



APRA Sustainability Report
30 June 2015

APRA is the first collecting society in the world to partner with the Global Reporting Initiative and commit to reporting on our sustainability practices.

Guidance on reporting in accordance with the Core GRI G4 Guidelines can be read [here](#).

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CEO's Message

G4-1 Statement from the CEO

A message from APRA AMCOS' CEO, Brett Cottle, can be read [here](#).

Sustainability impacts, risks and opportunities

G4-2 Description of key impacts, risks and opportunities

Impacts

As a service oriented organisation, we understand the environmental impact of our operations is limited by comparison to the likes of manufacturers, agribusiness and retailers, however no less important. In this respect we focus on the day to day operations across our multiple sites and continue to measure the footprint of those operations.

Risks

APRA faces two key risks in respect of sustainability. One of those risks is that we adopt a 'do nothing' approach. Whilst currently acceptable in today's statutory reporting environment, we wish to further engage our key stakeholders in our operations and provide them with a sense of our view of corporate responsibility. Our key stakeholders are our members and affiliated partners, our licensees and our staff. We do not view a 'do nothing/say nothing' approach as appropriate to these stakeholder groups and therefore eliminate this particular risk by choosing to comment on our sustainability practices. The second key risk is that we take our corporate responsibility too far and manage our operations in a sustainable fashion, such that it results in a financial detriment to our membership and affiliate partners. We must strike a balance where we recognise and accept our responsibility in environmental and social terms, yet continue to deliver economic benefits to our membership and affiliate partners of the highest possible value.

Matters of sustainability are as important to the management of APRA as we are sure they are to our stakeholders. Realising this balance whereby APRA is an engaged and responsible corporate citizen yet one which continues to deliver superior service and economic returns for its membership is our overriding sustainability goal.

Opportunities

APRA remains an organisational stakeholder of the GRI, the foremost organisation worldwide generating parameters surrounding sustainability reporting and how reporting entities can move to an environment of integrated reporting (IR), where existing statutory financial information is married with organisational performance in sustainability matters. We are proud to be the first collecting society in the world to partner with the GRI, to generate a sustainability report and lead the way for our international partners to follow.

As the international reporting community keeps one eye on a move to integrated reporting, we are proud to announce that we too have taken our first step. Our 2015 annual report has been redesigned so as to retain all the required disclosures under International Financial Reporting Standards, but also to generate a more readable and understandable report. This represents our first step towards the consideration of generating our own integrated report which we hope to achieve when reporting the year ended 30 June 2017.

The introduction of a sustainability report to our existing reporting practices also provides the opportunity to further analyse our operational activities, not solely on our impact to the environment, but just as importantly our social conduct as an employer of 342 staff.

About us

G4-3 Name of the organisation

Australasian Performing Right Association Limited and its wholly own subsidiary, APRA New Zealand Limited (APRA).

G4-4 Primary brands, products and/or services

APRA has 89,900+ members who are songwriters, composers and music publishers. Together with AMCOS, we license organisations to play, perform, copy, record or make available our members' music, and we distribute the royalties to our members. We are affiliated with similar collecting societies around the world. So when Australian and New Zealand songs and compositions are performed overseas, Australian and New Zealand writers get paid. We also help music customers in Australia and New Zealand access music from the rest of the world. Within the Australian territory, we operate as APRA AMCOS.

We also advocate on behalf of music creator's rights and the Australasian music industry locally, nationally and internationally. Our Ambassador Program includes over 100 influential music creators from all genres and industry stakeholders such as music managers. They partner with us to promote the importance of music creators' rights and our role in administering those rights to all levels of government, the media and the wider community. We also consult frequently with our Ambassadors and other Advisory Groups to seek their input on issues affecting our members.

More information can be read [here](#).

G4-5 Location of organisation's headquarters

Our Head Office is located at 16 Mountain Street, Ultimo NSW Australia 2007.

G4-6 Number of countries where the organisation operates

APRA operates in Australia, New Zealand, the South Pacific and Asia, with offices throughout Australia, in New Zealand and Fiji. The rights of our members are licensed worldwide through our network of affiliated societies.

G4-7 Nature of ownership and legal form

APRA Limited is a company limited by guarantee. APRA New Zealand Limited is a wholly owned subsidiary of APRA Limited.

G4-8 Markets served

In accordance with our supply chain, APRA serves the market for collectively administering intellectual property in respect of music rights and the market requiring the use of music rights. Our licensing departments administer music licences across all sectors of music users.

APRA AMCOS is affiliated with other collecting societies around the world, ensuring international markets remain served by our members' rights.

G4-9 Scale of the organisation

Music Creators

As at 30 June 2015, APRA had 85,987 members whilst AMCOS had 15,148 members.

Music Customers

APRA and AMCOS administer music licences for over 126,000 businesses.

APRA Staff

APRA has managed the operations of AMCOS since 1997 and under this management agreement all employees of the group are employees of APRA. As at 30 June 2015, APRA had 342 staff members.

G4-10 Employees

The breakdown of APRA's employees as at 30 June 2015 is as follows:

Employees by employment contract and gender

Contract	Female	Male	Total
Permanent: Full Time	123	110	233
Permanent: Part time	27	8	35
Contract: Full Time	27	23	50
Contract: Part Time	2	6	8
Casual	4	12	16
Total	183	159	342

Employees by region and gender

Region	Female	Male	Total
Australia	163	150	313
New Zealand	20	9	29
Total	183	159	342

The work of APRA AMCOS is not carried out by individuals other than employees or supervised workers, including employees and supervised employees of contractors. None of APRA's staff are legally recognised as self-employed. There are no seasonal variations in APRA's employment numbers.

G4-11 Percentage of total employees covered by collective bargaining agreements

Currently, there are no APRA employees covered by collective bargaining agreements.

G4-12 Supply chain

APRA's supply chain is:



G4-13 Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain

In August 2014, we commenced a core system replacement project, "Copyright Licensing Enterprise Facility" (CLEF) to ensure a best-in-industry service offering in the years ahead. The system will have copyright ownership structured around agreements, creating territorial share pictures and take into account member and society mandates for various right types for licensing, claiming and distribution purposes. A new "Business Change" division was created to facilitate the CLEF project, with 13 Subject Matter Experts and 14 Data Specialists seconded to this division, resulting in the majority of these roles being backfilled on a contract basis to facilitate business as usual. Due for delivery in 2016, it is anticipated that CLEF will transform the way we deliver our services and manage our business practices, data and systems.

Our commitments to external initiatives

G4-14 Addressing the precautionary principle

APRA does not have a formalised process for applying the precautionary principle.

As our impact is considered minimal and we do not manufacture or supply retail products, we acknowledge the precautionary principle, but maintain that we do not foresee being in a position where we would cause serious or irreversible damage or other significant environmental degradation.

What is the precautionary principle?

The Precautionary Principle refers to the approach taken to address potential environmental impacts. See United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992. 'Principle 15: In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives

APRA and AMCOS subscribe to a voluntary Code of Conduct that provides a framework of best practice for copyright collecting societies.

The Code can be read [here](#).

G4-16 List of memberships of industry associations and national or international advocacy organisations

APRA is connected with a number of industry associations and organisations. These include:

- Australian Copyright Council
- Australian Music Council
- CISAC
- Copyright Society of Australia
- Music Rights Australia

G4-17 List of entities included in the organisation's consolidated financial statements

APRA's Consolidated Financial Statements include the financial statements of APRA New Zealand Limited.

APRA's Financial Statements for the year ended 2015 can be read [here](#).

Identifying our sustainability report content

G4-18 Defining report content and aspect boundaries

We have identified our key values and commitments, based on the activities that are of most importance to our stakeholders across the breadth of our operations.

We value:

- Collaboration - Whether our opinions, views, talents or skills complement or contrast, we collaborate with those who share our purpose and passion.
- Respect - Our respect for music keeps us transparent, open, and honest. We're working towards a future where everyone respects music for both its emotional and financial value.
- Skill - We combine talent, knowledge and intuition with a commercial sensibility. We do what no one else can: copyright can be complex, yet we make it simple.
- Imagination - We don't just admire imagination, we use it within our business every day.

We're committed to:

- Providing superior service
- Ensuring maximum benefits to our rights holders
- Investing in our community
- Looking after our people
- Developing our business

The key performance indicators under these commitments have been defined as our 'Material Aspects' for the purpose of sustainability reporting. We believe that if these Material Aspects are managed well, we will maintain a successful and sustainable business.

There are no limitations regarding aspect boundaries.

G4-19 Material Aspects

APRA has identified 11 Material Aspects under 5 key areas of our business. The aspects can be read [here](#) under 'our reporting approach'.

What are Material Aspects?

Material aspects are those that reflect our significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of our key stakeholders. To determine if an aspect is material, qualitative analysis, quantitative assessment and discussion has been undertaken.

G4-20 & G4-21 Aspect boundaries

Aspect boundaries within the organisation and outside the organisation have been identified through the key interested stakeholder groups for each material aspect:

What are aspect boundaries?

Aspect boundaries refer to where impacts occur for each material aspect. In setting the aspect boundaries, we consider impacts within and outside of the organization.

Material Aspect	Key interested stakeholders	Aspect Boundary (within/outside the organisation)	Comments
Working with our music customers to strengthen the value of music	Music customers, employees	Within, outside	Regular training ensures our employees can properly advise our music customers on the importance and value of music copyright.
Upholding our relationships with affiliate societies	International affiliates, employees	Within, outside	We are in constant communication with our international affiliates to ensure we protect each other's rights and send and receive royalties across territories.
Managing our disputes and complaints effectively	Music creators, music customers, employees	Within, outside	Information on our new Alternative Dispute Resolution Facility can be read here .
Growing our revenue	Music creators, music customers	Within, outside	Information on our economic performance can be read in our CEO's Message and key performance indicators can be found here .
Keeping our costs down	Music creators, music customers	Within, outside	Information on our economic performance can be read in our CEO's Message and key performance indicators can be found here .
Distributing royalties more frequently	Music creators	Outside	Information on our efforts to maximise the frequency of our royalty distributions can be read here .
Supporting and nurturing the talent of our rights holders	Music creators	Outside	Information on our regular events, our ambassador programs and other government supported initiatives can be read here .
Servicing the music industry through grants and other external initiatives	Music creators	Outside	Information on our grants and initiatives can be read here .
Attracting and retaining new talent	Employees	Within	APRA prides itself on its culture of innovation and fostering our employees. We work to attract and retain bright and passionate staff. Our staff rewards and benefits can be read here .
Providing our staff with programs for continued employability and career progression	Employees	Within	We ensure our employees receive regular training and we offer ways for them to progress their careers where possible.
Aligning our technology with our business needs, to remain agile and astute	Music creators, music customers, employees	Within, outside	Information on our new technology project, CLEF, can be read in our CEO's message and further information can be read here .

G4-22 Restatements of information provided in previous reports

There are no restatements of information provided in our 2014 Sustainability Report.

G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries

In 2014 we adopted the GRI G4 Guidelines in generating our Sustainability Report. As such, greater importance was placed on materiality and defining report content. The identification of our material aspects has resulted in more refined report content which is better aligned with our values, commitments and strategies as an organisation. There have been no significant changes to these material aspects in our 2015 report.

Engaging with our stakeholders

G4-24 Stakeholder groups engaged by the organisation

APRA's five key stakeholder groups have been identified as:

- Our music creators;
- Our music customers;
- Our employees;
- Our international affiliates; and
- Domestic regulators.

G4-25 Basis for identification and selection of stakeholders with whom to engage

Our key stakeholder groups have been identified on the basis of our supply chain and these groups were a key consideration when defining our material aspects.

G4-26 Approach to stakeholder engagement, including frequency of engagement by stakeholder group

Our music creators

Our writer and publisher members are who we represent in the music users market place. They have unique requirements in terms of the information they need and type of relationship we have with them. The majority of our membership engagement takes place via the management of events in each state. During the 2015 year, we hosted 159 career development, networking and community events which were attended by more than 7,400 members. We also engage regularly with our members through initiatives such as SongHubs, SongMakers, Sounds Australia and the Live Music Office. Information about our community engagement can be read [here](#).

APRA AMCOS recognises the importance of our relationship with our members and the reliance of that relationship in our daily operations. We periodically survey our members for an indication of satisfaction in respect of our services.

More information on our music creators can be read [here](#).

Our music customers

APRA AMCOS services approximately 126,000 businesses throughout Australasia. Whilst we hold individual and direct relationships with each of our customers, we elect to engage with their industry groups to ensure a broad range of information is provided to as many customers as possible, with messages and communications tailored by industry group. We engage individually those whom are more major and collectively with those geographically dispersed via specific industry groups. In addition to our consultation with key industry groups, our Public Performance Licensing staff engaged with customers at 87 industry association functions and events nationally.

More information on our music customers can be read [here](#).

Our employees

Our employees 'keep the engine running' – they are the 342 people who provide the essential services required by both our customers and our music creators.

Staff engagement is high on our agenda and the subject of regular focus from our Human Resources department. The key HR initiatives aimed at keeping our staff informed and engaged are:

- Higher Education Assistance, Leadership Development and Mentoring Programs
- In-house Training Programs
- Induction sessions, reviews and buddies for all new staff
- Open Forums and Seminars for Staff, Team Leaders and Managers
- Employee Assistance Programme – a free counselling service

Our international affiliates

APRA AMCOS works with affiliated collecting societies throughout the world to ensure our music creators get paid when their work is used overseas. More information about our international relations can be read [here](#).

Domestic regulators

Seeking authorisation from the Australian Competition and Consumer Commission (ACCC) is one of several public review processes we have in place to ensure we are accountable to our music creators and customers. More information about the authorisation process we undergo with the ACCC can be read [here](#).

G4-27 Key topics and concerns that have been raised through stakeholder engagement

Communication with key stakeholder groups is constant through various channels. All complaints and disputes received from our music creators and customers are reviewed by the independent Code Reviewer in line with our obligations under the Code of Conduct for Collecting Societies.

Throughout the 2015 financial year, no other specific concerns were raised by our stakeholders.

About this report

G4-28 Reporting period

Unless stated, all information presented in the Sustainability Report refers to the financial year ended 30 June 2015.

G4-29 Date of most recent previous report

APRA's previous Sustainability Report was released in October 2014 and refers to the financial year ended 30 June 2014.

G4-30 Reporting cycle

APRA's Sustainability Report is released annually.

G4-31 Contact point for questions regarding our Sustainability Report

Questions or feedback regarding APRA's 2015 Sustainability Report can be provided [here](#).

G4-32 The 'in accordance' option chosen to report

APRA's 2015 Sustainability Report has been compiled in accordance with the Core GRI Contents Index under the G4 guidelines. APRA has not sought external assurance for this report.

G4-33 Policy and current practice with regard to seeking external assurance for the report

An external assurance engagement has not been sought for this report; however robust internal controls have been applied to the collection of data. All financial performance data is subject to an independent audit conducted by KPMG. Referral to KPMG's independence and their audit opinion can be read in APRA's [Financial Report](#).

Our governance structure

G4-34 Governance structure of the organisation

APRA and AMCOS are separate organisations operating on a non-profit basis. Each has their own Board of Directors elected from and by their membership. Their members comprise Australian and New Zealand music publishers, songwriters and composers only.

The APRA Board is comprised of 12 member directors all of whom are non-executive Directors and none of whom are Independent Directors. Management of APRA is vested in the Board. Six writer members are elected to the Board of Directors by the APRA writer membership, one of whom is a New Zealand member, and six publisher members are elected to the Board of Directors by the APRA publisher membership. This structure ensures that a mix of writer and publisher interests is represented on the Board. This mix also ensures that APRA remains responsive to the users who interact with both writer and publisher members.

APRA has a Corporate Governance Statement pursuant to which the APRA Board has appointed a number of Committees, consisting of the Audit & Governance Committee, the Awards & Music Grants Committee, the Membership & Distribution Committee and the Systems Development Committee. APRA's Corporate Governance Statement can be read [here](#).

Both the APRA Board and its sub-committees typically meet at least six times a year. In addition, APRA has a management Corporate Governance committee which meets approximately once per fortnight.

Strategic direction and its implementation is the responsibility of the [Chief Executive Officer \(CEO\)](#) and the [Divisional Heads Group](#). Day to day governance issues including major operational decisions, high level human resource issues and the oversight of financial reporting is the responsibility of the Corporate Governance Committee.

Those staff not forming part of either the Divisional Heads Group or the Corporate Governance Committee are consulted, informed and have the ability to raise suggestions and/or concerns on any topic in various and regularly held forums.

G4-56 Values, principles and standards such as codes of conduct and codes of ethics

The material aspects outlined in this report reflect our values as an organisation and our commitment to our stakeholders. These material aspects can be read [here](#) under 'our reporting approach'.

APRA and AMCOS' Constitutions can be read [here](#).

APRA and AMCOS subscribe to a voluntary Code of Conduct that provides a framework of best practice for copyright collecting societies and is subject to an annual review by an independent Code Reviewer - currently the former Federal Court judge, The Hon K E Lindgren AM, QC.

APRA has introduced a Code of Conduct for staff to comply with upon commencing their employment. This Code complements the Code of Conduct for Copyright Collecting Societies and reflects the values that APRA AMCOS hold.

Specific standard disclosures

Our economic performance

G4-DMA Economic Performance

During the 2015 financial year APRA AMCOS achieved \$262.7m in net distributable revenue for our members. A summary of our key financial performance indicators involving our royalty distributions, revenue and costs can be read in our CEO's message [here](#).

What are 'specific standard disclosures'?

Specific standard disclosures are reporting indicators we've adopted from the GRI's G4 reporting guidelines. They offer information about the management of our organisation and our performance as it relates to our material aspects.

G4-EC1 Direct Economic Value generated and distributed

The table below details our direct economic value generated and distributed. As we operate on a non-profit basis we do not retain economic value, as our net profit is distributed to our members and our affiliate societies. These distributions are referred to below as "payments to providers of capital."

The item referred to as "community investments" relates to payments from our Music Grants program.

Direct Economic Value Generated and Distributed For the year ended 30 June, 2015			
	Australia (AUD)	New Zealand (AUD)	Consolidated (AUD)
Direct economic value generated			
Revenues	208,390,126	29,762,039	238,152,165
	208,390,126	29,762,039	238,152,165
Operating costs	9,472,561	2,987,155	12,459,716
Employee wages and benefits	23,206,252	2,076,968	25,283,220
Payments to providers of capital	174,664,666	24,585,930	199,250,596
Payments to government	-	-	-
Community investments	1,046,647	111,986	1,158,633
	208,390,126	29,762,039	238,152,165
Economic value retained	-	-	-

Our environmental impact

G4-DMA Emissions

APRA AMCOS has always been conscious of its impact to the environment and is committed to managing its environmental footprint. We have been capturing data and reporting on our emissions since 2012. In addition to monitoring our output, employees are encouraged to commit to energy efficient behaviours such as turning off monitors at the end of each working day. Our teleconferencing and videoconferencing facilities have helped to reduce the impact of flights. Our Head Office is also subjected to monitoring and reporting of our waste outputs. This year we also pledged our support to Green Music Australia, an organisation committed to harnessing the cultural power of music and musicians, to lead the way to a greener world. More about our pledge can be read [here](#).

G4-EN15 Direct greenhouse gas (GHG) emissions (scope 1)

During the 2015 financial year our direct greenhouse gas emissions were 79.4 tonnes of CO₂ equivalent (tCO₂e), a reduction of 6 tCO₂e from 2014. These emissions were comprised of fuel consumption from our fleet of motor vehicles. Our direct and indirect greenhouse gas emissions are reported [here](#).

G4-EN16 & G4-EN17 Indirect greenhouse gas (GHG) emissions (scope 2 and 3)

Our indirect greenhouse gas emissions for the 2015 financial year are reported [here](#). Our scope 2 and 3 emissions are comprised of office waste, emissions generated from the purchase of utilities such as electricity, the consumption of transport fuel due to flights and taxis.

Our output of tCO₂e per full-time equivalent employee (FTE) was calculated at 6.5, which is a favourable decrease from 2014, considering an increased headcount of 9.2%.

Our labour practices

G4-DMA Training and Education

We believe annual performance reviews are integral for keeping our employees engaged and on track with their careers. More on our culture can be read [here](#).

G4-LA11 Percentage of employees receiving regular performance and career development reviews

100% of our permanent employees receive annual performance reviews.

Our society

G4-DMA Anti-competitive behaviour

Since its establishment in 1926, APRA has been subjected to various levels of scrutiny from competition powers including the Owen Royal Commission, the Copyright Tribunal of Australia, the Australian Competition and Consumer Commission (ACCC) and the Australian Competition Tribunal, which have confirmed the benefits of APRA and established the necessary mechanisms to ensure that APRA does not abuse its monopoly position.

Authorisation is one of several public review processes we have in place to ensure we are accountable to our members and customers. In 2013, APRA sought authorisation for a fourth time and in June 2014, the ACCC granted us a reauthorisation for five years after actively embracing the ACCC's recommendations during the re-authorisation process.

G4-S07 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

In the year ended 30 June 2015, there were no legal actions brought against APRA alleging any breach of the conditions of its authorisation from the ACCC or the Competition and Consumer Act.

More information about the authorisation process and its outcomes can be read [here](#).

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