



**PPCA Compliance with the Copyright  
Collecting Societies Code of Conduct  
for the Year Ending 30 June 2022**

**31 July 2022**

## Introduction

This annual report has been created in accordance with the Code of Conduct for Copyright Collecting Societies (the **Code**). It details how the Phonographic Performance Company of Australia Pty Limited (**PPCA**) has complied with the Code during the financial year ending 30 June 2022 (the **reporting period**), as well as complaints received during the period and how PPCA responded to them. For the purposes of clause 5.2(b)(iii) of the Code, PPCA is not a Declared Collecting Society.

The report, along with the report from the Code Compliance Reviewer and other copyright collecting societies, will be made available on the Copyright Collecting Societies of Australia website (**CCSA Website**) as well as on the PPCA website on the dedicated Code of Conduct page (<https://www.pcca.com.au/code-of-conduct>).

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## **Section 1: Legal Framework**

### **(Code, Clause 2.1)**

During the reporting period, PPCA met its obligations under clause 2.1, including, but not limited to, complying with its obligations under the *Corporations Act 2001* (Cth), *Copyright Act 1968* (Cth) and *Privacy Act 1988* (Cth).

PPCA's Constitution was amended in November 2021, in order to allow the Board to be expanded to include up to two Board appointed positions. This change was initiated to ensure that the Board had the capacity to address any skill, experience or other gaps that may arise from time to time. Associated amendments to quorum, voting and provisions for alternate directors were also made at that time.

During the period, the Privacy Policy was amended to explain a new way in which PPCA may collect, use and disclose personal information. Several privacy collection statements for various forms, including Artist Registration forms, were also updated to better reflect PPCA's privacy handling practices.

PPCA's policies, including its Privacy Policy, Distribution Policy, and Complaints Handling and Dispute Resolution Policy, as well as the PPCA Constitution, are all available and can be accessed by the public from the PPCA website and CCSA Website. Plain-English guides summarizing the Distribution Policy and explaining how Undistributed Funds are treated are also available from the PPCA website.

## **Section 2: Members**

### **(Code, Clause 2.2)**

During the reporting period, PPCA met its obligations under clause 2.2.

PPCA is a limited company with equal shares held by the remaining three founding record company members – in 1969, PPCA had six founding record company members. These shareholder record company Members are ineligible for any dividends from PPCA’s Net Revenue, and only receive remuneration on the same basis as all other Licensors. Remuneration is determined in accordance with the Distribution Policy.

Where the Code and other collecting societies refer to “Members”, PPCA interacts with Licensors. Licensors are the copyright owners or exclusive licensees in sound recordings for Australia. Copyright owners and exclusive licensees register with PPCA by signing the Input Agreement. PPCA’s relationship with Licensors (including the shareholder Members) is principally governed by the terms of the Input Agreement, rather than the PPCA Constitution. By signing the Input Agreement, Licensors agree to allow PPCA to sub-license their sound recordings on a non-exclusive basis and create blanket public performance and other licence schemes utilised by users of sound recordings.

Like the arrangement with Licensors, PPCA does not have “Artist Members”; instead PPCA has “Registered Artists”. Registered Artists can receive a payment under the Distribution Policy’s Artist Direct Distribution Scheme (ADDS). To register as an artist and to be eligible for ADDS, the artist must be an Australian artist featured on a sound recording. These payments are made on an ex-gratia basis, and do not arise from any copyright held by the artists themselves.

As of 30 June 2022, PPCA had 3,563 Licensors representing major record companies, smaller record labels, rights management entities (e.g. foreign collecting societies or other entities representing a range of, generally smaller, rights owners) and independent copyright owners (for example, the recording artists themselves). At the same time, 5,138 Artists eligible under the ADDS had registered with PPCA.

PPCA typically receives queries from prospective Licensors via phone or email. In response, PPCA will refer the applicant to the relevant section of the website and the appropriate online registration form. PDF copies of the form are also available upon request. An acknowledgement letter or email is sent to Licensors upon receipt of their applications and track registrations.

Similar to Licensors, prospective Registered Artists enquiring about taking part in PPCA’s ADDS generally contact PPCA via phone or email. Artist registration forms are available from the PPCA website, with PDF copies available upon request. Staff members from the Distribution team are available to assist prospective and current Licensors and Registered Artists with filling out their forms and completing track registration.

During the reporting period, PPCA launched the Artist and Licensor Portal – this is an online portal where Registered Artists and PPCA Licensors can view their PPCA statements and other financial documents and update their contact and banking information. Portal users can also share access with a third party, for example their manager or tax adviser, who can also view statements and update contact information, depending on the level of authorisation given by the Registered Artist or Licensor. The purpose of the portal has been to streamline the distribution process, by providing immediate online access to statements, and allowing artists and licensors to update their details (including bank account details) at any time. Use of the portal should thus facilitate faster payment and provide a repository where PPCA registered artists and licensors are able to access financial documents

(including for past periods) at their convenience. Registered Artists and Licensors are invited to register with the portal via email after registering their works with PPCA.

The PPCA website offers a Frequently Asked Questions section for both Licensors<sup>1</sup> and Registered Artists<sup>2</sup>, providing general information about copyright in music and explaining the services PPCA offers. Licensors and Registered Artists can access the PPCA Constitution, as well as a sample copy of the Input Agreement, from the PPCA website, the CCSA website, or can be emailed or mailed a copy upon request.

During the reporting period, PPCA emailed Licensors and Registered Artists and posted on its social media channels to provide information on matters of interests and key developments. This included information on support for record labels and artists impacted by the mandatory lockdowns and live-industry shutdown and restrictions which impacted Licensors and Artists for the first half of the reporting period. This included information on where impacted businesses and individuals could access financial support from government initiatives, as well as wellbeing services offered by Support Act.

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<sup>1</sup> See <https://www.pcca.com.au/labels/faqs>.

<sup>2</sup> See <https://www.pcca.com.au/artists/faqs>.

### **Section 3: Licensees** **(Code, Clause 2.3)**

During the reporting period, PPCA met its obligations under clause 2.3.

PPCA provides licences to business and individuals both directly and indirectly via OneMusic Australia (**OneMusic**). OneMusic is a joint initiative between PPCA and APRA AMCOS, the copyright collecting society for musical works in Australia. Since mid-2019, OneMusic has been responsible for the administration of PPCA public performance licences. Where previously businesses would have typically needed to acquire a licence from PPCA and a separate licence from APRA AMCOS, OneMusic offers a single blanket licence which covers both sets of rights, licensing the use of music by businesses.

PPCA offers broadcast, communication, and public performance licences for a range of services, including radio and television broadcast, non-interactive and semi-interactive music and video streaming services. The type of licences offered by PPCA include:

- radio broadcast licences and simulcast licences for commercial radio broadcasters;
- radio broadcast and optional simulcast licences for members of the Community Broadcasting Association of Australia (CBAA) and non-CBAA member community radio stations;
- on demand licences for radio broadcasters;
- broadcast and communication licences for subscription television operators (including IPTV operators);
- communication licences for subscription video on demand (SVOD) services;
- television and radio broadcast licences, simulcast licences and on-demand communication licences for ABC and SBS;
- public performance licences for theatrical productions;
- communication for linear music streaming services (such as internet radio stations) and semi-interactive music streaming services;
- communication and broadcast licences for background music services that provide music services to commercial premises by means of broadcast or streaming; and
- live-streaming licences for restricted activities.

Applicants primarily apply for licences by contacting PPCA through email or via the online application form.

PPCA also provides licensing through several joint licensing agreements. They include:

- Eisteddfodau with ARIA and APRA AMCOS<sup>3</sup>;
- Early learning providers with ARIA, APRA AMCOS, Copyright Agency and Viscopy<sup>4</sup>;
- Funeral directors and associations with ARIA and APRA AMCOS;
- Tertiary education agreements with ARIA and APRA AMCOS; and
- State education departments with ARIA and APRA AMCOS.

As of 30 June 2022, PPCA directly licensed approximately 1,100, businesses, individuals, services and stations for the use of protected sound recordings and music videos.

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<sup>3</sup> See <https://www.pcca.com.au/music-licensing/eisteddfod-licensing>. Information about this agreement is maintained on the OneMusic Australia website.

<sup>4</sup> See <https://www.pcca.com.au/music-licensing/eisteddfod-licensing>. Information about this agreement is maintained on the OneMusic Australia website.

The PPCA website provides information on the range of broadcasting, digital and joint licences available from PPCA. A Frequently Asked Questions section<sup>5</sup> is made available from the PPCA website. This provides general information about copyright in music, when licences are required and PPCA's role in licensing music within Australia. When PPCA is contacted by potential licensees regarding a PPCA licence, information regarding the terms and conditions of the relevant licence, as well as costs involved, are provided upon request. PPCA has Key Terms documents for its licences that provide a summary of the significant aspects of the licence, such as scope, restrictions, reporting requirements and fees – these are also provided on request.

PPCA continues to work with APRA AMCOS on delivering more joint licensing schemes via OneMusic, as well as regularly reviewing the licensing schemes currently in place. As reported last year APRA and PPCA, through OneMusic, are currently consulting with the live event, festival and promoter sector and expect to be in a position to implement a new, simplified scheme for that sector within the next few months. Further details about the operation of OneMusic will be available from APRA AMCOS' submission to the Code Reviewer.

During the reporting period, PPCA continued to exercise discretion when dealing with licensees affected by the public health ordered lockdowns and natural disaster emergencies. Where licensees were impacted, PPCA placed holds on licensees' accounts and paused all enforcement and debt collection action.

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<sup>5</sup> See <https://www.pcca.com.au/music-licensing/fags>.

## **Section 4: Distribution of Licence Fees**

### **(Code, Clause 2.4)**

During the reporting period, PPCA met its obligations under clause 2.4.

The Distribution Policy is available via the PPCA website. This policy explains the process by which PPCA collects licence fees, what expenses PPCA incurs, and how the net surplus is allocated and paid to Licensors. The policy also details how PPCA's ADDS is administered. ADDS is an ex-gratia arrangement under which Australian artists who are featured performers on sound recordings can register with PPCA to receive direct payments, regardless of whether they have retained copyright in the sound recording.

Plain-English guides regarding the Distribution Policy are also available from the PPCA website. These guides provide an easy-to-read summary of the Distribution Policy, and an explanation of how amounts which, for various reasons, have not been able to be distributed to Licensors are treated.

During the reporting period, minor updates were made to the Distribution Policy to clarify that OneMusic Australia is a joint licensing initiative with APRA AMCOS and its benefit.

PPCA undertakes a single annual distribution for the financial year ending 30 June, which is issued by 31 December that same calendar year. Licensors and eligible artists must register their details, track and music video registration by 31 August to be eligible for that years December distribution.

Following the annual distribution process, Licensors and Registered Artists are provided with statements setting out their earnings on a detailed track-by-track basis. Members of the Distribution team are available to answer questions about distributions via phone and email.

During the reporting period, PPCA did not receive a formal request from any licensee asking for details about how their licence fee was distributed to Licensors and Registered Artists.



## **Section 5: Collecting Societies Expenses (Code, Clause 2.5)**

During the reporting period, PPCA met its obligations under clause 2.5.

PPCA's expenses are deducted from the total gross revenue. The resulting surplus is then allocated and distributed to Licensors and Registered Artists in accordance with the Distribution Policy.

The Annual Report for the year ending 30 June 2021 showed an expense to revenue ratio of 16.6%. This was an increase on the previous year, where the expense ratio was 15.4%. The increase in the expense ratio has been attributed to a substantial reduction in public performance revenue, a result of various COVID-19 public health restrictions and lockdowns and their impact on the businesses of PPCA's (through OneMusic Australia) public performance clients. The full annual report is available from the PPCA website, as well as the CCSA website.

## **Section 6: Governance and Accountability**

### **(Code, Clause 2.6)**

During the reporting period, PPCA met its obligations under clause 2.6.

In accordance with the PPCA Constitution, PPCA conducts regular elections to fill positions for both Licensor and Artist Representative Directors. During this period PPCA also introduced a “Board Observer” position, to allow a PPCA Licensor to attend and observe PPCA Board meetings and participate in the structured training program run by The Observership Program<sup>6</sup>, with a focus on the not-for-profit sector. This opportunity runs for calendar year periods, and will be offered again in 2023.

At each meeting of the PPCA Board, Board Members are reminded of their obligations and duties. PPCA has two Board-appointed Committees which meet on a regular basis: the Copyright Committee (quarterly) and the Finance Committee (monthly).

PPCA’s financial records are subject to an annual audit conducted by external auditors. Reports from both the Board of Directors and the external auditors are published in the Annual Report. The Finance Committee meets on a regular basis to review interim financial and monthly management accounts.

The PPCA Board, Committees and senior managers are provided with a copy of PPCA’s Competition and Consumer Compliance Guidelines, and training presentations are held periodically.

The PPCA Management Team meets on a weekly basis to discuss both operational and strategic matters.

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<sup>6</sup> See <https://www.observership.com.au/>.

## **Section 7: Staff Training**

### **(Code, Clause 2.7)**

During the reporting period, PPCA met its obligations under clause 2.7.

When staff members begin employment at PPCA, they are provided with a number of key documents, including a copy of the Code, the PPCA Privacy Policy, Whistle blower Policy, Data Breach Response Plan and Complaints Handling and Dispute Resolution Policy. PPCA maintains an internal intranet service where all key policy documents are made available. Staff are encouraged to regularly check the intranet and are notified when key policies are amended.

Individual teams involved in licensing and artist and label services meet on a regular basis. During these meetings, staff are reminded of PPCA's obligations under the Code and other policies.

The Business Affairs and Distribution teams meet regularly for staff training and to review internal processes and policies. Department managers are provided with copies of any complaints received relevant to their department. Complaints are discussed and reviewed at department meetings, for both training and process improvement purposes.

All PPCA staff receive periodic training sessions about the Code. The sessions explain the purpose of the Code, obligations staff members have towards licensees, Licensors and Registered Artists, PPCA's privacy obligations, and how complaints are handled.

## **Section 8: Education and Awareness (Code, Clause 2.8)**

During the reporting period, PPCA met its obligations under clause 2.8.

PPCA continues to make available material and content for prospective licensees, licensors, and members of the public about the purpose of PPCA, the benefits of music licensing and the operation of the Code.

### **PPCA Website**

From the PPCA website, people can access information about the history of PPCA alongside information on all the licences PPCA directly administers, with links to OneMusic Australia for those seeking public performance licences. An extensive Frequently Asked Questions section, providing information about the basics of copyright in music, the role of PPCA in licensing, the difference between PPCA and other music licensing bodies such as APRA AMCOS and OneMusic, as well as information on a number of other related matters, is also available from the website.

A dedicated page on the Code is available from the PPCA website, explaining the purpose of the Code and PPCA's commitment to comply with the Code. The page also links to the CCSA website. A link to the PPCA Code page is available via the footer of the PPCA website, meaning it can be accessed from every page on the PPCA website.

### **Communication with Licensors and Registered Artists**

PPCA engages with its Licensors and Registered Artists, informing them of important distribution dates, grants programs, financial and wellbeing support as well as other relevant matters. PPCA achieves this via regular send-outs to Licensors and Registered Artists, as well as frequent posts via the PPCA social media channels.

Due to COVID-19 and related lockdowns, PPCA did not attend any in-person conferences or consultations during the reporting period, but continued to make representatives available to participate in conference panels or other engagements (e.g. Indie Con 2021).

### **Engagement with other Societies and Associations**

PPCA works with a wide range of organisations to promote its role in the industry and provide support and opportunities for the recording industry and artists.

In partnership with the Australia Council for the Artist, PPCA offers five annual recordings grants to Australian artists to help fund the creation of new music. Last year the Australia Council elected to match the PPCA funding, allowing 10 projects to be funded under the 2021 program. PPCA promotes its roles as a copyright collecting society to the industry and general public through sponsoring an award category at the annual ARIA Awards, and in 2021 partnered with ARIA to present the award for the Best Independent Release. Generally, that presentation is broadcast on free-to-air television but, as a result of restrictions caused by the COVID19 pandemic, in 2021 the awards were instead live streamed from Taronga on ARIAs YouTube channel and also on the 9NOW platform. The annual Australian Independent Record Label Association Awards were similarly impacted in 2021 and were live streamed on YouTube from Freemasons Hall in Adelaide, including the PPCA sponsored Breakthrough Independent Artist of the Year Award.

As a member, PPCA provides funding to the Australian Copyright Council so it can provide information about copyright and advice to creators free of charge. PPCA also supports the Arts Law Centre of Australia, which provides legal advice to Australian artists and independently assists PPCA Licensors and artists with setting up their own direct licensing policies.

PPCA raises its profile through supporting a number of other organisations representing and providing services to the music industry, including Support Act, Sounds Australia, the Australian Independent Record Labels Association (AIR), and the Association of Artist Managers (Australia).

## **Section 9: Complaints**

### **(Code, Clause 2.9)**

During the reporting period PPCA met its obligations under clause 2.9.

PPCA is committed to handling and resolving all complaints in a fair, transparent and equitable manner, and in accordance with the Complaints Handling and Dispute Resolution Policy (**Complaints Handling Policy**). This includes complaints from existing and potential Licensors, Registered Artists, and licensees. The Complaints Handling Policy provides the framework for handling complaints in a fair, reasonable and timely manner. The policy is available on the PPCA website, and can be supplied upon request.

Staff members are informed about the Complaints Handling Policy upon commencement of their employment at PPCA and are provided with a copy with their orientation package. Staff are regularly reminded about the policy at staff meetings and Code of Conduct training. Staff can also access the policy via the PPCA website, but can also access a copy via the internal intranet, from their managers and the Complaints Officer.

The Complaints Handling Policy is overseen by the Complaints Officer, who has access to all staff members, PPCA documents and correspondence in order to thoroughly review and respond to complaints. In some cases, the Complaints Officer may recommend PPCA review its internal processes in response to an issue identified by a complaint.

The Complaints Handling Policy was not updated during the reporting period.

The Complaints Handling Policy is written in plain-English to provide complainants with a clear understanding of how complaints will be addressed, investigated and responded to, as well as the approximate timeframe for resolving complaints. Staff are trained to be able to respond to any query about the complaints process, including how complaints can be made and where individuals can access the Complaints Handling Policy.

All complaints, including PPCA's response and its resolution, are recorded in the complaints register database. Complaints are reviewed regularly to determine if there are any systematic issues.

### **Complaints received during the reporting period (1 July 2021 to 30 June 2022)**

During the reporting period, PPCA received one complaint from a third-party who was not a Licensor, Registered Artist or Licensee.

In July 2021, a recording artist contacted PPCA, claiming a PPCA Licensor had wrongly infringed upon the artist's recording by distributing it without authorisation. The Complaints Officer responded the same day, thanking the artist for making PPCA aware of the issue. The Complaints Officer and PPCA staff checked the recording the artist was referring to, and informed the artist that the Licensor had not attempted to register the recording with PPCA. As a result, and as this was a matter between the artist and the Licensor, PPCA could not provide any further assistance, although PPCA would inform the artist if the Licensor attempted to register their recording. The artist responded to PPCA the same day, thanking them for their response, and PPCA considered the complaint resolved.

## **Other Legal Matters**

In April 2021 PPCA, alongside APRA AMCOS and others, filed proceedings in the Federal Court of Australia in respect of unlicensed public performance of protected sound recordings at a number of music events. In early July 2021 a PPCA representative, together with representatives of APRA AMCOS, attended a formal mediation in an attempt to resolve the matter. 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.

## **Section 10: Publicity and Reporting**

### **(Code, Clause 4(a))**

During the reporting period, PPCA met its obligations under clause 4.

A page dedicated to the Code is available from the PPCA website, explaining what the Code is, its history and purpose, and where copies of PPCA's previous compliance reports, the Code Reviewers reports and the Triennial Reviews can also be accessed<sup>7</sup>. The link to this dedicated page is placed on the footer of the PPCA website, meaning it is visible and can be accessed regardless of the page a PPCA website user may be viewing.

Staff members are trained to be able to explain what the Code is, and direct interested parties to PPCA's dedicated Code page as well as the CCSA website. A copy of the Code is provided upon request.

Licensors, Registered Artists, licensees and members of the public are notified about the annual compliance report as well as the Triennial Review via the PPCA website.

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<sup>7</sup> See <https://www.ppc.com.au/code-of-conduct>.



## **Section 11: Annual Compliance Monitoring and Reporting (Code, Clause 5.2(c))**

During the reporting period PPCA met its obligations under clause 5.2(c).

PPCA is committed to constantly reviewing and updating its processes and system to improve its efficiency and handling of data. Through its arrangements with OneMusic Australia it has been able to obtain additional data from background music providers to more accurately distribute licence fees from related public performance licence locations.