

**APRA**

# Distribution Practices



**APRA  
AMCOS**

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**THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH APRA'S  
DISTRIBUTION RULES DOCUMENT**

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**Introduction:**

APRA distributes its licence royalties four times a year for most sections of its distribution. Listed below are the various distribution categories indicating their payment frequency – i.e. quarterly, six-monthly or annually.

**Quarterly (paid in February, May, August and November)**

**Radio:**

Australian and New Zealand Commercial Radio

(Including music in advertisements and community service announcements (CSAs) other than music reported by means of Jingle Reporting Forms (JRFs), which is paid annually)

ABC Radio

Foxtel Digital Radio  
Community Radio  
SBS Radio  
NZ National Radio and NZ Concert Radio

**TV:**

Australian and New Zealand Commercial Television  
(Including music in advertisements and CSAs other than music reported by means of Jingle Reporting Forms (JRFs), which is paid annually)  
ABC Television  
Special Broadcasting Services (SBS TV)  
(Music in advertisements reported by means of Jingle Reporting Forms (JRFs) is paid annually)  
Subscription (Pay) Television

**Other:**

Cinema  
Distributable Events (promoted concerts and music festivals)  
Airlines  
Nightclubs  
Online  
Ringtones, Ringback & Downloads  
YouTube  
Video on Demand  
Music Distribution Services  
Cloud Services  
Streaming Services  
Aerobics & Fitness  
Background Music Suppliers  
Music on Hold

**Six-monthly (paid in May and November)**

Churches

**Annually (paid in November, unless otherwise shown)**

'Ambient' Music claims  
Jingle Reporting Forms (JRFs)  
Performance Reports (PRs)  
Schools and Universities (paid in August)

APRA's distributions are identified by a 6-character label e.g. **P1707A, P1707N**

The Distribution Label is a 6-character string consisting of the elements **PYYMMC**, where:

- **P** is a fixed character indicating this is a performing right royalty distribution.
- **YY** is a 2-digit identifier for the year in which the distribution payment is made e.g. **2019 = 19**
- **MM** is a 2-digit identifier for the month in which APRA's processing of distribution data concludes, and CMS starts running distribution programs to generate member and society payments (please note this is *not* the month of the end of the quarter for which fees are being distributed e.g. **July = 07**).
- Either the letter **A**, signifying Australian royalties; or **N**, signifying New Zealand royalties.

### ***Distribution Periods and Dates:***

<b>Performance / Broadcast / Communication date</b>	<b>Distribution Label</b>	<b>Distribution date</b>
January - March	PYY07A and PYY07N	15 Aug
April - June	PYY10A and PYY10N	15 Nov
July - September	PYY01A and PYY01N	28 Feb
October - December	PYY04A and PYY04N	15 May

Distribution payments are made to APRA writer members with accrued earnings of \$1 or more where the writer member has an EFT facility, and to writer members without an EFT facility and to publisher members with earnings of \$10 or more.

Foreign and adjustment earnings are distributed monthly when the distributable amount exceeds \$10.

Under the terms of APRA's licence agreements, music users are obliged to report to APRA details of the musical works for which they have authorised the public performance or transmission. Such reports, whether they are lists of musical works or titles of programmes and films as provided by television stations, are referred to as "logs". APRA uses the information provided by its licensees, together with information from members, affiliate societies and third parties where appropriate, to identify the copyright owner(s) of each work that has been performed or transmitted, and to calculate their royalty entitlements.

With the exception of Performance Reports and Jingle Reporting Forms, works that do not match automatically with works in APRA's database, and works for which a payment division-of-fee cannot be created automatically from a publisher registration, are researched for inclusion in APRA's distributions only when the distribution value is over a pre-determined threshold; that threshold being \$100 for registered works and \$200 for unregistered works.

There are, inevitably, a number of works each distribution for which the ownership and payment details cannot be identified. Any unidentified work that has a notional value of \$500 or more is referred to APRA's Research Team for special research.

The work title, performance and broadcast data provided by APRA's licensees and other sources is entered into APRA's computer system (known as 'CMS') and, where possible, matched against the several-million musical works in APRA's database. In the case of television and cinema, reported films and programmes are matched against over 1 million film and programme titles housed in APRA's database.

The method of calculation varies according to the category of licensee (such as, radio or TV station, concert promoter, website or digital service provider (DSP)), and whether the licence is a 'Blanket' or 'Transactional' licence (see below). Once imported into APRA's database, reported usages under a Blanket licence are converted to 'credit points' (this applies to all categories of blanket licence, but is only possible for film and television programmes where a music cue-sheet is on file), which are, at the time of each distribution, given a monetary value.

Calculation of the distribution value of each work is, in the case of a Blanket licence, essentially governed by the:

- Size of the licence fee paid by the client.
- Frequency of use

- Duration of each work (as used),
- Way in which it is used (e.g. featured, background, theme, station identification)
- Time of day the work was broadcast (applies to free-to-air television only).

In the case of television, the music used in programming, together with its duration and type of use, is most often identified by means of a music cue-sheet. Where a local music cue-sheet for a television programme or film is found by APRA's Monitoring department to be inaccurate, APRA may amend the cue-sheet for distribution purposes and will notify interested parties of such amendments. In addition, where a high music content, one-off programme has been monitored (i.e., the programme has been recorded and its music timed), APRA may create a music cue-sheet for distribution purposes where a cue-sheet cannot otherwise be obtained.

Separate distribution revenue 'pools' are created from the licence fees received from individual licensees (e.g. each commercial radio station) or from groups of similar licensees (e.g. network TV stations) and indeed from all licensees for which a distribution, other than by analogy, is made. To arrive at a monetary value, the aggregate number of credit points in each discrete distribution 'pool' (for works reported to APRA by the relevant music user(s) during each APRA distribution period and for any previously unidentified works now payable), is divided into the distributable revenue for that pool to arrive at a dollar value for a single credit point. The calculation of credit points is explained in detail in APRA's Distribution Rules.

The distribution 'value' of each work is then calculated by multiplying the number of credit points it has accumulated in each distribution pool (a work may accumulate credit points in several different pools) by the monetary value of a single credit point in the relevant pool. Each work's total earnings are distributed to the writers and publishers of the work in accordance with the work's payment details (known as the work's "division-of-fee").

The distribution value in the case of works paid under a Transactional licence are directly related to the sales value of each work.

APRA tries wherever possible to ensure that licence fees received from each music user are paid directly to the musical works performed or broadcast by that user, if it is economically feasible to do so. Through the almost exclusive use of electronic reporting (either by means of APRA AMCOS' standard reporting formats (EDI) or by other electronic templates), APRA continues to be able to process increasing amounts of information in a cost-effective way. APRA is, however, mindful to ensure that the cost of collection of performance and broadcast information, and the cost of processing that information for distribution purposes, is commensurate with the value of the licence fees received. APRA's distributions therefore use a combination of techniques:

### **Type of Distribution Method**

- **Direct Allocation** - royalties are distributed via comprehensive reporting to ensure that all reported works (subject to any thresholds that may apply) share in the distribution of the corresponding licence fees.
- **Sample** - royalties are distributed via a representative sample of performances (which may be in relation to a particular tariff, licence scheme or group thereof), where it is inappropriate, unfeasible, or not economically viable to provide a Direct Allocation.
- **Analogous** – Royalties are distributed via distribution pools (or by copying datasets) that are most similar in terms of a licensee's music content. This method is used when Direct Allocation or Sample reporting is impractical.

## Type of Reporting

- **Licensee reporting** – Licensees provide reports in standardised machine-readable formats to enable the cost-effective processing of large quantities of data. APRA AMCOS uses international industry standard formats wherever possible and has developed proprietary formats for several industry sectors such as radio and TV.
- **Third Party Data** - the distribution uses data received from a party other than the actual music user or in the case of self-reporting systems, the member or an affiliate society
- **Music Recognition Technology (MRT)** - A digital 'fingerprint' of each piece of music is created when it is used. This fingerprint is then compared to the digital fingerprints of many millions of musical works housed in a third-party fingerprint database. This database also contains each work's metadata (that is, the names of writers, performers, recording details etc.) enabling the owners of each matched work to be identified and paid accordingly.

Licensees provide reports in computer readable formats. The use of standardised formats for radio and TV, which were developed by APRA and AMCOS, as well as the use of industry standard formats, enable the cost-effective processing of large quantities of data.

### ***Note On The Use Of Music Recognition Technology For The Distribution Of Music Broadcast In Advertisements And Community Service Announcements (CSAs)***

APRA's distribution payments for music broadcast in advertisements and CSAs on metropolitan stations are based on actual broadcast activity, as is the case with all other music broadcast on radio and television.

APRA is working with two external companies, one of which identifies the advertisements and CSAs in radio and TV broadcasts and sends them to a company in the UK that specialises in the use of Music Recognition Technology (MRT). The UK company matches the digital fingerprints of the music contained in the advertisements and CSAs with their fingerprint database, and reports to APRA the titles and metadata of the music that is recognised.

APRA is also provided with the broadcast (TX) details for every commercial and CSA, including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music.

Extending the new system beyond metropolitan areas is, at the present time, prohibitively expensive, but we are hopeful that this will be possible in the future. In the meantime, however, payments for use on non-MRT stations will remain based on (modified) Jingle Reporting Forms, which will continue to be paid annually.

Music contained in radio advertisements and community service announcements receives 50% of a full credit for each second of duration.

Music contained in TV advertisements and community service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

Advertisements reported by members by means of Jingle Reporting Forms are paid at a standard 30" duration, and their value is determined by the length of the campaign, the area in which the advertisement was broadcast and the radio and TV weightings shown above.

More detail of how radio and television commercials are distributed is contained in the relevant sections below.



The table below shows the total number of broadcast hours analysed per annum for each of APRA's major radio and television distribution categories.

**Distribution Details for APRA's Major Radio & Television Categories**

<b>Radio:</b>		Hours
Australian Commercial	Electronic (EDI), census reports for approx. 260 stations – 13,520 weeks p.a. in total. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Sydney, Melbourne, Brisbane, Adelaide and Perth. Additional non-EDI reports for music used in promos, station IDs and Jingle Reporting Forms for advertisements broadcast in non-MRT areas.	2,271,000
ABC (ABC Classic FM, Triple J, RN, Local Radio, ABC News Radio, Triple J Unearthed, Double J, ABC Jazz and ABC Country)	Census for all electronic playlists and music based programmes.	75,000
Australian Community and ATSI	Sample of stations paying >\$4,000 p.a. EDI & non-EDI logs up to 4 weeks p.a. each.	13,300
SBS 2EA/3EA and Digital Radio	Sample. 1 week in 4 for most languages.	8,600
New Zealand National Network	Census.	8,736
New Zealand Concert Network	Census.	8,736
New Zealand Commercial	Census EDI reports for 28 networks and stations. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Auckland, Christchurch and Wellington. Additional reports for music used in promos, station ID and Jingle Reporting Forms for advertisements broadcast in no MRT areas.	244,600
New Zealand Maori stations	Sample. 40 weeks p.a.	6,700
New Zealand Student stations	Sample. 20 weeks p.a.	3,400
PNG Radio stations	Census for four stations	34,900
<b>Total Radio hours = c.2.67 million</b>		
<b>Television:</b>		
Australian Commercial	Census EDI – Networks 7, 9, 10, Affiliates and Unaffiliated stations. <u>Digital Channels</u> 7TWO, 7MATE & 7FLIX (from Distribution P1607) (Net. 7), GEM, GO! & 9LIFE (Net. 9), ONE & ELEVEN (Net. 10) - Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Sydney, Melbourne, Brisbane, Adelaide and Perth (7Flix and 9Life are Sydney only). Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	908,500  44,000

ABC1, ABC2, ABC3 & ABC4	ABC1 and ABC2 – full Census – EDI. Multi- Channels ABC3 & ABC4 (News 24) – Census for auto-matched (EDI) programmes. 1 week in 4 for new programmes.	16,500 8,700
SBS1, SBS2 and SBS3 (SBS Food)	Census for auto-matched (EDI) programmes. 1 week in 4 for new programmes.	15,000
	Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Sydney, Melbourne, Brisbane, Adelaide and Perth (SBS3 is Sydney only). Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	
NITV	Census - EDI	8,700
New Zealand TVOne and TV2 (excludes the NZTV Duke channel)	Census – EDI Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Auckland. Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	19,500
New Zealand TV3	Sample. 26 weeks p.a. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Auckland. Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	4,300
New Zealand Prime TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Auckland. Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	5,500
New Zealand Bravo TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes. Music Recognition Technology (MRT) is used to identify the music used in advertisements and community service announcements broadcast on stations in Auckland. Jingle Reporting Forms are received for advertisements broadcast in non-MRT areas.	5,500
New Zealand Maori TV	Census EDI reports for auto-matched programmes. 1 week in 4 for new programmes.	5,500
Australian Subscription (Pay) TV -Foxtel	Census EDI reports, plus allocation to 'Pass Through' channels where possible. 148 channels are included in total.	1,300,000

NZ Subscription (Pay) TV -Sky	Census EDI reports, plus allocation to 'Pass Through' channels where possible. 44 channels are included in total.	380,000
<b>Total TV hours = c. 2.7 million</b>		

### ***Note on Background Audio***

APRA collects licence fees from many licensees for the commercial use of use background audio, either by way of a device using a music streaming service or using radio. As it would not be feasible for these licensees to provide music usage files to APRA, nor would it be feasible for APRA to process such data, proxy data sets sourced from radio broadcasters and from streaming services are used to distribute Background Audio. Revenue from Background Audio is shared evenly between radio and streaming data.

### ***One-off Variations for Reasons of Expediency***

From time to time, unexpected circumstances may arise over which APRA AMCOS has no control (such as a licensee not complying with its reporting obligations), that make it infeasible for APRA to allocate royalties in accordance with the published Distribution Rules or Practices for the forthcoming distribution. In such circumstances, the Board has given Management authority to either delay the allocation or allocate royalties using a reasonable methodology or data set which varies from the published Distribution Rules or Practices. Such authority is subject to the variation being:

- a) Made on a one-off basis solely for that distribution, and
- b) ratified by the Board at the next Board meeting immediately following the distribution in question.

## **1. AUSTRALIAN COMMERCIAL RADIO**

### *Playlist Content – Direct Allocation of Licensee Reporting - Blanket*

Australian Commercial radio stations provide electronic (EDI) reports to APRA covering 12 months a year on a quarterly basis. The stations' reports include:

- the title of each musical work broadcast during the reporting period
- the names of the composer/s of each work
- the performer/s of each work
- the duration of each work as broadcast
- the number of times each work was played during the reporting period.

The licence fees paid by each of the 260+ stations in this category, which includes several digital stations, are distributed directly to the musical works\*\* broadcast by each station. For example, the licence fees paid to APRA by 2MMM in Sydney are distributed only to the works broadcast by 2MMM. Similarly, the licence fees paid by hit107 in Adelaide or the River 105.7 in Albury or Mixx FM in Colac are paid directly to the composers and publishers of the music broadcast by these individual stations.

The titles reported by the stations are matched against the musical works housed in APRA's database. An automatic title match rate of approximately 96% is achieved.

\*\*Where relevant work information is in APRA's computer database at the time of logging the performance

### *Non-playlist Music (Promos and Station Identifiers) – Sample of Licensee Reporting - Blanket*

The quarterly electronic reports mentioned above are supplemented by non-EDI reports detailing music played outside of their computer playlist systems, and include music used in programme themes, promos and station IDs. Non-EDI reports are provided on a sample basis, with metropolitan stations providing 12 weeks a year and country stations 4 weeks a year.

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

As with playlist music, the works reported by each station shares in the distribution of licence fees paid by that station.

### ***Music in Advertisements and Community Service Announcements (CSAs)***

As detailed in the Introduction, APRA receives from its service providers' detailed broadcast (TX) data for every commercial and CSA (including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music).

The stations that are included in the new MRT-based system for Australian Commercial Radio are located in the following areas:

- ☐ Sydney, Melbourne, Brisbane, Adelaide & Perth

Separate pools exist for the payment of music used in advertising commercials and CSAs. The size of the pools is determined by calculating the amount of music in commercials and CSAs as a percentage of total music broadcast hours on Commercial radio, based on questionnaires completed periodically

by the stations, which identify the amount of advertising on each station and the proportionate use of commissioned, published and production music. The calculated amount, after applying the 'jingle' weighting factor in accordance with APRA's Distribution Rules, is then deducted from total Australian Commercial radio revenue. Sub-pools are then created for:

- music used on stations that are the subject of MRT analysis
- Production Music used in commercials and CSAs on non-MRT stations and
- all other music used in commercials in non-MRT areas, as reported by members using Jingle Reporting Forms (JRFs).

The size of these individual sub-pools is based on a number of factors, such as station licence fees, the proportionate use of Production Music on non-MRT stations and the broadcast of advertisements on both MRT and non-MRT (mostly regional) stations.

Music used in advertisements and CSAs reported by means of Music Recognition Technology receives one credit point for each second of music duration. The total number of credit points is multiplied by the number of broadcasts each commercial and CSA receives.

In addition, the MRT data received for commercials and CSAs enables APRA to apply time-zone weightings to each radio broadcast, as per the table below (this isn't possible for non-advertisement and CSA radio broadcasts, as the requisite data is not available). The number of credit points calculated as a factor of music duration and number of broadcasts is multiplied by these Time-Zone Factors:

Medium	Start	End	Time zone % Factor
Radio	12:00:00AM	05:29:59AM	10%
	05:30:00AM	06:59:59PM	100%
	07:00:00PM	11:59:59PM	50%

Advertisements reported by members by means of Jingle Reporting Forms are paid at a standard 30" duration, and their value is determined by the length of the campaign and the area in which the advertisement was broadcast.

***Music Streamed on Radio Stations' Websites***

Music used on stations' websites is reported on special forms for this purpose (these reports do not include stations' normal radio playlists). A component of stations' APRA licence fees is paid to cover online use. APRA has developed a weighting formula taking this component into account together with relative broadcast and online advertising revenues.

As a result, music used on radio stations' websites is paid at a rate of 1.35% the value of music broadcast by the radio station

**2. ABC RADIO**

*Direct Allocation - Blanket*

There are five domestic ABC radio networks plus four digital networks. With the exception of regional stations in the Local Radio network and Radio Australia, each domestic network receives a direct allocation on a census (or close to census) basis. The ABC's licence fees attributable to their radio services are allocated to each network using a combination of the total duration of copyright music broadcast and the 5 capital city cumulative audience ratings published by the media research company, GfK.

Music contained in station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

**Triple J** – A full census analysis is undertaken of Triple J’s computerised playlist. Electronic reports are provided to APRA monthly and analysed in exactly the same way as commercial radio.

**Local Radio (metro)** – Music broadcast details are reported electronically for 52 weeks per year. Data is provided from the Metros’ central playlist, which covers virtually all music going to air.

**Radio National (RN)** – The ABC provide non-EDI logs only. These report 100% of the music used in music or music-rich programmes, but do not include music that may occasionally be included in other programming. This method of reporting covers approximately 90% of all music broadcast by this network.

**ABC Classic FM** – Provide APRA with electronic files detailing the music broadcast on a full census basis.

**ABC News Radio** – Only uses themes and radio promos. Full details of this music are provided by the ABC.

**Triple J Unearthed, Double J, ABC Jazz & ABC Country** – Provide electronic broadcast reports, which are analysed on a census basis.

*Distribution By Analogy*

Local Radio (regional) – The programming of these stations is similar in content to the metro stations. Music broadcast logs are not received from regional local radio stations whose licence fees are added to the metros’ pool and distributed using the logs received from the metro stations. Radio Australia – There is no separate ABC licence fee for this service. The majority of music content broadcast by Radio Australia is also broadcast on other ABC radio networks.

**3. SBS RADIO – 2EA, 3EA and Digital Radio Stations**

*Sample/direct allocation – blanket*

Broadcast on Radio 1		Broadcast on Radio 2		Broadcast on Radio 3
Aboriginal	Khmer	Arabic	Nepali	African
Albanian	Korean	Assyrian	Pashto	Armenian
Amharic	Macedonian	Bengali	Persian	Bulgarian
Bosnian	Mandarin	Burmese	Portuguese	Cook Islands Maori
Cantonese	Polish	Dari	Punjabi	Czech
Croatian	Samoaan	Dutch	Russian	Danish
Dinka	Serbian	Filipino	Sinhalese	Estonian
French	Tigrinya	German	Somali	Fijian
Greek	Vietnamese	Gujarati	Spanish	Finnish
Hebrew	Yiddish	Hindi	Swahili	Kannada
Hungarian		Hmong	Tamil	Latvian
Japanese		Indonesian	Thai	Lithuanian
		Italian	Turkish	Malay
		Kurdish	Urdu	Maori
		Lao		Norwegian
		Malayalam		Romanian
		Maltese		Slovak
				Slovenian
				Swedish

				Tongan
				Ukrainian

SBS Radio 1 and SBS Radio 2 are broadcast on both the AM and FM frequencies in Melbourne, Sydney, Canberra and Newcastle. SBS Radio also broadcasts nationally on either the AM or FM frequencies in other major centres around Australia.

SBS3 is a digital station, as are Pop Asia, Pop Desi, Pop Araby and Chill. SBS Radio 4 relays BBC World Service most of the time.

All language broadcasts for which the corresponding territory has a copyright law and performing right society are analysed 1 week in 4.

### ***Music in Advertisements***

Very few commercials are broadcast on SBS Radio. As a consequence, it is not economically feasible to employ the MRT analysis that is used for the identification and payment of commercials broadcast on Commercial radio. Should members be aware of the broadcast of commercials on SBS radio using their music, a claim can be made by means of APRA's Unlogged Performance (ULP) Scheme (see references in Section 23 of APRA's Distribution Rules and on APRA's website).

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

## **4. AUSTRALIAN COMMUNITY RADIO**

### *Sample (Licensee Reporting & Third-Party data) and Analogous*

APRA licenses all Community Radio stations across Australia (a total of over 300 and a mix of permanent and temporary stations). Total APRA licence fees for the sector are relatively low when compared to commercial radio, reflecting the non-commercial and often voluntary nature of these stations. This sector is, however, considered a crucial part of the Australian music ecosystem which provides opportunities for songwriters and artists to receive airplay for works which may not typically be picked up by commercial radio broadcasters. APRA uses data from a variety of sources to perform distributions for these licence fees.

There is an imperfect match between APRA's invoicing timing and cycle for community radio and the provision of sample data from stations and third-party sources. As a result, APRA strikes a 'fixed point value' for broadcast on community radio so as to provide consistency in distributions to members.

### **Direct data**

APRA receives music broadcast reports from 57 stations across the various formats (General, Christian, ATSI, Rhema) for one specific week each quarter. This includes works contained in the station's music playlist for the week as well as music contained in sponsorship announcements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes. Only stations with a permanent broadcast licence that generate APRA annual licence fees of over \$4,000 are selected to be part of the reporting sample. Music used in sponsorship announcements, station IDs, and other non-playlisted music are paid at 50% of the playlist rate for that quarter.

Licence fees from permanent stations not part of the reporting sample and from temporary stations are pooled with licence fees from stations on the sample for the purpose of distribution.

### **Third-party data**

To supplement the direct data (see above) additional playlists are provided by Australian Music Radio Airplay Project (Amrap) via their Amrap Pages service. Amrap Pages provides community radio stations with a central point for producers/announcers to program their shows. Currently over 25% of stations use the service and APRA has determined this represents a credible additional source of music, that is otherwise not picked up via direct data, to include in the community radio distribution.

**Advertisements**

In addition to direct data, each quarter a share (currently 4.35%) is deducted from the community radio pool in respect of the unreported use of music in sponsorship announcements on community stations. This amount is added to Australian Commercial Radio pools for advertisements.

Community stations are separated into four discrete pools:

<b>Australian Community Radio</b>	
<b>Pool Grouping</b>	<b>Structure</b>
Pool 1: Fine Music / General / Alternative / University & Independent	Distributions are made using a combination of direct data provided by selected broadcasters and third-party data provided by Amrap.
Pool 2: ATSI (Aboriginal and Torres Strait Island)	The licence fees paid by ATSI stations are distributed only to the music broadcast by this station type.
Pool 3: Christian (Main)	Similar to Pool 2, the licence fees paid by Christian-Main and RHEMA stations are distributed only to the music broadcast by those station types.
Pool 4: Christian (RHEMA)	

The licence fees paid to APRA by non-English programme community stations are distributed across the existing community radio pools.

**5. NARROWCAST RADIO**

*Direct Allocation - Blanket & Distribution By Analogy*

Include tourist radio stations, specialist language stations, racing radio stations etc. There are more than 100 such stations licensed by APRA. As with Community radio, an analysis of the music played by stations paying an APRA licence fee of A\$4,000 or more is made for APRA’s distribution. With the exception of non-English stations noted below, the licence fees paid by narrowcast stations are currently added to the Australian Commercial radio stations for distribution.

The licence fees paid to APRA by all non-English programme narrowcast stations are added follow-the-dollar across all the community radio pools.

**6. NEW ZEALAND COMMERCIAL RADIO**

*Census and Direct Allocation - Blanket*

A full census of the music broadcast by NZ Commercial radio stations is reported to APRA electronically.

There are approximately 54 stations, but many of these are fully networked and broadcast the same music. APRA therefore often receives one report to cover a number of stations.

As with Australian Commercial radio, the quarterly electronic reports are supplemented by non-EDI



reports detailing music used in programme themes, promos and station IDs, which are not currently able to be reported electronically. These are provided on a sample basis, four weeks a year.

Music contained in advertisements, interstitials (station IDs & programme promos), community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

**Music in Advertisements and Community Service Announcements (CSAs).**

APRA is provided with the broadcast (TX) details for every commercial and CSA (including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music).

The stations that are included in the new MRT-based system for New Zealand Commercial radio are located in the following areas:

- ☐ Auckland, Christchurch and Wellington

A separate pool exists for the payment of music used in advertising commercials and CSAs. The size of the overall pools for advertisements and CSAs is determined by calculating the amount of music in commercials and CSAs as a percentage of total music broadcast hours on Commercial radio. This percentage, after applying the ‘jingle’ weighting factor under APRA’s Distribution Rules, is then deducted from total New Zealand Commercial radio revenue.

After calculating the size of the overall pool to be paid to music used in commercials and CSAs, sub-pools are created for

- I. music used on stations that are the subject of MRT analysis,
- II. Production Music used in commercials and CSAs on non-MRT stations and
- III. all other music used in commercials in non- MRT areas, as reported by members using Jingle Reporting Forms (JRFs).

The size of these individual sub-pools is based on a number of factors, such as station licence fees, the proportionate use of Production Music on non-MRT stations and the broadcast of advertisements on both MRT and non-MRT (mostly regional) stations.

Music used in advertisements and CSAs reported by means of Music Recognition Technology receives one credit point for each second of music duration. The total number of credit points is multiplied by the number of broadcasts each commercial and CSA receives.

In addition, the MRT data received for commercials and CSAs enables APRA to apply time-zone weightings to each radio broadcast, as per the table below (this isn’t possible for radio playlist broadcasts, as the requisite data is not available). The number of credit points calculated as a factor of music duration and number of broadcasts is multiplied by these Time-Zone Factors:

Medium	Start	End	Time zone % Factor
Radio	12:00:00AM	05:29:59AM	10%
	05:30:00AM	06:59:59PM	100%
	07:00:00PM	11:59:59PM	50%

Advertisements reported by members by means of Jingle Reporting Forms are paid at a standard 30” duration, and their value is determined by the length of the campaign and the area in which the advertisement was broadcast.

**7. NEW ZEALAND PUBLIC RADIO**

These stations are different in nature to the Australian public (community) radio stations. There are two networks (“National” and “Concert”) which are funded by the New Zealand government.

Music usage reports are received from the Concert and National networks electronically and on a census basis. Royalties are distributed by **direct allocation - blanket**

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

## **8. NEW ZEALAND MAORI RADIO**

### *Sample Analysis*

Music details are provided by each station on a small sample basis (reflecting the low licence fees involved). Stations provide music broadcast data for 1 week per three month period.

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

## **9. NEW ZEALAND STUDENT & ACCESS RADIO**

### *Sample Analysis*

Music details are provided by each station on a small sample basis (reflecting the low licence fees involved). Stations provide music broadcast data for 1 week per three month period.

Music contained in advertisements, station IDs, programme promos, community service announcements, stings, bridges, news and weather themes receive a 50% payment weighting.

## **10. NEW ZEALAND COMMUNITY RADIO (LOW POWERED)**

As licence fees are negligible, no logs are received nor distribution analysis conducted and licence fees are currently added to the NZ Commercial radio pools for distribution.

## **11. PNG RADIO**

### *Census analysis*

Four PNG radio stations provide APRA with music usage reports and are included in APRA’s distributions; Legend FM, Nau FM, Yumi FM and Rait FM.

## **12. AUSTRALIAN COMMERCIAL TELEVISION**

- *Direct allocation - blanket - (Networks 7, 9 and 10 capital city stations, and secondary channels)*
- *Direct allocation - sample analysis - (all other stations)*

Census Stations Reporting Electronically (EDI):

Electronic logs are provided for each Network 7, 9 and Network 10 capital city station on a full census (i.e. 100%) basis. As a consequence, all programmes and interstitial material (promos, IDs etc.)

broadcast by these network stations are included in APRA's distribution analysis.

The secondary TV channels also provide electronic logs for 52 weeks per year. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary. For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

Commercial television revenue is allocated across 7, 9 and 10 stations and their respective secondary channels (in separate pools) on the basis of relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

Sampled Stations:

Network 7, 9 and 10 regional affiliates, as well as a small number of Unaffiliated stations, continue to provide or non-EDI Compatible logs on a sample basis.

The number of times each station is sampled, to a maximum of thirteen weeks per station (all sampled Australian Commercial television stations provide a total of thirteen log weeks per annum), is determined by the size of their APRA licence fee.

Weighting factors, calculated by APRA's statistician, are applied to each station to ensure that the number of sample weeks included in the distribution exactly match their share of distributable revenue.

### ***Music in Advertisements and Community Service Announcements (CSAs)***

APRA is provided by its service providers with the broadcast (TX) details for every commercial and CSA (including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music).

The stations that are included in the MRT-based system for Australian Commercial TV are located in the following areas:

- ☐ Sydney, Melbourne, Brisbane, Adelaide & Perth

Separate pools exist for the payment of music used in advertising commercials. The size of the pools is calculated from extensive recording and timing of advertisements by APRA's Monitoring Section. Several hundred advertisements broadcast on selected city and country television stations were recorded, and the music content of each commercial timed and analysed.

The size of the pools is determined by calculating the amount of music used in commercials as a percentage of total music broadcast hours on TV. This percentage, after applying the 'jingle' weighting factor in accordance with APRA's Distribution Rules, is then deducted from total Australian Commercial television revenue.

After calculating the size of the overall pool to be paid to music used in commercials and CSAs, sub-pools are created for i) music used on stations that are the subject of MRT analysis, ii) Production Music used in commercials and CSAs on non-MRT stations and iii) all other music used in commercials in non-MRT areas, as reported by members using Jingle Reporting Forms (JRFs).

The size of these individual sub-pools is based on a number of factors, such as station licence fees, the proportionate use of Production Music on non-MRT stations and the broadcast of advertisements on both MRT and non-MRT (mostly regional) stations.

Music used in advertisements and CSAs reported by means of Music Recognition Technology receives one credit point for each second of music duration. The total number of credit points is multiplied by the number of broadcasts each commercial and CSA receives.

The TV Time-Zone weightings, as detailed in the Distribution Rules, also apply to music used in Commercials and CSAs.

Advertisements reported by members by means of Jingle Reporting Forms for non-MRT stations are paid at a standard 30" duration, and their value is determined by the length of the campaign and the area in which the advertisement was broadcast.

Music used in interstitials and public service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

### 13. **AUSTRALIAN SUBSCRIPTION (PAY) TELEVISION – Foxtel (cable and satellite)**

#### *Direct Allocation - Blanket*

The APRA distribution includes all channels for which broadcast logs are provided by the pay TV operator Foxtel. Where possible, allocations are also made to 'pass-through' channels for which no logs are available, as outlined below. Monies received from Telstra (T-Box), Optus and Fetch TV are added to the Foxtel revenue pool for distribution.

Programme, music and interstitial details for the following Foxtel channels are reported to APRA electronically on a full census basis by the pay TV operators.

Programmes broadcast on the following 144 channels, carried on the Foxtel pay TV platforms, are included in APRA's distributions\*.

#### **Australian Pay TV Distribution Channels**

111 GREATS	E!	MOVIES PREVIEW CHANNEL +2
111 GREATS +2	ESPN	MTV
13TH STREET	ESPN 2	MTV HITS
13TH STREET +2	ESPN 2 HD	NAT GEO PEOPLE
13TH STREET HD	ESPN HD	NAT GEO WILD
A&E A&E HD	EUROSPORT	NAT GEO WILD HD
ACTION MOVIES ACTION MOVIES +2	EUROSPORT HD	NATIONAL GEOGRAPHIC CHANNEL
ACTION MOVIES HD	EUROSPORT NEWS	NATIONAL GEOGRAPHIC CHANNEL +2
ADULTS ONLY SELECT 1	FAMILY MOVIES	NATIONAL GEOGRAPHIC CHANNEL HD
ADULTS ONLY SELECT 2	FAMILY MOVIES +2	NHK WORLD

ANIMAL PLANET	FAMILY MOVIES HD	NICK JR.
ANT1 PACIFIC [ANTENNA]	FOX CLASSICS	NICK MUSIC
ARENA	FOX CLASSICS +2	NICKELODEON
ARENA +2	FOX FOOTY	PREMIERE MOVIES
ARENA HD	FOX FOOTY HD	PREMIERE MOVIES +2
ARTS CHANNEL	FOX NEWS	PREMIERE MOVIES HD
AUSTRALIAN CHRISTIAN CHANNEL	FOX SPORTS 1	RAI ITALIA 2 [RAI INTERNATIONAL]
BBC FIRST	FOX SPORTS 1 HD	ROMANCE MOVIES
BBC FIRST HD	FOX SPORTS 2	ROMANCE MOVIES HD
BBC KNOWLEDGE	FOX SPORTS 2 HD	SHOWCASE
BBC KNOWLEDGE HD	FOX SPORTS 3	SHOWCASE +2
BBC WORLD NEWS	FOX SPORTS 4	SHOWCASE HD
BLOOMBERG TELEVISION	FOX SPORTS 5	SOHO
BOOMERANG	FOX SPORTS 5 HD	SOHO +2
CARTOON NETWORK	FOX SPORTS NEWS	SOHO HD
CBEBIES	FOX SPORTS NEWS HD	STUDIO
CCTV NEWS	FOX8	STYLE NETWORK
CCTV-9 DOCUMENTARY	FOX8 +2	SYFY
CLUB MTV	FOX8 HD	SYFY +2
CNN INTERNATIONAL	FOXSPORTS 3 HD	SYFY HD
COMEDY CHANNEL	FOXSPORTS 4 HD	TCM
COMEDY CHANNEL +2	FOXTEL ON DEMAND	THRILLER MOVIES
COMEDY MOVIES	FX	THRILLER MOVIES HD
COMEDY MOVIES HD	FX +2	TLC
COUNTRY MUSIC CHANNEL	FX HD	TLC +2
CRIME [PKA CRIME & INVESTIGATION]	HISTORY CHANNEL	TVHITS
DISCOVERY CHANNEL	HISTORY CHANNEL HD	TVHITS +2
DISCOVERY CHANNEL +2	LIFESTYLE	TVSN
DISCOVERY CHANNEL HD	LIFESTYLE +2	UKTV
DISCOVERY HOME & HEALTH [KIDS]	LIFESTYLE FOOD	UKTV +2
DISCOVERY SCIENCE	LIFESTYLE FOOD +2	UNIVERSAL CHANNEL
DISCOVERY TURBO MAX	LIFESTYLE HD	UNIVERSAL CHANNEL +2
DISCOVERY TURBO MAX +2	LIFESTYLE HOME	UNIVERSAL HD
DISNEY CHANNEL	LIFESTYLE YOU	VHITS
DISNEY JUNIOR [PKA PLAYHOUSE]	LIFESTYLE YOU +2	WEATHER ACTIVE
DISNEY MOVIES	MASTERPIECE MOVIES	WORLD MOVIES
DISNEY MOVIES HD	MASTERPIECE MOVIES HD	WORLD MOVIES HD
DISNEY XD	MOVIES PREVIEW CHANNEL	

\* Where relevant cue-sheets are in APRA's computer database at the time of logging the performance.

For some of the channels listed above, APRA adopts the international Nashville Rule for pass-through channels where a direct distribution is not possible owing to lack of data. The value of such channels, less a 15% deduction for APRA publisher members, is forwarded to an affiliate society where it is established that that Society is in receipt of the correct broadcast data and is able to make a distribution on APRA's behalf.

Licence fees are also received from Sky Channel for the transmission of their programming to hotels and clubs etc. See below for details. The fees received from the pay TV operators are allocated to each channel using a combination of audience size (OzTam audience ratings) and the amount of music used. The amount of music used weighting is based on the average amount of music broadcast by each of five groups of channel; 1. Music, 2. Movies, 3. General Entertainment, 4. Sport and 5. Business, Weather, Shopping and Miscellaneous, in the following ratios;

<b>Channel Type</b>	<b>Weighting</b>
Music	47.3
Movies	22.2
Entertainment	18.6
Sport	7.7
Business etc	4.1

Each channel's audience rating, which includes, where relevant, the audience of the time-shifted ('+2') channels, is multiplied by its group's music-use weighting, to determine its share of distributable revenue.

The credit points allocated to the works broadcast on the channels sharing in each Pay TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo).

#### **Commercials – distribution by analogy –**

A proportion of pay TV revenue is deducted for allocation to the music used in commercials. Owing to the large number of channels and the similarity in advertising content, the deducted amount is added to the Commercial Television pools for music used in advertisements.

#### **SkyChannel – distribution by analogy (use in hotels and clubs only) –**

SkyChannel broadcasts horse racing into pubs, clubs and homes. Licence fees received from SkyChannel for use in hotels and clubs are added to the general pay TV pool and distributed across the analysed programming.

#### **Digital Radio – direct allocation - blanket –**

A full analysis is made of the music used on Foxtel's digital radio channels. Separate distribution pools are calculated, based on Foxtel's operating costs to run the radio channels, and the amounts are deducted from the monies allocated to the pay TV channels. Although these channels form part of Foxtel's subscription services, distribution payments are calculated in the same way as all other radio. Earnings are reported in the 'Radio' column of APRA's distribution statements.

#### **Optus Sports**

Licence fees from this service are directly distributed against associated usage reports.

### **14. ABC TELEVISION**

#### **ABC1 and ABC2**

##### *Census and Direct Allocation - Blanket*

ABC1 and ABC2 television broadcasts are analysed for 52 weeks per annum. Most programmes are screened throughout the network and are consequently fully included in APRA's distributions. The programme and music usage reports are received electronically each month.

For ABC1, State based programming is also included in APRA's distributions. These programmes are reported separately. Their distribution values are weighted in accordance with the population of each state, so that payment is directly proportional to the value of nationally broadcast programmes. ABC television revenue is allocated across ABC1, 2, 3 and 4 using relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

### ***ABC3 and ABC News 24 (ABC4)***

#### *Census and Direct Allocation - Blanket*

The ABC provides APRA with full electronic logs for all programmes and interstitials broadcast on ABC3 and News 24. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

## **15. SBS TELEVISION**

### ***SBS1, SBS2 and SBS3***

#### *Census and Direct Allocation - Blanket*

SBS television is a multicultural broadcaster and provides logs to APRA for their programming in a large number of languages. Their EDI files are matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA's computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution.

SBS television revenue is allocated across SBS1, SBS2 and SBS3 on the basis of relative audience sizes (as per OzTam ratings) and music content.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are

weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

It should be noted that music cue-sheets are unobtainable in respect of languages for which the corresponding territory has no copyright law or performing right society.

### ***Music in Advertisements and Community Service Announcements (CSAs)***

Owing to the use of Music Recognition Technology, a specific analysis of music broadcast in Commercials and CSAs appearing on SBS television was introduced for the first time in Distribution P1610.

APRA's distribution payments for music broadcast in advertisements on the capital city feeds, as shown below, are based on actual broadcast activity.

The stations that are included in the new MRT-based system are located in the following areas:

- ☐ Sydney, Melbourne, Brisbane, Adelaide & Perth (SBS2 and 3 are for Sydney only)

The calculation of distribution revenue pools and the application of time-zone weightings is identical to that described in the Australian Commercial TV section above.

Music contained in advertisements and public service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

## **16. AUSTRALIAN COMMUNITY TELEVISION**

### *Distribution By Analogy*

There are about 5 community television stations licensed by APRA. There is no separate analysis of these stations for distribution purposes owing to the small fees involved. The licence fees we do receive are added to the distribution pool for NITV (National Indigenous Television) for distribution.

## **17. NITV (NATIONAL INDIGENOUS TELEVISION)**

### *Census and Direct Allocation - Blanket*

National Indigenous Television (NITV) is a not for profit public company (now operated by SBS) that provides a nationwide Indigenous television service by cable, satellite and terrestrial transmission means and selected on line audio visual content. The content for these services is primarily commissioned or acquired from the Indigenous production sector.

NITV provides electronic programme files to APRA for 52 weeks per year. Music cue-sheets are acquired for the indigenous and other programming and are added to APRA's distribution database.

The NITV licence fees are paid directly to the music used in the programmes screened by NITV. The credit points allocated to the works broadcast are weighted according to the type of use (e.g. Featured, Background, Theme and Promo) and the time of day the broadcast occurred.

## **18. TELEVISION NEW ZEALAND – TVOne and TV2**

### *Census and Direct Allocation - Blanket*



TVOne and TV2 programming is included in APRA's distributions on a full census basis. That is, 52 weeks' logs from both stations are used for APRA's distributions. TVNZ provide electronic logs, enabling automatic matching of music and programme titles against APRA's database.

The TVNZ licence fees are paid directly to the music used in the programmes screened by these stations.

The credit points allocated to the works broadcast on the channels sharing in each TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

### ***Music Broadcast in Advertisements and Community Service Announcements (CSAs)***

APRA's distribution payments for music broadcast in advertisements on metropolitan stations, are based on actual broadcast activity.

APRA is provided by its service providers with the broadcast (TX) details for every commercial (including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music).

The stations that are included in the new MRT-based system are located in the following area:

#### **2 Auckland**

A separate pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from extensive recording and analysis of New Zealand television programming.

The size of the pool for commercials and CSAs is determined by calculating the amount of music used in commercials and CSAs as a percentage of total music broadcast hours on TV. This percentage, after applying the 'jingle' weighting factor in accordance with APRA's Distribution Rules, is then deducted from TVNZ television revenue.

After calculating the size of the overall pool to be paid to music used in commercials and CSAs, sub-pools are created for i) music used on stations that are the subject of MRT analysis, ii) Production Music used in commercials and CSAs on non-MRT stations and iii) all other music used in commercials in non-MRT areas, as reported by members using Jingle Reporting Forms (JRFs).

The size of these individual sub-pools is based on a number of factors, such as station licence fees, the proportionate use of Production Music on non-MRT stations and the broadcast of advertisements on both MRT and non-MRT stations.

Music used in advertisements and CSAs reported by means of Music Recognition Technology receives one credit point for each second of music duration. The total number of credit points is multiplied by the number of broadcasts each commercial and CSA receives.

The TV Time-Zone weightings, as detailed in the Distribution Rules, also apply to music used in Commercials and CSAs.

Advertisements reported by members by means of Jingle Reporting Forms for non-MRT stations are paid at a standard 30" duration, and their value is determined by the length of the campaign.

Music contained in advertisements and public service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

## 19. **NEW ZEALAND COMMERCIAL TELEVISION – TV3**

### *Sample and Direct Allocation - Blanket*

TV3 provides non-EDI programme logs to APRA for 26 weeks per year. The TV3 licence fees are paid directly to the music used in the programmes screened by this station/network.

The selected weeks are not always alternate, but are subject to some variation (“random noise”) throughout the year to allow for any regular, perhaps bi-weekly, events.

The credit points allocated to the works sharing in the TV3 revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred, as detailed in APRA’s Distribution Rules.

### **Music Broadcast in Advertisements and Community Service Announcements (CSAs)**

Separate pools for music in commercials are calculated and distributed in the same manner as described in the TVOne/TV2 section above.

Music contained in advertisements and community service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

## 20. **NEW ZEALAND COMMERCIAL TELEVISION – BRAVO**

### *Sample and Direct Allocation - Blanket*

FOUR provides non-EDI programme logs to APRA for 12 weeks per year. Their licence fees are paid directly to the music used in the programmes screened by this station

The credit points allocated to the works sharing in the FOUR revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

**Music in Commercials and Community Service Announcements** – separate pools are calculated for music in commercials and CSAs, and distributed in the same manner as described in the Prime TV section below.

## 21. **NEW ZEALAND TELEVISION – PRIME TV**

### *Sample and Direct Allocation - Blanket*

Prime TV programming (excepting music in commercials and CSAs) is included in APRA’s distributions on a sample basis, owing to its relatively low licence fees. That is, a sample of 1 week in 4 is used for APRA’s distribution purposes.

The credit points allocated to the works sharing in the Prime TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

The Prime licence fees are paid directly to the music used in the programmes screened by them.

### **Music Broadcast in Advertisements and Community Service Announcements (CSAs)**

Owing to the use of Music Recognition Technology, a specific analysis of music broadcast in Commercials appearing on Prime TV was introduced for the first time in Distribution P1610.

APRA’s distribution payments for music broadcast in advertisements on metropolitan stations, are based on actual broadcast activity.

APRA is provided with the broadcast (TX) details for every commercial (including the name of station(s), the time of day the broadcasts occurred and the exact duration of the music).

The stations that are included in the new MRT-based system are located in the following area:

- ☐ Auckland

Music contained in advertisements and community service announcements receives 7.5% of a full Featured credit (i.e. 15% of a Background credit) for each second of duration.

**22. NZ MAORI TV**

*Census and Direct Allocation - Blanket*

Maori TV provide their broadcast data to APRA AMCOS by means of electronic files. Their EDI files are matched against APRA’s database of musical works and audio-visual productions on a census basis. Works and AV productions that do not match automatically are researched by APRA staff on a 1 week in 4 basis, and new cue-sheets are obtained for addition to APRA’s computer system where necessary.

For the remaining 3 weeks per month, only works and productions that auto -match with APRA’s database are included in the distribution.

The credit points sharing in the Maori TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo) and the time of day the broadcast occurred.

**23. NZ SUBSCRIPTION (PAY) TELEVISION – NZ Sky TV**

*Direct Allocation - Blanket*

The methodology underlying the New Zealand Pay TV distribution is identical to that described for Australian pay television.

**New Zealand Pay TV Distribution Channels**

The following channels are included in APRA’s distributions:

ANIMAL PLANET	CRIME	NATIONAL GEOGRAPHIC CHANNEL
ARTS CHANNEL	DESIRE TV	NICK JR.
BBC KNOWLEDGE	DISCOVERY CHANNEL	NICKELODEON
BBC WORLD NEWS	DISNEY CHANNEL	PLAYBOY CHANNEL
BRAZZERS TV	DISNEY JUNIOR	RIALTO CHANNEL HD
CARTOON NETWORK	E!	SKY MOVIES CLASSICS HD

CCTV NEWS	ESPN	SKY MOVIES EXTRA HD
CHINESE TV 1	ESPN 2	SKY MOVIES FAMILY HD
CHINESE TV 2	HISTORY CHANNEL	SKY MOVIES GREATS HD
CHINESE TV 3	JAPANESE TV	SKY MOVIES PREMIERE HD
CHINESE TV 4	KOREAN TV 1	TCM HD
CHINESE TV 5	KOREAN TV 2	TRAVEL CHANNEL
CHINESE TV 6	MTVNZ	UKTV
CHINESE TV 7	MTV 80s	UNIVERSAL CHANNEL
CNN INTERNATIONAL	MTV 90s	

The credit points allocated to the works sharing in the Pay TV revenue pool are weighted according to the type of use (e.g. Featured, Background, Theme, Promo).

### ***Music in Advertisements and Community Service Announcements (CSAs)***

A percentage of the Sky TV revenue is allocated to the TVOne and TV2 advertisement and CSA pool for distribution, as advertisements and CSAs broadcast on Sky will, in all likelihood, also be broadcast on this free-to-air station.

## **NON-BROADCAST CATEGORIES**

### **24. AIRLINES**

#### *Direct and Sample Allocations*

APRA licenses Australian and New Zealand flagged airlines for the public performance of music on airplanes including as in-flight entertainment, background music (during embarkation and disembarkation) and safety videos.

Where possible APRA sources electronic files from the airline or the provider of in-flight entertainment to that airline and makes a direct allocation of licence fees to the music reported in those files. For airlines where quarterly licence fees are below \$5,000 (AUD or NZD as the case may be) the net royalties for that airline (other than any share to be allocated to airline safety videos – see below) are distributed on a pro rata basis across the discrete airline royalty distribution pools for that territory, for that quarter.

Royalties are allocated on the following ratios (or part thereof) to the different types of use covered by APRA's licence.

- Audio-visual In-flight Entertainment                      70%
- Audio In-flight Entertainment                                      20%
- Background Music    4%
- Safety Videos    6%

For the in-flight audio-visual entertainment, APRA applies the same 'points rule' and 'type-of-use' weightings for Theme, Background and Featured use, as is applied to our television distribution. For audio in-flight entertainment, APRA applies the same 'points rule' as for music streaming services.

### **25. 'AMBIENT' MUSIC**

Australian and New Zealand 'Ambient' music claims are incorporated into the UnLogged

Performance (ULP) claim scheme (see references in Section 23 of APRA's Distribution Rules and on APRA's website).

Although under the umbrella of the ULP scheme, there are separate procedures and requirements governing 'Ambient' claims, as follows:

Members are required to provide the names and contact details of each business to which they sell their 'Ambient' CDs or downloads (claims to be verified by APRA if required). No claim to be paid if the business name is absent.

The value of claims is fixed at \$30 per business, irrespective of the number of CDs/downloads sold to it in each financial year.

If more than one member reports sales to the same business (excluding co-writers), the claim value of \$30 is divided by the number of claimants.

If the annual value of total claims exceeds \$41,400 for Australia or \$2,500 for New Zealand, the value of each claim is reduced pro rata to ensure that total payments do not exceed these amounts.

'Ambient' music claims are paid annually each November.

## **26. BACKGROUND MUSIC SUPPLIERS**

Background Music Suppliers (BMSs) provide demographically tailored music to retailers, restaurants, pubs and other sectors. APRA has arrangements with BMSs to license the supply of its music to their customers, and for certain BMSs the public performance of its music at certain of their customers' premises. APRA distributes royalties to music use data provided by background music suppliers in the following four ways.

1. Where APRA has an agency arrangement with a supplier and the licence fees that supplier collects on behalf of APRA is greater than \$5,000 a quarter, but subject to the music data provided by that supplier being of sufficient quality; APRA will make a direct allocation (BMS Direct Allocation Pools).
2. Where APRA has an agency arrangement with a supplier but the conditions in 1 above are not met; APRA will make a proxy allocation against the BMS Direct Allocation Pools on a pro rata basis.
3. Where APRA licenses a supplier for communication rights associated with the delivery of programming to its clients; APRA will make a direct or proxy allocation according to whether the conditions in 1 above are met.
4. Where APRA directly licenses a customer for background music use and has confirmed the supplier that the customer uses, subject to system and/or operational limitations; APRA will make a direct allocation to the relevant BMS Direct Allocation Pool.

## **27. CHURCHES**

### **Australia**

#### *Third-Party Data*

After a 10% deduction for allocation to the Live Performance pool, the licence fees paid to APRA by churches for the public performance of music (other than during divine services, which are exempt) are distributed to writers and publishers using data provided to APRA six-monthly by CCLI (Christian Copyright Licensing International),

CCLI issues licences in respect of hymns and songs of worship for a variety of types of reproduction. Their licensees (churches) are required to report to them the titles of the hymns and songs used.

From analysis and detailed discussion with CCLI, it was determined that there is a strong correlation between the music reproduced by the churches and reported to CCLI and the music performed under the terms of the churches' APRA licences.

### **New Zealand**

As licence fees are low, no logs are received, nor distribution analysis conducted.

## **28. CINEMA**

### ***Australia and New Zealand***

#### ***Third-Party Data***

APRA receives box-office revenue amounts and percentages from the MPDAA (Motion Picture Distributors' Association of Australia) and the NZMPDA (New Zealand Motion Picture Distributors' Association) for virtually all films screened in Australia and New Zealand. Data is obtained from a dedicated section of the MPDAA's website that has been specially designed to provide APRA with this information and from reports provided by the NZMPDA.

Each film's box-office percentage is entered into CMS as the number of "performances" to be allocated to the film in the distribution. The box-office percentage is used as a proxy for the actual number of screenings a film receives and is a major factor in determining the royalties to be allocated to the musical works used in the film.

A film's final distribution payment is, however, also a factor of the amount of music used, as reported in its music cue-sheet. The majority of music in a film, the background music, is converted to credit points at the rate of 1 credit point per second of music. 'Featured' music points are multiplied by 2 and theme music points by 1.5.

Approximately 250 - 300 films share in each quarterly cinema distribution. There are separate revenue pools for the Australian and New Zealand performances. Each film's APRA payment is calculated by multiplying its box-office based "performances" figure by the amount of music (expressed as credit points) in the film. Consequently, films that contain more music than the average for all films in that distribution will receive an increased share of the pool, and films that contain less than the average amount of music will receive a reduced share of the pool.

Cinema commercials and trailers are not included in APRA's distributions.

### ***IMAX***

IMAX films are distributed in the same way as main Cinema, except that the films share in a discrete revenue pool.

### **Film Festivals**

#### ***Distribution By Analogy***

Film festivals are not included in APRA's distributions, as the amount of work required is totally incommensurate with the very low licence fees involved.

Where the films are obscure and not receiving mainstream exhibitions, the music cue-sheets generally cannot be obtained without a great deal of effort and often cannot be obtained at all. Where music cue-sheets can be obtained, there is often a large amount of data sharing in very small sums resulting in a per work value of only a few cents.

Film festival licence fees are added to the main cinema revenue pool.

## **29. DISTRIBUTABLE EVENTS (a.k.a. Promoter Concerts)**

### **Australian & New Zealand Distributable Events**

#### *Census and Direct Allocation – Blanket*

The APRA licence is issued to the promoter of the concert, concert tour, dance party or event.

Promoted concerts receive a 100% analysis based on music setlists provided to APRA by the concert, dance party or event promoters.

The licence fees paid by the concert, dance party or event promoter are allocated directly to the works performed by both the headline acts and the supporting artists. Where APRA has received full reporting for a given event, the invoiced amount is allocated in full in the next distribution to all works in the set lists that have been provided. Where APRA has been provided with some set lists for a paid event, but others remain outstanding, then a portion of the invoiced amount is distributed to the works in the set lists that have been provided. The remainder of the invoiced amount is held until APRA receives the outstanding setlists, and funds are released in the subsequent distribution. In calculating the amount to withhold from a distribution, headline acts are given a higher weighting than support artists.

Where an event is a concert/festival and the licence fee is less than \$300, or where setlists cannot be obtained after 3 years, the fee will be automatically directed to APRA's Performance Return (PR) pool. Where an event is not a concert/festival and the licence fee is less than \$300, the fee will be apportioned across the Background Audio pools.

Exact durations are used for royalty calculation purposes wherever possible. However, for works performed at concerts where durations are not shown on the setlist, a 'standard duration' (equal to 12 credit points) is applied to all works, except where a duration of 1 minute or less is shown.

Equal performance credits are given to each work of the same duration performed by the headline act and the supporting act(s) appearing on stage after the concert's advertised starting time.

Only live music and recorded music performed by DJs shares in a promoter concert distribution, except where the recorded music accompanies the vocal or other live performance of the performer or is used as 'play on' music for the performer, immediately before and/or during the performer's entrance on stage.

Promoter Concerts are distributed four times a year with APRA's normal distributions. However, through reciprocal agreement with some affiliate societies, payment may be made under certain circumstances and conditions within either 28 days or within 90 days from the date of payment of the licence fee by the promoter, depending on the size of the fee.



## **Unpayable Works in Australian & New Zealand Distributable Events**

### *Money Held in Suspense*

All works included in setlists processed through APRA distributions receive a dollar value, regardless of whether payable copyright ownership has been determined. Where a work is not payable, due either to a copyright dispute or a lack of documented ownership, then the value is held in a suspense account.

Money is paid out of this suspense account in the first distribution after the work becomes payable, in accordance with the procedure for 'Unidentified Works and Credits in Suspense' as documented in APRA's Distribution Rules. Where money is returned to the distribution after a three-year retention period, it is allocated evenly between:

- the Performance Report (PR) distribution pool
- an analogous data set derived from online music streaming usage reports

## **Sporting Code and Event Licence**

### ***Australia***

#### *Direct Allocation*

Where setlists are provided by the relevant sporting code (e.g. Cricket Australia, AFL and NRL), the musical works reported by each code share in that code's licence fee and, where relevant, the licence fee for the specific event in which they are used. Works are paid according to their duration, the number of times played, the situation in which they are used (i.e. for AFL and NRL, there are different scalings for weekly rounds, Finals and the Grand Finals), and whether the usage was recorded or live (live music receives a 2x payment weighting).

## **Symphony Orchestras**

### ***Australia***

#### *Census and Direct Allocation - Blanket*

Australia's major symphony orchestras are licensed by APRA and provide full reports of the musical works they perform. The orchestras are; the Sydney Symphony Orchestra (SSO), the Melbourne Symphony Orchestra (MSO), the West Australian Symphony Orchestra (WASO), the Queensland Symphony Orchestra (QSO) and the Tasmanian Symphony Orchestra (TSO).

All copyright works and copyright arrangements performed by these orchestras are included in APRA's royalty distributions. The licence fees paid by the SSO, for example, are distributed to the musical works performed by the SSO, likewise the MSO's licence fees are distributed directly to the works performed by the MSO. The same direct allocation of licence fees applies to each of these symphony orchestras.

### ***New Zealand***

#### *Census and Direct Allocation - Blanket*

As with the Australian orchestras, full music details are provided for all performances. The licence fees APRA receives are paid in full to the works performed by the orchestras.

## **Dramatic Context**

### *Direct Allocation – Blanket/Transactional*

APRA licenses Dramatic Context (DC) uses of particular songs where it has secured a non-exclusive agency appointment from its members. APRA may issue licences on a 'blanket' basis (where the production is licensed at a fixed tariff set by APRA) or a 'transactional' basis (where rates are set individual per work, per share by the copyright owner), but in either event each production is processed discretely for distribution purposes.

For productions issued a licence under the blanket Part A Tariff, the relative durations of the works as used in the production are used to determine the distribution value of each work.

For productions issued a licence under the transactional Part B, C or D tariffs, the 'licensed' value of each share in each work is used to determine the distribution value of each share in each work; the licensed value is determined by the copyright owner and may be calculated by reference to a combination of the duration of the work, the duration of all works, the duration of the production, the production's box office, or a set fee.

Where the minimum fee applies to a DC production, whether under a blanket or transactional licence, the distributable amount per work or share, as the case may be, is increased in proportion up to the minimum fee.

### **30. NIGHTCLUBS**

*Music Recognition Technology (for DJ Monitor), Kuvo reports and by analogy*

#### **Australia**

Licence fees received from Nightclubs are distributed using a combination of two extended versions of the ARIA Club chart (one version of the Chart includes DJs' positions and ARIA's weightings in respect of the positive audience reaction and one does not), Music Recognition Technology (MRT), Pioneer's DJ 'KUVU' devices and playlists of selected radio stations and music video TV programmes.

The extended versions of the ARIA Club Chart are compiled from the reports of approximately 180 DJs from around the country, who report weekly the dance tracks that receive the most positive audience reaction. As noted, one version of the Chart includes weightings applied to the DJs' rankings of the positive audience reaction and the other is simply a count of the total number of DJs reporting particular tracks.

ARIA provides APRA with details of all DJ submissions every three months. For each week's list of reported works, performances are allocated so that the work at #1 receives the most performances and the work in last position receives the lowest number of performances. The number of works reported each week varies, and performances are allocated in inverse proportion to each work's chart position that week. For example, in a list of 150 works, 1 performance is allocated for position 150, 2 performances for position 149, 3 performances for position 148 and so on, up to 150 performances for position number 1. These performances are aggregated for each work for each three month period and credited in the APRA nightclub distribution.

APRA's nightclub distributions are also based on recorded performances of works that have been played in selected clubs in Australia and identified using music recognition technology (MRT).

Special digital recording devices have been located in a number of large clubs around Australia (in Sydney, Melbourne, Brisbane, Adelaide and Perth) and have been programmed to automatically turn

on and off as DJ performances commence and finish. The recorded music is streamed to Amsterdam in Holland where an MRT company, DJ Monitor, who specialise in dance music, fingerprints the digitally recorded works and compares them against their database of several million works. DJ Monitor then reports to APRA the titles, artists etc. of the works so performed, which are then included in our Nightclub distributions.

APRA also uses direct metadata extraction from Pioneer's KUVO device for DJs. KUVO is a networking device that plugs directly into Pioneer DJ's CDJs and Nexus DJ mixers via a Local Area Network (LAN). It captures selected metadata fields from the ID3 tags of any digital music file that is played by a DJ. APRA uses KUVO data from a number of clubs to supplement the usage information provided by Music Recognition Technology.

The fourth source of data for the distribution of Nightclub fees are the playlists of selected radio stations and music video TV programmes.

The following allocations apply after a variable amount is first deducted from the Nightclub revenue for allocation to the Live Performance (LPR) pool. This is to cover DJs' LPR submissions, with the amount calculated to match their total value as closely as possible:

- 22.5% is allocated to the ARIA Club Chart data that includes weightings related to the positive audience reaction,
- 22.5% is allocated to the ARIA Club Chart data that excludes weightings related to the positive audience reaction,
- 45% is allocated to the works reported by DJ Monitor/KUVO, and
- 10% is allocated to the broadcast logs.

The amount allocated to the selected radio and TV logs is further split, 66.7% to the radio playlists, 33.3% to MTV Hits.

## **New Zealand**

### *Distribution by analogy*

Owing to the relatively low licence fees collected in respect of New Zealand nightclubs, a limited amount of direct reporting is received.

APRA uses DJ Monitor recording devices (as mentioned above) to collect data from two nightclubs in New Zealand. Data collected from these venues is included alongside the Australian DJ Monitor and KUVO data for distribution purposes, in conjunction with New Zealand broadcast logs - selected New Zealand radio logs and music video data from 'MTVNZ' - in the following proportions:

- 5% is allocated to New Zealand DJ Monitor data,
- 45% is allocated to Australian DJ Monitor/KUVO data,
- 35% is allocated to Special Radio Logs (George FM), and
- 15% is allocated to MTVNZ data.

## **31. FEATURED RECORDED MUSIC**

### *MRT and by analogy*

Licence fees collected from premises for the use of featured recorded music are added to the distribution pool for Nightclubs, and distributed as described above.

## 32. **FITNESS & AEROBIC CLASSES**

*Third-Party Data (38%) / distribution by analogy (62%)*

### **Australia & New Zealand**

Based on survey advice from ACNielsen, revenue from Fitness centre licence fees are distributed as follows in each territory:

- Thirty-eight percent of sector fees are distributed via music reports from aerobic and fitness program content providers.
- The remaining sixty-two percent is distributed by analogy, apportioned across radio pools on a follow-the-dollar basis.

## 33. **MUSIC ON HOLD**

### **Australia**

*Distribution By Analogy*

Fees received from Music on Hold (MoH) licences are allocated to existing radio pools. Fees are not, however, allocated on a purely follow-the-dollar basis, as is done in many other areas of distribution by analogy. Fees are allocated according to data obtained on music usage patterns from a survey conducted on some 4,000 business premises by ACNielsen. This survey identified the three main sources of music used for MoH systems as; Radio – 58%, Recorded Music – 32.2% and Specially Made Advertisements – 9.8%.

A complicated formula is used for the allocation of monies, taking into account, for example, the percentage of classical music use and the proportion, as broadcast, of classical music that is in copyright, and the use of music in radio advertisements. The proportion of the licence fees attributable to specially made advertisements is added to the radio jingle pools, and an allocation is also made for the use of production music used in MoH advertisements.

### **New Zealand**

The distribution procedure in respect of New Zealand MoH licences and member claims is identical to that described above. The follow-the-dollar allocation across radio does though of course apply to the New Zealand rather than the Australian radiopools.

### **Members' and Affiliates' Claims**

*Direct Allocation*

In the main, radio reflects most accurately the music used on MoH systems, for which discrete music reports are not possible to obtain. However, a special claim procedure exists for members and affiliated societies whose music is commissioned or licensed for use on music on hold systems.

Members and affiliated societies may advise APRA of the use of their music on MoH systems. APRA will contact the business concerned with a view to licensing this use of music in accordance with the applicable licence tariff. On payment of the licence fee, the full amount (less normal expenses) is distributed directly to the interested parties concerned.

On occasion, there may be a delay in APRA being able to obtain payment from a business. Should there

be a delay of more than 3 months from the date of a claim, a distribution payment will be made to the interested parties concerned in APRA’s next scheduled distribution, based on APRA’s best estimate of the likely value of the licence.

**34. PERFORMANCE REPORTS (PRs) and ON-COSTING REPORTS**

*Direct Allocation*

Members and affiliate societies notify APRA of live performances of their music occurring at venues from which APRA does not receive music performance details.

The Australian and NZ PR pools comprise 100% of the Australian and New Zealand General Live licence fees respectively (Tariff GLA), together with monies from Australian and New Zealand promoter concerts where setlists with a value less than \$15 cannot be obtained at time of distribution or where higher value setlists cannot be obtained after 3 years.

There are additional allocations to the PR pools, as per the following tables, reflecting the use of live music in these categories.

Australia:

Halls & Functions	100%
Cruise Ships	100%
Schools	20%
Universities	20%
Community Groups, including Eisteddfodau	100%
Community Bands	100%
Music in the Workplace	100%
Churches	10%
Karaoke	25%
Nightclubs (DJ’s LPRs)	variable

The additions to the New Zealand PR pool are similar, but not identical:

Schools	20%
Universities	20%
Other Tertiary	20%
Community Bands	100%
Sports Codes	10%
Churches	10%
Karaoke	25%
Nightclubs (DJ’s LPRs)	variable
Auckland City Council Concerts	100%

The distribution rate applicable to PRs is dependent upon the amount of revenue collected under the

relevant tariffs and the number of PRs (the number of works and the number of performances) sharing in the Australian and New Zealand pools.

A standard duration of 3 minutes is applied to all PR performances, except for contemporary classical and jazz music, which are credited at their reported durations.

Performance Reports need to be submitted to APRA by 31<sup>st</sup> July each year to ensure payment in the following 'Annual' distribution.

The retrospective claim period for Performance Reports is limited to one year. It may be extended to up to three years where appropriate extrinsic evidence (i.e., going beyond a mere claim supported by a statutory declaration) is provided in support of the claim.

Where a retrospective claim is to be credited by APRA, payment will occur in APRA's next 'Annual' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Details of how to lodge a PR claim can be found in the Members' section of APRA's website under 'Forms and Guidelines'.

#### DJs' PRs

Performance Reports submitted by DJs are paid from the PR pool and at the same rate as conventional PRs. An appropriate amount is deducted from the Nightclub pool and added to the PR pool accordingly.

Works performed simultaneously are credited as separate works, but members must report the actual duration of each work **as performed** and identify such usage on their LPR claims. Where durations are 1'00" or less, APRA will pay 1 credit point for each 15" or part thereof and not allocate payments at the standard 3'00" duration

#### School PRs

Performance Reports (PRs) submitted by members for qualifying performances in schools are paid from the PR pool and at the same rate as conventional PRs.

#### On-Costing Reports

It is the practice of some live music venues to 'on-cost' their APRA live music licence fee to artists performing at their venue by deducting the APRA licence fee from the settlement payments to artists. This practice may cause a disconnect between the amount deducted from members by the venue and the amount paid to the same members by APRA from the Performance Report (PR) pool.

To overcome this, members or their managers are able to provide APRA with details of the on-costed deductions with accompanying setlists. This information is used to allocate a share of the on-costed amounts to the works performed by that artist (excluding covers). Each work is paid in accordance with the number of performances it has received

If relevant, multiple on-costed amounts are aggregated on a quarterly basis per member and distributed to a single setlist (with additional works added if performed at subsequent on-costed events) so as to avoid the workload that would be required by setting up separate amounts and setlists for each event.

Support artists continue to be paid through the PR system.

### 35. **ONLINE SERVICES**

(Includes Ringtone and Ringback Services, Digital Download, YouTube Streaming, Video on Demand, Music Distribution Services, Cloud Services, Podcasts)

#### **ABC Online**

*Sample, Direct Allocation - blanket – and by analogy*

The ABC commenced reporting their online music use to APRA in January 2003. Owing to the extensive size of the ABC website and the relatively low licence fees involved, only specific sites (those which primarily contain audio and audiovisual material) have been included for distribution purposes.

The services currently included in APRA's distributions are: **Triple J Unearthed, Double J, ABC Jazz and ABC Country**. In addition, 20% of the ABC's Online monies are added to the ABC TV pool to cover the ABC's **iView** site, for which discrete data is not currently available.

As reliable 'access' information is not available, all works included in the distribution are paid on an equal usage basis.

#### **Ringtones**

*Analogous*

As licence fees from ringtones are relatively low, royalties are distributed using Apple Music sales data.

#### **Digital Delivery Services (includes iTunes)**

*Census and Direct Allocation – Transactional*

Digital service providers (DSPs) provide musical work and sales details to APRA AMCOS on either a quarterly or a monthly basis. The volume of works reported to APRA AMCOS is enormous, running into millions of lines and several hundred thousand unique works and productions each quarter.

Because download sales are generally spread thinly across a very large number of separate works, most sales are worth only a few cents per work in terms of their APRA AMCOS distribution value. Consequently, APRA AMCOS applies a dollar threshold before researching unidentified titles, to ensure that processing costs are kept in proportion to distribution values.

All works and album tracks that match automatically with payable works contained in APRA's database are paid in our distributions irrespective of value. Where a match occurs with a work in our database, but the work's sharers have not been identified and the value of the work is over the combined APRA AMCOS distribution threshold of \$15, the work's performances and/or sales data are kept on file and distributed in the first distribution following identification of the writers, publishers and percentage splits.

The APRA AMCOS distribution for Digital Downloads is 'transactional', in that each work's distribution payment is calculated as a percentage of the value of its sales. However, where a match to a payable work does not occur and the per work APRA AMCOS distribution value is less than the \$15 threshold, the distribution value is distributed pro rata across the payable works reported by the same client.

## **YouTube**

### *Census for 'music asset file' sample for 'non-music' file*

APRA includes in its distributions the music reported by YouTube by means of their electronic 'Music Asset' reports. These reports contain approximately 300,000 musical works per quarter.

## **Facebook**

### *Direct allocation*

APRA AMCOS has a joint licence agreement with Facebook to cover certain uses of APRA and AMCOS licensed songs on the Facebook platforms (Facebook, Instagram, Messenger and Oculus). Some APRA members have opted to directly licence Facebook outside of the APRA AMCOS blanket licence.

Facebook provides APRA with quarterly music use reports that detail the individual works, and number of times each was consumed by users through:

- a) their Audio Library functionality; and
- b) audio-recognition applied over user-generated video uploads, on the Facebook and Instagram platforms.

The music use reports are huge in volume and to achieve a fair and equitable royalty distribution, APRA only processes records where 50 or more uses are reported. APRA matches these records to its database and performs a royalty distribution to its members and affiliated societies.

For any unidentified works, APRA converts the payment, which would otherwise have been made to the copyright owner, into points and carries them forward until such time as copyright ownership is established. The points are then converted back into dollars to be paid out with the next quarterly royalty distribution.

## **YouTube and Facebook Live Streaming Performances**

### *Direct allocation*

For live music performances streamed on Facebook and YouTube and originating in Australia or New Zealand, APRA uses claims submitted by our members or affiliated societies to make royalty distributions. Payment is made at a fixed-point value that is amended from time to time. This policy was introduced as a response to the Covid-19 pandemic and is currently in place until 30 June 2021. For payment purposes, APRA caps each claim at 150 performances.

## **Streaming Services**

### *Direct allocation and analogy depending on revenue and/or whether multi-territorial service or not.*

Due to the extremely high volume of data from streaming services, it would not be feasible to include all reported data. APRA performs direct distributions for Apple and Spotify to the following service tiers (where applicable):

- Premium Subscriber
- Family Plan
- Duo
- Student
- Ad-Funded
- Telco Bundle



These service tiers account for 99% of the revenue for each provider. There are some lower value usage tiers for which there is either not enough data or revenue to be feasible for inclusion in distributions. Revenue for lower value tiers from each service is included in the premium tier pool.

For other services such as Amazon Music Unlimited, Google Play, Vevo, Les Mills, Soundcloud, and Tidal a direct distribution is made. In some cases, due to either low licence fees or limited data supply distributions are performed by analogy, using a combination of Spotify and Apple premium subscription data.

To achieve a fair and equitable distribution, works that have over 50 streams are included in direct distributions, and works with over 1000 streams are included in analogous distributions.

### **Video on Demand (VOD)**

*Direct allocation (transactional), direct allocation (blanket) and analogy depending on revenue and/or whether multi-territorial service or not.*

#### ***Direct Distributions***

For VOD services for which direct distributions are feasible, based on a client's licence fees and data quality, APRA researches programmes so that all records in the highest value (data representing 50% of sales/usage value) are included in the distribution. The remainder of records are included only when they automatically match to records in CMS. This applies to subscription services such as Netflix, as well as services that offer rentals or sales such as Apple iTunes. Data and revenue is reviewed quarterly, in order to determine the practicability of adding services to or removing services from this list

#### ***Other Video on Demand Services***

For VOD services other than those falling into the category detailed above, APRA distributes revenue using the data provided by Apple Video on Demand.

N.B. It is APRA's intention to move to a full analysis of Streaming, YouTube and Video on Demand services as soon as necessary system changes can be implemented. In the meantime, various sampling and distribution by analogy measures are in place, as outlined above.

### **Fetch TV**

Fetch TV is an Australian IPTV company, operating a subscription television service over a user's regular Internet service. They offer two services, a Video on Demand service and a Foxtel Pay TV channel service. APRA receives separate revenue for each one, but no actual usage information.

The Video on Demand and pay TV channel services' APRA revenue are respectively added to the existing Video on Demand and Foxtel revenue pools for distribution, using the data provided by the current Video on Demand services and by Foxtel.

### **Music Distribution Services**

*Direct allocation (blanket) and analogy*

Music Distribution Services supply background music to commercial premises using digital and other communication-based distribution media.

APRA's distribution of revenue received from such services is either paid directly to data provided by the client or by analogy depending on revenue.

### **Cloud Services**

#### *Distribution by analogy*

Clouds services provide online storage of music downloads for backup and access. Our only standalone licence is for Apple iCloud and that is paid out according to Apple iTunes' download data.

### **Miscellaneous Online Clients**

#### *Sample/Direct Allocation/Distribution By Analogy – (depending on the licence).*

A number of Websites and Podcasts report their music use details for inclusion in APRA's distributions. The applicable policy approved by Board has been adopted to maintain a distribution system that is commensurate with the fees received, in terms of workload and cost.

Where licence fees are received with no accompanying music usage data, the distribution procedure is to exclude these fees until such time as an appropriate data source can be identified. However, where the online licence fee exceeds \$5,000, fees may be allocated to an alternative distribution source if one exists that closely reflects the type of music used.

From time to time, APRA will review undistributed licence fees from Online Usage and allocate these fees to the distribution source that most closely aligns with the use type for which fees were collected.

## **36. EDUCATIONAL LICENCES**

### **Includes Schools, Conservatoria and Commercial Colleges**

#### **Australia**

##### *Third Party Data – under review*

APRA's distributions include payment in respect of music performed in Australian government, independent and catholic schools, and other educational institutions. APRA's educational licences cover the public performance of musical works, including performances by school bands, orchestras, choirs and singing groups. The APRA licence does not include music performed at concerts put on by independent concert promoters or where the school or other institution is paying a professional musician to perform.

Owing to the difficulties and prohibitive costs of obtaining performance data from these institutions, including approximately 9,600 schools in Australia, APRA uses for its distribution purposes information obtained from a survey of schools conducted throughout Australia on behalf of CAL (Copyright Agency Ltd) in respect of the photocopying of print music. In most cases, the photocopying of music is for the purpose of performing that music. There is therefore a close alignment between the music reported by the CAL survey and the music that is performed by permission of the APRA licence.

The details of the musical works included in the CAL survey are provided to APRA on a regular basis. 20% of the licence fees collected from schools is allocated to the Live Performance pool, 40% of the licence fees is distributed to the musical works included in the CAL survey, with the other 40% allocated

across radio pools.

## **New Zealand**

### *Sample and Third-Party Data – under review*

APRA receives data from a number of sources in relation to New Zealand licences. Information is received from the schools themselves by way of voluntary samples, schools' music festivals and competition organisers.

The various sources of information share in the licence fees received. 20% of the licence fees collected from schools is allocated to the New Zealand Live Performance pool, and the remaining licence fees are distributed to the musical works included in the New Zealand schools' data.

## **Universities**

### *Direct Allocation*

In accordance with their licensing agreement, universities provide APRA AMCOS with a copy of all recordings stored on central servers. The works therein are imported to our database for recognition purposes, and then form the basis of APRA's annual University distribution.

20% of the licence fees collected from schools and universities is allocated to the Live Performance pool, with the remaining 80% being allocated to the data provided by the Universities.

## **37. BACKGROUND MUSIC**

### *Distribution by Analogy*

#### **Workplace Music**

**Child Care**

**Councils**

**Karaoke**

**Function, Convention and Conference Centres**

**Hotels, Pubs, Taverns, Bars and Casinos**

**Dance and Performance Instructors and Schools**

**Community Halls**

**Community Music Groups**

**Live Adult Entertainment Venues**

**Dining**

**Registered and Licensed Clubs**

**Places of Interest, Activity and Amusement**

**Retailers and Service Providers**

**Cruise Ships**

**Public Vehicles and Vehicles for Hire**

**Eisteddfodau and Competitions**

Licence fees are received from a large number of businesses (generally small business) for the use of music through devices such as radios, juke boxes, background music systems, TV sets, and websites and online connected devices on their premises.

As it would be virtually impossible for these licensees to provide APRA with details of all the music they

play, and it would be economically unfeasible for APRA to process such large volumes of data, APRA includes such licence fees in its distributions by adding the amounts to radio and television pools, an analogous data set based on digital music usage, across music video programming and to live and online sources in proportions corresponding to the applicable tariff(s). In addition to this, in recognition of the use of foreign language repertoire in the restaurant sector, APRA distributes revenue from restaurant tariffs to affiliate societies representing the most commonly used foreign languages in Australia

### **38. *CHILDCARE CENTRES***

#### *Distribution by Analogy*

The repertoire used in early childhood education/childcare centres is substantially different to the works being used across commercial radio/TV or is represented by a very small subset of this data at best. While it's not feasible to obtain detailed music usage reporting directly from licensees, analysis indicates that there is a strong similarity to content broadcast on two digital radio services: ABC Kids Listen and Kinderling Kids Radio. APRA holds broadcast licence agreements with these services which includes the provision of comprehensive usage reports.

In early 2020 APRA established a distribution practice for the early childhood education/childcare sector which distributes the combined income from the OneMusic Play Group Association and Child Care licence schemes using a copy of the data reported by Kinderling Kids Radio and ABC Kids Listen Radio.

### **39. *Payments from Affiliate Societies***

APRA receives royalty distributions from approximately 60 affiliated societies around the world, covering some 50 countries.

With the exception of a few smaller societies, distributions are provided to APRA electronically, and works are matched automatically with APRA's database of titles. The distribution of royalties to APRA is in accordance with each affiliated society's own rules of distribution, but in accordance with our reciprocal representation agreements and, where possible, CISAC guidelines.

Foreign earnings are distributed monthly when the distributable amount exceeds \$10. Amounts below this level are paid with APRA's normal three-monthly distributions.

APRA deducts an average of 2% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of such royalty payments, applying variable percentages ranging from 1% to 5% depending on the territory from which the royalties are received.

### **40. *Screenrights***

#### *Analogous*

Screenrights is the declared society for certain statutory rights under the Copyright Act: retransmission of certain television and radio stations by subscription television services, and educational/government access of television programmes. From the licence fees Screenrights collects for those statutory rights, a share is paid to APRA amongst other copyright owners.

Retransmission (Australia only) – distribution by analogy

Screenrights makes an annual distribution to APRA in which it itemises the amount it has calculated and allocated to each television and radio station. APRA then makes a royalty distribution to its members and affiliated societies, allocating one-quarter of each station's share of the Screenrights' payment to each of

the next four quarterly royalty distributions to that station.

Educational/Government (Australia and New Zealand) – distribution by direct allocation

Screenrights make an annual distribution to APRA in which it itemises the titles and number of times a programme has been accessed according to its data collection policy. APRA matches Screenrights’ data to APRA’s database of television programmes to make its royalty distribution to members and affiliated societies.

For any unidentified works, APRA converts the payment, which would otherwise have been made to the copyright owner, into points and carries them forward until such time as copyright ownership is established. The points are then converted back into dollars to be paid out with the next quarterly royalty distribution.

### **Updates since 1 January 2021**

<b>Date</b>	<b>Section</b>	<b>Item</b>
22/02/2021	Introduction	Insertion of statement regarding “One-off Variations for Reasons of Expediency”.
22/02/2021	4. Community Radio	Update of Community Radio section to note the adoption of fixed point value in distribution.
22/02/2021	35. Online Services	Update of Ringtone section that all ringtones royalties are now distributed by analogy.
22/02/2021	35. Online Services	Update of Facebook section on inclusion of UGC video music use reports forming part of dataset used for royalty distribution.
22/02/2021	35. Online Services	Update of Facebook/YouTube Live Streaming Performances section that current policy extended to 30 June 2021.
22/02/2021	35. Online Services	Inclusion of “Duo” as listed service under Streaming.
22/02/2021	40. Screenrights	Insertion of distribution practices for payments received from Screenrights.
01/04/2021	24. Airlines	Update of Airlines section to provide increased granularity in split of royalties to different types of in-flight music use.
01/04/2021	26. Background Music Suppliers	Provided clarification to distribution practices for Background Music Suppliers including: thresholds, data quality, agency/supply licence fees & large retailers.