proxy data source, representing the most comparable music use possible. A small portion of this distribution is transferred to a contingency account, just in case claims are later made. This process ensures that the correct balances are in place between taking reasonable steps to match licensing revenue with the associated songs and compositions that were used, and ensuring that the unidentified royalty income is returned to AMCOS members at the earliest possible opportunity. This does not apply to instances where the ownership of the songs and compositions in dispute. AMCOS continues to hold royalties associated with the disputed song or composition until the right holders have reached agreement.