



**APRA
AMCOS**

Code of Conduct for Collecting Societies

**Public Compliance Report
1 July 2021 – 30 June 2022**

AUSTRALASIAN PERFORMING RIGHT ASSOCIATION LIMITED

AUSTRALASIAN MECHANICAL COPYRIGHT OWNERS SOCIETY LIMITED

CODE OF CONDUCT FOR COPYRIGHT COLLECTING SOCIETIES

COMPLIANCE REPORT TO CODE REVIEWER 1 JULY 2021 – 30 JUNE 2022

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 2021 to 30 June 2022 (**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 20 May 2022 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://www.apraamcos.com.au/about/what-we-do/who-we-are/our-boards>

- 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 2020/21 financial year can be read at <https://www.apraamcos.com.au/about/governance-policy/annual-reports/year-in-review>
- 1.5 A copy of the APRA Statutory Accounts for the 2020/21 financial year can be read at <https://assets.apraamcos.com.au/images/PDFs/About/APRA-Limited-2021-Statutory-Accounts-signed.pdf>
- 1.6 A copy of the AMCOS Statutory Accounts for the 2020/21 financial year can be read at <https://assets.apraamcos.com.au/images/PDFs/About/AMCOS-Limited-2021-Statutory-Accounts-signed.pdf>
- 1.7 As at 30 June 2022, APRA AMCOS had 338 employees (including casual compliance staff) in Australia and an additional 38 employees in the APRA AMCOS New Zealand office.
- 1.8 APRA AMCOS' senior leadership team as at 30 June 2022 can be viewed at <https://www.apraamcos.com.au/about/what-we-do/who-we-are/our-leadership>
- 1.9 The Constitutions of both APRA and AMCOS are available on the APRA AMCOS website at all times and can be read at <https://www.apraamcos.com.au/about/governance-policy/corporate-governance>
- 1.10 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.
- 1.11 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 <https://www.apraamcos.com.au/about/governance-policy/policies-procedures/privacy-policy>

2. Members (Code of Conduct 2.2)

- 2.1 As at 30 June 2022, APRA had 115,326 (Australian and New Zealand) members, comprising composers, authors and publishers. Of these, 111,929 were local writer members and 567 were local publisher members. In addition APRA had 2,823 overseas resident writer members

and 7 overseas resident publisher members. Most Australian and New Zealand composers and publishers are members.

- 2.2 As at 30 June 2022, AMCOS had 27,039 (Australian and New Zealand) members, of whom 25,909 were writers and 508 were publishers. In addition AMCOS had 617 overseas resident writer members and 5 overseas resident publisher members.
- 2.3 As at 30 June 2022, APRA AMCOS had 1,808 Aboriginal and Torres Strait Islander (ATSI) members which represented an increase of 1.52% during the Review Period. Although Indigenous membership is low, APRA AMCOS is committed to increasing awareness through the National Indigenous membership strategy, overseen by our Director, National Aboriginal and Torres Strait Islander Music Office (NATSIMO).
- 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 at <https://www.apraamcos.com.au/> which provides a number of online services.
- 2.6 APRA AMCOS produces a large amount of written material for members, which have 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 and Publisher Relations departments engaged in email correspondence with writer and publisher members on some 55,798 separate occasions. In addition, over 2,722,988 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 previously logged member phone calls four times 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. However, Writer Services staff have moved to providing call statistics for all forward-facing staff for the entire year. During the Review Period, 4,480 phone queries were logged.
- 2.10 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Membership department. Examples of this feedback have been provided to the Code Reviewer.

International relations

- 2.11 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.
- 2.12 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.
- 2.13 In the most recently audited financial statements for the 2020/21 Financial Year, APRA collected a record amount of approximately AUD\$60.2m for the use of Australian and New Zealand repertoire overseas, while AMCOS collected approximately AUD\$1.7m. 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.
- 2.14 APRA distributed approximately \$42.8M (AUD)'s worth of performing right distributions from affiliate societies to APRA members across 12 monthly distributions. This amount was comprised of 223 individual distribution records from 26 different societies. AMCOS distributed \$757,862 (AUD)'s worth of mechanical right distributions from affiliate societies

to AMCOS members across 4 quarterly distributions. This amount was comprised of 64 individual distribution records from 25 different societies.

- 2.15 During the Review Period, the International department was involved in a number of regional and international activities, with a focus on the recovery and continuing evolution of international music markets due to the ongoing COVID-19 pandemic and the shifting terrain in digital licensing and revenues.

Opt Out and Licence Back

- 2.16 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 13 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 are available on the website at <https://www.apraamcos.com.au/music-creators/membership-explained/managing-your-rights>
- 2.17 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

- 2.18 APRA AMCOS has developed an extensive resources and benefits 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. Member resources information can be read on our website at <https://www.apraamcos.com.au/music-creators/member-resources>

3. Licensees (Code of Conduct 2.3)

- 3.1 APRA AMCOS has a large Music Licensing department dedicated to liaising with licensees and potential licensees. The two main areas of licensing operations are OneMusic and Media Licensing. OneMusic Australia, a joint licensing project between APRA and the Phonographic Performing Right Association (PPCA), aims to provide a single licensing solution for music and recordings in Australia.
- 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 OneMusic Australia primarily licenses the rights of APRA, PPCA, AMCOS under single licence structures to general businesses that use music including for example, nightclubs, hotels, fitness centres and retail stores.
- 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 obtain 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 The Review Period continued to be dominated by the effects of the COVID-19 pandemic on licensees and OneMusic Australia's proactive response to support its customers. Many of OneMusic Australia's tariffs are self-adjusting according to use (for example, fitness classes, recorded music for dance, concert/sporting events) such that licence fees automatically reduced or were not applied according to the individual circumstances of licensees. For other tariffs that are based on annual fees (for example, background music in retail stores,

hotels), OneMusic applied generous fee relief treatment at a state/territory level, to cover periods where businesses were forced to close under government direction.

- 3.7 During the Review Period 2672 clients re-licensed their accounts with 2119 and 998 businesses obtaining new licences via paper application and via the portal respectively.
- 3.8 The Review Period saw the delayed introduction of new rates for performance of featured music in hotels (further to the successful consultation with the industry in the previous review period).
- 3.9 OneMusic Australia also recommenced, following a hiatus caused by the pandemic, a consultation with the live performance industry on new rates, particularly those that apply to the use of sound recordings at concerts and festivals. As at the end of the Review Period, that consultation remained ongoing.
- 3.10 During the Review Period, the OneMusic Australia and Finance (Credit Management) departments engaged in approximately 393,876 contacts with licensees, including; letters, emails and telephone calls.
- 3.11 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Licensing departments. Examples of this feedback have been provided to the Code Reviewer.

Media Licensing

- 3.12 The Media Licensing department covers four key areas of licensing: Broadcast Licensing; Digital Licensing; Recorded Music Licensing; and Key Industries.
- 3.13 Broadcast Licensing includes commercial and community radio, the ABC and SBS and subscription and commercial television. In total, approximately 714 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 audio-visual productions). There were 498 Australian production music clients licensed during the Review Period.
- 3.14 Digital Licensing includes video on demand services, digital subscription music services, music downloads, online fitness, ringtones and general websites. In total, approximately 605 licensees were administered during the Review Period.

- 3.15 Recorded Music Licensing includes CD and vinyl record sales, and videographers. In total, approximately 220 licensees were administered during the Review Period.
- 3.16 Key Industries include schools, universities, TAFEs and colleges, state and federal government, airlines and luxury cruiselines, dramatic context, funerals and Eistedfodau. Approximately 933 accounts covering approximately 10,275 licensees were administered during the Review Period.
- 3.17 Media Licensing clients are, for the most part, aware of their copyright and licensing obligations.

Information provided to Licensees

- 3.18 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.
- 3.19 APRA AMCOS' website contains a music licences section with information in relation to our various licences and with contact details for the relevant Licensing departments. 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 <https://www.apraamcos.com.au/music-licences>

APRA AMCOS relationships with relevant trade associations

- 3.20 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.
- 3.21 APRA AMCOS regularly consults with and supports 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

- 3.22 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.
- 3.23 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 including Spotify, Amazon, YouTube, Britbox, Facebook, Deezer and Twitch.
- 3.24 Licences with the funerals and education sectors were renewed or in the case of TAFE implemented to address changes in how education and funeral services are provided generally and specifically in response to COVID-19.

OneMusic Australia Licence Consultations

- 3.25 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. Further information on OneMusic Australia industry consultations and licence scheme development has been provided to the Code Reviewer.

Education and funerals

- 3.26 Licences for the education sector were renewed during the Review Period. University and commercial colleges continued under the same scheme. A new licence scheme for schools was introduced following extensive consultation with the National Copyright Unit, providing more comprehensive and flexible cover suitable to modern teaching practices. The TAFE licence scheme introduced in the previous Review Period was rolled out in remaining states and territories.
- 3.27 Largely in response to COVID-19, during the previous Review Period APRA AMCOS implemented an updated scheme with the funerals sector. The revised scheme provides expanded rights to enable funeral operators to offer their customers greater online access as

well as a simplified structure to make licensing easier for the sector. The revised scheme has now been put in place with all industry associations and key accounts and is being rolled out to the smaller providers.

Online Live Streaming

- 3.28 During the Review Period APRA AMCOS implemented an updated online live streaming scheme. The revised scheme provides expanded rights, revised rates and a new structure that better caters to the use and application of live streams within the current market.

Multi-Territory Licensing

- 3.29 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.

- 3.30 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, BUMA/STEMRA (APRA's Dutch sister society) and STIM (APRA's Swedish sister society).

Disaster Relief

- 3.31 During the Review Period APRA AMCOS continued its policy regarding Disaster affected licensees. 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.
- 3.32 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.

COVID-19 Pandemic

- 3.33 As outlined previously, from March 2020, OneMusic Australia responded extremely quickly to lockdown measures issued by the Australian Government holding approximately 25,000 accounts. As lockdowns and restrictions continued throughout Australia, OneMusic continued to hold accounts which were in lockdown affected locations, apply fee relief, and offer payment plans to all licensees.
- 3.34 OneMusic Australia has received a high volume of positive feedback from licensees for putting these disaster relief measures in place.
- 3.35 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 continued 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.

New South Wales and Queensland Floods

- 3.36 In response to the major rainfall that hit Southeast QLD and Northern NSW from January 2022, OneMusic Australia held all affected businesses within natural disaster declared areas for 3 months, excluding Lismore, which we continue to hold.

4. Distribution (Code of Conduct 2.4)

- 4.1 The most recently audited financial statements for the year ended 30 June 2021 show that APRA AMCOS' total combined net distributable revenue for the year was \$442.6m.
- 4.2 APRA and AMCOS distribute royalties quarterly.

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 <https://www.apraamcos.com.au/about/governance-policy/distribution-rules-practices>
- 4.4 APRA AMCOS has published detailed 'plain English' information guides summarising its distribution policies, including how undistributed funds are dealt with. The information guides can be read at <https://www.apraamcos.com.au/about/governance-policy/distribution-rules-practices/distribution-information-guides>

- 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 2022 to:
- a) Update information regarding works ownership research
 - b) Update the policy which governs Unlogged Performance Claims
- 4.7 The APRA Distribution Practices were updated in the year ending June 2022 to:
- a) Update the policy relating to the processing of data from Video on Demand services.
 - b) Establish a new practice for the distribution of revenue relating to film festivals
- 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 2022 to:
- c) Update information regarding works ownership research
 - d) Establish a policy governing Unlogged Performance Claims
 - e) Establish a new policy relating to the processing of data from Video on Demand services
 - f) Establish a practice of using Carryover Points to represent the ongoing value of unpayable works
- 4.10 The AMCOS Distribution Practices were updated in the year ending June 2022 to establish a new policy relating to the processing of data from Video on Demand services
- 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 APRA AMCOS’ systems development strategy is to continuously innovate and deliver new services at speed, in response to what writers, publishers and industry stakeholders are asking for. Major strategic business initiatives continue to be delivered across business as usual, automation, business processes, business critical and digital services areas, representing a significant long-term value proposition.

Automation

- 4.14 Extensive work has been undertaken to automate mundane, resource-intensive tasks, identify inefficiencies in business processes, and develop policy and automation strategies to combat these inefficiencies. At the end of the Review Period, 39 Robotic Process Automations (RPA) were in production, with 1,100 days of ‘Human Time’ saved.

Large strategic projects

- 4.15 Strategic projects being worked on and monitored by APRA AMCOS’ Executive Leadership Team include:

- CRD (Common Royalty Distribution) Phase 3
- AREV to CMS
- Member Writer Portal
- Mobile Application
- Publisher Portal
- Earnings Insights
- Revenue Portals
- International Data Analytics and Processing (IDAP)
- Distribution Streaming (PoC for NextGen Distribution)
- Repertoire Management
- Video On Demand (VOD) Disaggregation

- Ingestion & Matching
- Amplify

4.16 All member facing projects have received positive customer feedback and provide valuable, feature-rich services to our members.

Cyber Security

4.17 The pace of digital business and an ongoing transition to cloud are challenging traditional security approaches. APRA AMCOS continuously monitors and improve its resilience to cyber threats. A cyber security and data management plan and assurance framework has been established to strengthen APRA AMCOS' cyber security posture.

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 12.68% for the year ended 30 June 2021. Further information is contained in the 2020/21 APRA AMCOS Year in Review, which can be read at <https://www.apraamcos.com.au/about/governance-policy/annual-reports/year-in-review>

5.4 Confidential management accounts showing detailed expenses and revenue information are also available upon request.

6. Governance and accountability (Code of Conduct 2.6)

6.1 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, Risk & Culture Committees which meet at least 6 times a year and focus exclusively on issues related to the corporate governance of the companies.

- 6.2 APRA AMCOS' Chief Executive and Executive Leadership Team meet regularly to discuss matters pertaining to corporate governance and the day-to-day operation and management of the organisations. The Executive Leadership Team also deals with policy setting and other matters relating to Human Resources and Industrial Relations matters, risk management, infrastructure, general administration and regulatory compliance.
- 6.3 APRA AMCOS 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.
- 6.4 The Staff Code of Conduct sets out the standards by which APRA staff are expected to treat one another.
- 6.5 The Service Provider Code of Conduct sets out our commitment to shared professional standards, available at <https://www.apraamcos.com.au/about/governance-policy/policies-procedures/service-provider-code-of-conduct>
- 6.6 APRA and AMCOS maintain complete financial records, audited each year. A statement by each Company's Auditor is included in the Annual Reports, which can be read at <https://www.apraamcos.com.au/about/governance-policy/annual-reports>
- 6.7 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 2021 can be read at https://assets.apraamcos.com.au/images/PDFs/About/Transparency-Report_FY2021.pdf

ACCC Authorisation

- 6.8 APRA's membership, licensing, distribution and international arrangements are all the subject of an authorisation by the Australian Competition and Consumer Commission.
- 6.9 APRA's current conditional authorisation was granted on 13 July 2020 for a period of four years, expiring 13 July 2024. A copy of APRA's application for authorisation can be provided upon request. 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.

- 6.10 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>
- 6.11 APRA continues to comply with the ACCC's conditions of authorisation.

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 monthly. These meetings provide a cross-departmental opportunity to discuss APRA AMCOS' interaction with stakeholders and wider communities and the opportunity to review and discuss 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 hold staff training conferences at least once per year. 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 monthly companywide staff briefings. The briefings focus on the respective needs and expectations of general staff, middle and senior management and the expectations of the organisation. The focus of the training sessions has in the past covered

the Code of Conduct and ACCC authorisation, as well as performance within and between departments and with our external stakeholders.

- 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. In addition to 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 to 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 to the Code Reviewer 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 training, development and wellbeing. Internal programs offered 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 During the previous Review Period, APRA AMCOS partnered with Diversity Arts Australia (DARTS) to lead the organisation through a Diversity Audit and develop an Equity Action Plan to guide ongoing work in the short to long term. DARTS facilitated more than 20 training and mentor sessions on inclusive practices. APRA AMCOS staff and the APRA AMCOS Boards

were given the opportunity to participate in key sessions covering cultural safety, Culturally and Linguistically Diverse (CALD) communities and ableism. Training sessions and targeted mentor sessions provided APRA's cross functional Steering Committee with the tools to develop goals, actions, outcomes and evaluation measures to feed into the Equity Action Plan proposal. The Equity Action Plan was introduced in June 2021 and can be read at <https://www.apraamcos.com.au/about/governance-policy/policies-procedures/equity-action-plan-summary>

- 7.11 APRA AMCOS continues to run an Employee Wellbeing Program that includes education seminars on resilience, stress management, work-life balance, COVID-19 and dealing with change. Further information is available upon request.
- 7.12 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 <https://www.apraamcos.com.au/about/governance-policy/annual-reports>. As required by the Act, we notify staff and members of this report each year.
- 7.13 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 and Work, Health and Safety. A full demonstration of APRA AMCOS' Wiki facility can be provided on request.

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.
- 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
 - National Aboriginal and Torres Strait Islander Music Office (NATSIMO)

- Ambassador Program
- Member 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 129 events during the Review Period, attended by members online and 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 new systems, provide education on general topics that are relevant to their business, and seek feedback from them to 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 89 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.

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 in general, and the activities of the two societies in particular. 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 increased during the Review Period, from 354,073 to 386,619. Sessions also increased from 622,048 to 642,499; and page views decreased to 1,174,822 from 1,954,561 the previous year.
- 8.12 Users spent 2:26 mins time on our site, compared to last year's average 3.34 mins; and 1.81 pages per session viewed compared to 2.43 pages per session the year prior year.
- 8.13 The OneMusic Australia website (<https://www.onemusic.com.au/>) 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 site increased with 147,752 users compared to last year's 119,783 users and 198,724 sessions compared to last year's 171,119 sessions. During this period 426,269 pages were viewed. Users spent an average of 2.15 minutes.

- 8.14 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.
- 8.15 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.
- 8.16 During the Review Period APRA AMCOS gained an additional 504 page likes (followers) on Facebook, bringing the total Facebook page likes to 33,961. Twitter followers totalled 21,706. Instagram saw an 11.8% increase in followers to 20,227. We saw a significant increase in YouTube subscribers with 431 new subscribers in the past year (16.4% increase), taking the total to 3,065 subscribers and 218,724 views.
- 8.17 OneMusic Facebook now has 703 likes. OneMusic Instagram account launched during FY22 and has 104 followers. OneMusic Australia YouTube doubled in views with 1190 views, a 107.9% increase on previous year.
- 8.18 The National Aboriginal and Torres Strait Islander Music Office (NATSIMO) is active on social media with 654 Facebook followers and 388 Instagram followers.

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 can be read at <https://www.apraamcos.com.au/about/governance-policy/policies-procedures/complaints-procedure>
- 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.
- 9.4 There were three (3) new member code complaints during the Review Period. There were no complaints carried over from the previous Review Period.
- 9.5 There were two (8) new licensee code complaints received during the Review Period. There were no complaints 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 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 2022, there were 90 ongoing general compliance matters under the management of APRA AMCOS' Legal Department, with 27 of these matters under the management of APRA AMCOS' external solicitors. 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 its Credit Team and then referred to APRA AMCOS' external mercantile agent to manage and, if

necessary, pursue through debt recovery proceedings. As at 30 June 2022, 84 clients were under the management of APRA AMCOS' Australian external mercantile agent and 170 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 Credit Team 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.

Alternative Dispute Resolution (ADR)

- 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 appoints 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 encourages 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.

Other matters

Ongoing Infringement Proceeding

- 9.16 In April 2022, APRA AMCOS, PPCA and others filed proceedings in the Federal Court of Australia in respect of the unlicensed public performance of musical works and sound recordings at a number of music events. In early July 2022, representatives of APRA AMCOS and PPCA attended a formal mediation. The process was successful, and the parties are currently in the process of finalising settlement arrangements in respect of past conduct and how such licensing will be approached in the future.

Ongoing Copyright Tribunal Proceeding

- 9.17 APRA AMCOS has jointly licensed Subscription Video On Demand (SVOD) services for the territory of Australia since early 2015. While newer entrants into the Australian market have entered into licences with APRA AMCOS at our current standard rate of 2.5% of gross revenue (subject to minimum monthly subscriber rates), two of the earlier SVOD services to launch in Australia have not accepted this rate.
- 9.18 As we were unable to reach agreement with all SVOD services operating in Australia despite long-term negotiations, APRA AMCOS filed a reference for an SVOD licence scheme with the Copyright Tribunal in March 2021. At its core, the scheme proposes a rate of 2.5% of gross revenue, which APRA AMCOS says is reasonable. A number, but not all, SVOD services have become parties to the proceedings including some that have already been licensed at the proposed 2.5% rate.

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 <https://www.apraamcos.com.au/about/governance-policy/code-of-conduct>
- 10.2 Australian collecting societies APRA AMCOS, ASDACS, AWGACS, The Copyright Agency, PCCA and Screenrights maintain a standalone website for the Code of Conduct for Copyright Collecting Societies at <https://www.copyrightcodeofconduct.org.au/>
- 10.3 The website 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 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 of that notice can be read at <https://www.apraamcos.com.au/about-us/news-and-events/code-of-conduct-call-for-submissions-2022>

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 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 audio upload function of the publisher portal enables publishers to upload audio files directly to APRA AMCOS' database so that they can be matched with music used in advertisements. The portal utilises music recognition technology to provide accurate and efficient tracking of jingle play on television and radio.

APPENDIX A

Complaints Summary 1 July 2021 – 30 June 2022

| Reference | Date | Issue | Status |
|-----------|------------|--|--|
| C01 | 25/2/2022 | Delayed royalty payment and poor communication about the delay. | <i>Resolved 4/3/2022 by APRA AMCOS</i> Apology issued and royalty paid to members. |
| C02 | 1/3/2022 | Member sought late entry to an APRA funding initiative. | <i>Resolved 15/3/2022 by APRA AMCOS</i> Late entry not possible, however, member provided an alternate funding option. |
| C03 | 7/3/2022 | Member's query regarding withheld royalties had stalled. | <i>Resolved 16/03/2022 by APRA AMCOS</i> Apology issued, status of royalties clarified, account readjusted and royalty paid. |
| C04 | 18/11/2021 | Licensee was erroneously issued the same payment reminder multiple times and separately, was unsure of account billing status. | <i>Resolved 19/11/2021 by OneMusic Australia</i> Apology issued and billing status clarified. |
| C05 | 3/12/2021 | Licensee was referred to mercantile agents for debt without being issued initial invoice. | <i>Resolved 16/12/2021 by OneMusic Australia</i> Apology issued, debt withdrawn from mercantile agents and invoice provided. |
| C06 | 14/3/2022 | Licensee was overcharged in error and separately, found licence options confusing. | <i>Resolved 9/4/2022 by OneMusic Australia</i> Apology issued, licence options clarified and fees readjusted. |
| C07 | 22/6/2022 | Lack of access to royalty split information for AMCOS repertoire. | <i>Resolved 5/7/2022 by APRA AMCOS</i> Explained why information was restricted. Referred enquirer to premium search service. |
| C08 | 17/4/2022 | Licensee's request for a confirmation of account cancellation had stalled. | <i>Resolved 27/4/2022 by OneMusic Australia</i> Apology issued and account cancellation confirmed. |
| C09 | 25/10/2021 | Licensee felt harassed after dealings with a OneMusic Australia staff member. | <i>Resolved 16/11/2021 by OneMusic Australia</i> Apology issued and staff member counselled. |
| C10 | 28/10/2021 | Licensee erroneously issued invoices while billing was suspended as a COVID-19 relief measure. | <i>Resolved 5/11/2021 by OneMusic Australia</i> Apology issued and fees readjusted. |
| C11 | 3/9/2021 | Licensee received overdue payment notices despite always paying on the due date. | <i>Resolved 14/9/2021 by OneMusic Australia</i> Billing system adjusted to allow for more time before issuing an automated payment reminder. Licensee thanked and advised of outcome. |