

# **APRA Distribution Practices**



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**Introduction:**

APRA distributes 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.

***Distribution frequency by category:***

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

**Radio:**

Commercial Radio  
(commissioned and published music in commercials is paid annually)  
ABC Radio  
Foxtel Digital Radio  
Community Radio  
SBS Radio  
NZ National Radio and NZ Concert Radio

**TV:**

Commercial Television  
(commissioned and published music in commercials is paid annually)  
ABC Television  
Special Broadcasting Services (SBS TV)  
Pay Television  
New Zealand Television  
Australia Plus  
Cinema  
Distributable Events (including promoted concerts)  
Airlines  
Nightclubs  
Online  
Ring Tones & Downloads  
YouTube  
Video on Demand  
Streaming Services  
Australian Schools  
Aerobics & Fitness  
Background Music Suppliers  
Music on Hold

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

Churches  
New Zealand Schools

***Annually (paid in November)***

Ambient Music claims  
Commercial Radio Jingle Forms  
Commercial TV Jingle Forms  
Live Performance Returns (LPRs)  
School and Tertiary Audio/Visual Licences

APRA's distributions are identified by a 6-character code e.g. **P1507A, P1507N**

The code 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. **2015 = 15**
- **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:

Performance / Broadcast / Communication date	Distribution Code	Distribution date
January - March	PYY07A and PYY07N	15 Aug
April - June	PYY10A and PYY10N	15 Nov
July - September	PYY01A and PYY01N	22 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 Live Performance Returns 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 \$15.

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 approximately 15.5 million musical works in APRA's database. In the case of television and cinema, reported films and programmes are matched against nearly 1 million film and programme titles housed in APRA's computer.

The method of calculation varies according to the category of licensee (such as, radio, TV, concert, online, DSP), and whether the licence is a 'Blanket' or 'Transactional' licence (see below). On entry to

APRA's computer system, the reported usages under a Blanket licence are converted to 'credit points' (this 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, the frequency of use, the duration of each work as used, by the way in which it is used (featured, background, theme, station identification etc.) and, in the case of free-to-air television, by the time of day the broadcast of the work occurs

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.

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.

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 ongoing expansion of electronic reporting methods, 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:

**a) Direct allocation – blanket** - fees from an individual licensee or a small group of closely connected licensees (e.g. network television stations) are distributed, usually on a 100% (census) analysis basis, to the music used and reported to APRA by that licensee or group of licensees, or in some

cases by APRA members and affiliate societies. Individual distribution values are calculated from a single revenue pool based on frequency of use, duration, type of use etc.

- b) Direct allocation – transactional** – as above, but each work carries a discrete distribution value based on the number of sales/usages it has received during the reporting period, as reported to APRA AMCOS by the licensee.
- c) Sample analysis** - licence fees received from similar music users are ‘pooled’ and distributed using a sample analysis of their logs,
- d) Sample/direct allocation – blanket or transactional** – licence fees paid by a single licensee (e.g. an individual station or network) are allocated directly to the musical works used by that licensee. However, owing to the characteristics of the licensee, a sample reporting system is used,
- f) 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, and
- g) 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 special 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.
- h) Distribution by analogy** - licence fees are added to an existing distribution pool that is most similar in terms of its music content.

Many licensees are now providing reports in computer readable formats (EDI). These standardised formats have been developed by APRA and AMCOS to enable the cost effective processing of large quantities of data, not hitherto possible with paper based reports and the manual data entry they require.

This document should be read in conjunction with APRA’s Distribution Rules.

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>		No. of Hours
Australian Commercial	EDI census for approx. 260 stations – 13,520 weeks p.a. in total. Additional paper reports for music used in promos, station IDs and station-made commercials using production music.	2,271,000
ABC (Classic, FM, JJJ, RN, Local., PNN, JJJ Unearthed, DIG, DIG Jazz and DIG 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 & paper 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	EDI census for 28 stations	244,600
New Zealand Maori stations	Sample. 40 weeks p.a.	6,700
New Zealand Student stations	Sample. 20 weeks p.a.	3,400
<b>Total Radio hours = c.2.6 million</b>		
<b>Television:</b>		
Australian Commercial	Census (EDI) – Networks 7, 9, 10, Affiliates and Unaffiliated stations. <u>Digital Channels</u> 7TWO & 7MATE (Net. 7), GEM & GO! (Net. 9) & ONE & ELEVEN (Net. 10) - Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	908,500  33,000
ABC1, ABC2, ABC3 & ABC4	ABC1 and ABC2 – full Census – EDI. <u>Multi- Channels</u> 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 from November 2015	Census for auto-matched (EDI) programmes. 1 week in 4 for new programmes.	15,000
New Zealand TV1	Census - EDI	8,700
New Zealand TV2	Census - EDI	8,700
New Zealand TV3	Sample. 26 weeks p.a.	4,300
New Zealand Prime TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
New Zealand FOUR TV	Census (EDI) for auto-matched programmes. 1 week in 4 for new programmes.	5,500
New Zealand Maori TV	Census (EDI) 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 Sky TV (Subscription)	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>		

## INDEX

This INDEX lists the sources of APRA's revenue from Australian and New Zealand licence fees and includes payments received from affiliate societies overseas for the use of Australasian music in their territories of administration. The distribution process for each income source is explained in the following pages. Please refer to the corresponding Section and Page numbers.

	REVENUE SOURCE	DISTRIBUTION METHOD	PAGE NO.
	<b>Radio - Australia:</b>		
1.	Australian Commercial Radio	<b>direct allocation</b> (see this section for special treatment of music in commercials and for music used on stations' websites)	13
2.	ABC	<b>direct allocation blanket &amp; by analogy</b>	13
3.	SBS	<b>sample analysis</b>	14
4.	Community Radio (Permanent)	<b>sample analysis &amp; by analogy</b>	15
5.	Community Radio (Temporary)	<b>by analogy</b>	16
6.	Narrowcast Radio	<b>direct allocation - blanket &amp; by analogy</b>	16
	<b>Radio - New Zealand:</b>		
7.	New Zealand Commercial Radio	<b>direct allocation - blanket</b> (see section for special treatment of music in commercials)	17
8.	New Zealand Public Radio		18
	- NZ National Radio	<b>direct allocation - blanket</b>	18
	- NZ Zealand Concert Radio	<b>direct allocation - blanket</b>	18
9.	NZ Maori Radio	<b>sample analysis</b>	18
10.	NZ Student & Access Radio	<b>sample analysis</b>	18
11.	NZ Community radio (low powered)	n/a	19
	<b>Television - Australia:</b>		
12.	Australian Commercial Television	(see this section for special treatment of music in commercials)	19
	Network 7 7TWO & 7MATE	<b>direct allocation - blanket</b> (capital city, network stations) <b>sample/direct allocation</b> (multi channels & affiliated stations)	19
	Network 9 GEM & GO!	<b>direct allocation - blanket</b> (capital city, network stations) <b>sample/direct allocation</b> (multi channels & affiliated stations)	19
	Network 10 ELEVEN & ONE	<b>direct allocation - blanket</b> (capital city, network stations) <b>sample/direct allocation</b> (multi channels & affiliated stations)	19
	Unaffiliated Stations	<b>sample analysis</b>	19
13.	Australian Pay TV	<b>direct allocation - blanket</b>	21
14.	ABC TV – ABC1, ABC2, ABC3 & ABC4 (News 24) (includes Australia Plus television)	<b>direct allocation – blanket</b> (ABC1 and ABC2) <b>sample/direct allocation</b> (ABC3 and ABC4)	26
15.	SBS TV - SBS1, SBS2 and SBS3	<b>direct allocation – blanket</b> <b>sample/direct allocation</b> (multi-channel)	27
16.	Community Television	<b>by analogy</b>	27
17.	NITV (National Indigenous Television)	<b>direct allocation - blanket</b>	29

	<b>Television – New Zealand:</b>		
18.	TVNZ – TV1 and TV2	<b>direct allocation – blanket</b> <b>sample/direct allocation</b> (multi channels) (see section for special treatment of music in commercials)	28
19.	NZ Commercial Television – TV3	<b>sample/direct allocation - blanket</b> (see section for special treatment of music in commercials)	30
20.	NZ Commercial Television – FOUR	<b>sample/direct allocation - blanket</b>	30
21.	NZ Commercial Television - Prime	<b>sample/direct allocation - blanket</b>	30
22.	NZ Maori TV	<b>direct allocation - blanket</b>	30
23.	NZ Pay TV (Sky)	<b>direct allocation – blanket</b> (see section for special treatment of music in commercials)	31
24.	<b>Airlines:</b>		33
	Qantas	<b>direct allocation - blanket</b>	33
	Virgin Blue	<b>direct allocation - blanket</b>	33
	Jetstar	<b>direct allocation - blanket</b>	34
	Air New Zealand	<b>direct allocation - blanket</b>	34
25.	<b>Ambient Music:</b>		34
	Australia The sum of \$86,300 is deducted from the Australian Background music pool prior to the allocation of this pool to Australian radio.		34
	The sum of \$5,000 is deducted from the New Zealand Background music pool prior to the allocation of this pool to New Zealand radio.		34
26.	<b>Background Music Suppliers:</b>	<b>direct allocation - blanket</b>	35
27.	<b>Churches:</b>		35
	Australia	<b>third-party data</b>	35
	New Zealand	n/a	35
28.	<b>Cinema:</b> (including IMAX)		36
	Australia	<b>third-party data</b>	36
	New Zealand	<b>third-party data</b>	36
	Film Festivals	<b>by analogy</b>	36
29.	<b>Concerts &amp; Promoted Events:</b>		
	Australian Promoter Concerts (a.k.a. Distributable Events)	<b>direct allocation</b> (where value of licence is \$200 or more)	37
	Australian Sporting Codes & Events	<b>direct allocation</b> (where value of licence is \$200 or more)	39
	New Zealand Promoter Concerts (a.k.a. Distributable Events)	<b>direct allocation</b> (where value of licence is \$200 or more)	39
	Symphony Orchestras	<b>direct allocation - blanket</b>	39
	NZ Symphonic & Auckland Philharmonic	<b>direct allocation - blanket</b>	39



30.	<b>Nightclubs:</b> GFN GFR Australia	sample	38
	GFD GFR New Zealand	sample	38
31.	<b>Featured Recorded Music (GFR)</b>	sample	39
32.	<b>Fitness &amp; Aerobic Classes:</b>		
	Australia	third-party data & by analogy	39
	New Zealand	third-party data & by analogy	39
33.	<b>Music on Hold:</b>		
	Australia	by analogy & direct allocation	40
	New Zealand	by analogy & direct allocation	40
34.	<b>Live Performance Returns (LPRs):</b> See Section 41 below for information regarding the allocation of licence fees to the Live Performance Pool.		40
35.	<b><u>Online Services, including Digital Delivery, Streaming, You Tube, Video on Demand, Fetch TV, Podcasts, 3G Mobile, Cloud &amp; Ringtone</u></b>		43
	Online		43
	Podcasters	sample or by analogy, depending on circumstances	43
	3G Mobile Services	sample or by analogy, depending on circumstances	43
	ABC Online	Sample/direct allocation – blanket	43
	Ringtones and Ringback (aka Callback)	Direct allocation – blanket (iTunes), transactional (other)	43
	Digital Delivery (incl. iTunes)	Direct allocation transactional	43
	YouTube	Direct/ blanket as applicable	44
	Streaming Services (incl. Spotify, Pandora and Apple Music)	sample or by analogy, depending on revenue	44
	Video on Demand Services	sample or by analogy, depending on revenue	44
	Music Distribution Services	Used where client supplies music updates to stored services via a communication (e.g. digital background music or jukebox services).	44
	Cloud Services	Under review	44
	Miscellaneous	Licence specific will vary from agreement to agreement. Would include Bus Video licence.	45
36.	<b>Education</b>		
	Australia Schools, Universities, Conservatoria and Commercial Colleges.	third-party data	45
	New Zealand	sample & third-party data	45

<b>37.</b>	<b>Background Music <sup>1</sup>:</b>	<b>by analogy</b>	
	Australia		45
	New Zealand		45
<b>38.</b>	<b>Community Groups &amp; Eisteddfodau:</b> Refer to Live Performance (LPR) Section	<b>by analogy</b>	
<b>39.</b>	<b>Dance Schools:</b>	<b>by analogy</b>	
	Australia		46
	New Zealand		46
<b>40.</b>	<b>General Live:</b>	<b>by analogy</b>	
	Australia		46
	New Zealand		46
<b>41.</b>	<b>Halls &amp; Functions:</b> Refer to Live Performance (LPR) Section	<b>by analogy</b>	
<b>42.</b>	<b>Karaoke:</b>	<b>by analogy</b>	
	Australia		46
	New Zealand		46
<b>43.</b>	<b>Music in the Workplace:</b> Refer to Live Performance (LPR) Section	<b>by analogy</b>	
<b>44.</b>	<b>Payments From Affiliate Societies</b> Affiliate Societies distribute royalties to APRA according to their own distribution rules and in accordance with CISAC guidelines.		45

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<sup>1</sup> Licence fees received for television sets are added to APRA's television pools rather than radio pools for distribution. Australian licence fees received for Video Juke Boxes and Video Tape Players are added on a 1/3rd basis to the music used in the music television programmes "Rage", "Music Max" and "Channel V". NZ licence fees are added 50/50 to "Rage" and "Juice".

## **EXPLANATION OF DISTRIBUTION PROCESSES**

### **AUSTRALIAN COMMERCIAL RADIO**

#### *Direct Allocation - Blanket*

The large majority of Australian Commercial radio stations provide electronic 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 and performer/s of each work, the duration of each work as broadcast and the number of times each work was played during the reporting period.

These quarterly electronic reports are supplemented by paper reports detailing music played outside of their computer playlist systems, and also include music used in programme themes, promos, station ID's and production music used in radio commercials made by the station or a related production facility. Paper reports are provided on a sample basis, with metropolitan stations providing 12 weeks a year and country stations 4 weeks a year.

The licence fees paid by each of the 260+ stations in this category, which includes a number of 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 SAFM in Adelaide or 2BDR in Albury or 3CCS in Colac are paid directly to the composers and publishers of the music broadcast by these individual stations.

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

Approximately, 2,600,000 radio broadcast hours are reported to APRA each year and analysed for APRA's distribution. This represents over 26,000,000 individual broadcasts of musical works a year. The titles reported by the stations are matched against the approximately 13.6 million musical works housed in APRA's database. An automatic title match rate of approximately 90% is achieved, rising to over 99% after research by APRA staff.

#### **Music in Commercials**

*Note that, following Distribution P1510 (for FY 2015, to be paid in November 2015), for which the following description applies, the distribution process for music in commercials will change significantly to incorporate the use of music recognition technology for metropolitan stations. This document will be updated in the near future.*

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from questionnaires completed periodically by commercial radio stations, which identify the amount of advertising on each station and the proportionate use of commissioned, published and production music.

The size of the 'jingle' pool is determined by calculating the amount of music in commercials as a percentage of total music broadcast hours on radio. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules, is then deducted from total Australian Commercial radio revenue. The resultant pool is then separated into two individual pools, one for commissioned and published music, and one for production music. The main pool is separated in this way because

the source of distribution data and, consequently, the distribution procedures for commissioned/published and production music differ.

### ***Commissioned and Published Music - Third-Party Data***

APRA Jingle Forms are completed by writer and publisher members and by affiliate societies, who identify 'National', 'State' or 'Local' use for each commercial for which they (or, in the case of affiliate Societies, their members) have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 100 credit points as it is potentially available to 100% of the Australian population. Similarly, a NSW state commercial is allocated 33.9 points, as the population of NSW is 33.9% of the Australian population. The number of credit points to be allocated for each State and territory is calculated in this way. The population figures are obtained from the Australian Bureau of Statistics.

The calculation for 'Local' advertisements is somewhat more complicated, as it takes into account the number of city stations and the number of country stations in each state, the population percentage of the state, and then applies a weighting in accordance with average APRA licence fees for city and country stations.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms 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 Quarterly distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the Jingle Reporting Forms and detailed Guidelines for their completion are contained on APRA's website. Details can be found in the Members' section of the site under 'Forms and Guidelines'.

### ***Production Music - Sample Analysis***

Production music used in radio advertisements is reported by stations and included in their paper logs. Each station is required to report the titles of the production music works that have been included in a radio commercial made by the station or by a related production facility during the station's APRA's rostered weeks. The stations report the number of days that each commercial has gone to air, and this information is used in lieu of performances for distribution purposes. APRA analyses this data on the basis of 1 week per quarter for City stations and 1 week per alternate quarter for Country stations.

Because details of production music are reported with each station's APRA logs, payment of this sub-pool is included in both APRA's Quarterly distributions.

### ***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

## **ABC RADIO**

### *Direct Allocation - Blanket*

There are seven 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 Nielsen.

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.

In addition, a full census (100%) analysis is made of the music based programmes;

Friday Night Shuffle  
Hip Hop Show  
Home & Hosed  
House Party  
Mix Up Exclusives  
Racket (pka FMR)  
Roots N All  
Short Fast Loud  
Something More  
Middawn

For the dance music programmes 'Mix Up' and 'The Club', a full report of all tracks selected by the producer/presenter is provided to us – together with approximately 50% of guest setlists (usually overseas DJ's).

Although unscheduled music used in non-music programmes is not reported, the significant increase in APRA's level of analysis has increased total reporting from approximately 95% to very close to 100% of music played.

**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** – The ABC provide paper 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 (PNN)** – Only uses themes and radio promos. Full details of this music are provided by the ABC.

**JJJ Unearthed, DIG, DIG Jazz & DIG 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 and is included in APRA's distributions as a result.

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

##### *Sample/direct allocation – blanket*

Programmes broadcast on the Sydney AM/FM & Melbourne AM/FM frequencies are networked – the programmes are prepared by one centre and broadcast in both Melbourne & Sydney. Digital Audio Broadcast (DAB+) stations are broadcast in all DAB+ markets and are included for distribution analysis.

The national AM/FM frequency is received in the following areas –

Adelaide 106.3fm  
Adelaide Foothills 95.1fm  
Bathurst 88.9fm  
Brisbane 93.3fm  
Canberra 105.5fm  
Darwin 100.9fm  
Hobart 105.7fm  
Newcastle & Hunter Valley 1413am  
Perth 96.9fm  
Wagga Wagga 103.5fm  
Wollongong 1485am  
Young (NSW) 98.7fm

The programmes broadcast on the national frequency are taken from the Sydney and Melbourne AM/FM frequencies.

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

SBS radio broadcasts in approximately 70 languages, including English. The SBS provides APRA with broadcast information for both the AM and FM networks and their digital radio stations, and the languages (in addition to English) that are included in APRA’s distribution analysis are shown below:

Aboriginal	Korean
Arabic	Latvian
Bengali	Lithuanian
Bosnian	Macedonian
Bulgarian	Malay
Cantonese	Mandarin
Cook Island Maori	Maori
Croatian	Maltese
Czech	Norwegian
Danish	Polish
Dutch	Portuguese
Estonian	Romanian
Fijian	Russian
Filipino	Samoan
Finnish	Serbian
French	Slovak
German	Slovenian
Greek	Spanish
Hebrew	Swedish
Hindi	Thai
Hungarian	Tongan
Indonesian	Turkish
Irish	Vietnamese
Italian	Yiddish
Japanese	

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

**COMMUNITY RADIO (permanent)**

*Sample Analysis & Distribution By Analogy*

There are approximately 270 community radio stations holding permanent ABA licences. Total APRA licence fees are quite low, reflecting the non-commercial and often voluntary nature of these stations. Consequently, APRA’s level of music analysis is commensurately small and, of economic necessity, based on a sample analysis system.

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, based on a sample constructed by ACNielsen. Each selected station provides APRA with four weeks logs per annum, either electronically or on paper. The number of logs actually used from each station for distribution analysis (which ranges from 1 week to 4 weeks a year) depends on the size of each station’s APRA licence fee.

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

An amount (3.35%) is deducted from the community radio pool in respect of unreported production music use on community stations. The amount deducted is added to Australian Commercial Radio Library Jingles, being considered the most analogous existing distribution pool.

Community stations are separated into four discrete pools –

Pool 1 includes stations categorised as Fine Music, General, Alternative and University/Independent. The structure of this pool in terms of the (licence fee based) weighting given to the four sub-categories and the weighting given to each selected station was determined by ACNielsen.

Pool 2 separates ATSI (Aboriginal and Torres Strait Island) community stations so that the licence fees paid by these stations are distributed only to the music broadcast by this type of station.

Pools 3 and 4 contain Christian and Christian Rhema stations so that, as with the ATSI stations, the music reported by the Christian stations shares in the licence fees paid by all Christian stations and the music reported by the Christian Rhema stations shares in the licence fees paid by all Christian Rhema stations.

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

### ***COMMUNITY RADIO (temporary)***

#### *Distribution By Analogy*

There are approximately 60 temporary community stations in Australia. These stations hold ABA licences that allow them to operate for periods of up to 12 months, either on a continuous basis or on a shared basis with other stations depending on the availability of frequencies in the area.

No logs are received from these stations while they hold temporary status, and their licence fees are added across the permanent stations' pools on a pro rata basis.

### ***NARROWCAST RADIO***

#### *Direct Allocation - Blanket & Distribution By Analogy*

Include tourist radio stations, specialist language stations, racing radio stations etc. There are 113 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. There are, however, currently no stations receiving individual distribution analysis. 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 to the distribution pool for SBS Radio, who provide APRA with logs for their foreign language broadcasting services.



## **NEW ZEALAND COMMERCIAL RADIO**

### *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 paper reports detailing music used in programme themes, promos, station ID's and production music used in radio commercials made by the station or a related production facility, which are not currently able to be reported electronically. These are provided on a sample basis, four 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.

### **Music in Commercials**

*Note that, following Distribution P1510 (for FY 2015, to be paid in November 2015), for which the following description applies, the distribution process for music in commercials will change significantly to incorporate the use of music recognition technology for metropolitan stations. This document will be updated in the near future.*

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the 'jingle' pool is determined by calculating the amount of music in commercials as a percentage of total music broadcast hours on radio. This percentage, after applying the 'jingle' weighting factor under APRA's Distribution Rules, is then deducted from total New Zealand Commercial radio revenue. The resultant pool is then separated into two individual pools, one for commissioned and published music, and one for production music. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

### **Commissioned and Published Music - third-party data -**

APRA Jingle Forms are completed by writer and publisher members and, indeed, by affiliate societies, who identify National, North Island, South Island or Regional use for each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of population. That is, a 'National' commercial is allocated 24 credit points, a North Island only commercial is allocated 16 points, and a South Island only commercial is allocated 8 points.

Similarly, regional only advertisements receive credit points based on the size of the region in which the commercial is broadcast.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms 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.

Copies of the relevant forms and guidelines for their completion are available from APRA's New Zealand office.

#### Production Music – **sample analysis** –

Production music used in radio advertisements is reported by stations and included in their paper logs. Each station is required to report the titles of the production works that have been included in a radio commercial made by the station or by a related production facility during the station's APRA's rostered weeks. The stations report the number of days that each commercial has gone to air, and this information is used in lieu of performances for distribution purposes.

Because details of production music are reported with each station's APRA logs, payment of this sub-pool is included in APRA's Quarterly distributions.

#### **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.

#### **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.

#### **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.

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

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

### ***AUSTRALIAN COMMERCIAL TELEVISION***

*- Direct allocation - blanket - (Networks 7, 9 and 10 capital city stations, and multi channels)*

*- Direct allocation - sample analysis - (all other stations)*

EDI Stations:

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, ID's 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 paper 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 Commercials**

*Note that, following Distribution P1510 (for FY 2015, to be paid in November 2015), for which the following description applies, the distribution process for music in commercials will change significantly to incorporate the use of music recognition technology for metropolitan stations. This document will be updated in the near future.*

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool 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 'jingle' pool 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 under APRA's Distribution Rules\*, is then deducted from total Australian Commercial television revenue. The resultant pool is then separated into individual pools for commissioned and published music, and for production music, based on the timing and music analysis of each commercial referred to above. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

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

### **Commissioned and Published Music – third-party data**

APRA Jingle Reporting Forms (JRF's) are completed by writer and publisher members and, indeed, by affiliate societies, who identify 'National', 'State' or 'Local' use for each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 100 credit points, as it is potentially available to 100% of the Australian population. Similarly, a NSW state commercial is allocated 33.9 points, as the population of NSW is 33.9% of the total number of people in Australia. The number of credit points to be allocated for each State and territory is calculated in this way. The population figures are obtained from the Australian Bureau of Statistics.

The calculation for 'Local' advertisements is somewhat more complicated, as it takes into account the number of city stations and the number of country stations in each state, the population percentage of the state, and then applies a weighting in accordance with average APRA licence fees for city and country stations.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms 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.

Infomercials – Jingle Reporting Forms should be provided to APRA in the case of Infomercials with a broadcast duration of less than 20 minutes. Interstitials with these shorter durations may not be reported on television stations’ APRA logs, and the provision of Jingle Reporting Forms will ensure a distribution payment can be made.

Copies of the Jingle Reporting Forms and detailed Guidelines for their completion are available on APRA’s website. Details can be found in the Members’ section of the site under ‘Forms and Guidelines’.

***Production Music – third-party data***

Production music is paid for its use in advertisements broadcast on Australian commercial television using data provided to APRA by AMCOS. Under the AMCOS licence, stations, studios etc. are required to advise AMCOS of the production music reproduced into television commercials.

APRA is copied with this information Quarterly and distributes the production music pool to the works reported to AMCOS. The AMCOS report identifies the number of commercials each production work has been used in during the relevant period.

***AUSTRALIAN SUBSCRIPTION TELEVISION (PAY TV) - cable and satellite (Foxtel)***

*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 148 channels, carried on the Foxtel pay TV platforms, are included in APRA’s distributions<sup>†</sup>.

<b>Australian Pay-TV Distribution Channels</b>
[V HITS]
111 GREATS
111 GREATS +2
13TH STREET
13TH STREET +2
13TH STREET HD
A&E
A&E HD
ACTION MOVIES
ACTION MOVIES +2

<sup>†</sup> Where relevant cue-sheets are in APRA’s computer database at the time of logging the performance.

ACTION MOVIES HD
ADULTS ONLY SELECT 1
ADULTS ONLY SELECT 2
ANIMAL PLANET
ANT1 PACIFIC [ANTENNA]
ARENA
ARENA +2
ARENA HD
ARTS CHANNEL
AUSTRALIAN CHRISTIAN CHANNEL
BBC FIRST
BBC FIRST HD
BBC KNOWLEDGE
BBC KNOWLEDGE HD
BBC WORLD NEWS
BIO.
BLOOMBERG TELEVISION
BOOMERANG
CARTOON NETWORK
CBEBIBES
CCTV NEWS
CCTV-9 DOCUMENTARY
CHANNEL [V]
CNN INTERNATIONAL
COMEDY CHANNEL
COMEDY CHANNEL +2
COMEDY MOVIES
COMEDY MOVIES HD
COUNTRY MUSIC CHANNEL
CRIME [PKA CRIME & INVESTIGATION]
DISCOVERY CHANNEL HD
DISCOVERY CHANNEL
DISCOVERY CHANNEL +2
DISCOVERY HOME & HEALTH [KIDS]
DISCOVERY SCIENCE
DISCOVERY TURBO MAX
DISCOVERY TURBO MAX +2
DISNEY CHANNEL
DISNEY JUNIOR [PKA PLAYHOUSE]
DISNEY MOVIES
DISNEY MOVIES HD
DISNEY XD

E!
ESPN
ESPN HD
ESPN 2
ESPN 2 HD
EUROSPORT
EUROSPORT HD
EUROSPORT NEWS
FAMILY MOVIES
FAMILY MOVIES +2
FAMILY MOVIES HD
FOX CLASSICS
FOX CLASSICS +2
FOX FOOTY
FOX FOOTY HD
FOX NEWS
FOX SPORTS 1
FOX SPORTS 1 HD
FOX SPORTS 2
FOX SPORTS 2 HD
FOX SPORTS 3
FOXSPORTS 3 HD
FOX SPORTS 4
FOXSPORTS 4 HD
FOX SPORTS 5
FOX SPORTS 5 HD
FOX SPORTS NEWS
FOX SPORTS NEWS HD
FOX8
FOX8 +2
FOX8 HD
FOXTEL ON DEMAND
FX
FX +2
FX HD
HISTORY CHANNEL
HISTORY CHANNEL HD
LIFESTYLE
LIFESTYLE +2
LIFESTYLE FOOD
LIFESTYLE FOOD +2
LIFESTYLE HD

LIFESTYLE HOME
LIFESTYLE YOU
LIFESTYLE YOU +2
MASTERPIECE MOVIES
MASTERPIECE MOVIES HD
MAX
MOVIES PREVIEW CHANNEL
MOVIES PREVIEW CHANNEL +2
MTV
MTV DANCE
MTV MUSIC
NAT GEO PEOPLE
NAT GEO WILD
NAT GEO WILD HD
NATIONAL GEOGRAPHIC CHANNEL
NATIONAL GEOGRAPHIC CHANNEL +2
NATIONAL GEOGRAPHIC CHANNEL HD
NHK WORLD
NICK JR.
NICKELODEON
PREMIERE MOVIES
PREMIERE MOVIES +2
PREMIERE MOVIES HD
RAI ITALIA 2 [RAI INTERNATIONAL]
ROMANCE MOVIES
ROMANCE MOVIES HD
SHOWCASE
SHOWCASE +2
SHOWCASE HD
SMOOTH
SOHO
SOHO +2
SOHO HD
STUDIO
STYLE NETWORK
SYFY
SYFY +2
SYFY HD
TCM
THRILLER MOVIES
THRILLER MOVIES HD
TLC



TLC +2
TVHITS
TVHITS +2
TVN
TVSN
UKTV
UKTV +2
UNIVERSAL CHANNEL
UNIVERSAL CHANNEL +2
UNIVERSAL HD
WEATHER ACTIVE
WORLD MOVIES
WORLD MOVIES HD

In addition to the channels listed above, APRA adopts the Nashville Rule for pass-through channels where a direct distribution is not possible owing to lack of data. The value of such channels 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 licence fees received from the pay TV operators are allocated to each channel based on a combination of audience size (using OzTam audience ratings) and the amount of music used. The amount of music used weighting is based on the timed, 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>
<b>Music</b>	<b>47.3</b>
<b>Movies</b>	<b>22.2</b>
<b>Entertainment</b>	<b>18.6</b>
<b>Sport</b>	<b>7.7</b>
<b>Business etc</b>	<b>4.1</b>

Each channel's audience rating is multiplied by its group's music-use weighting, to determine its share of distributable revenue.

Although the time-shifted ('+2') channels are not listed separately, their additional audiences are taken into account. The music broadcast by each channel receives a share of the APRA licence fees paid by the operator that carries it.

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 relatively small number of commercials and the low licence fees involved, however, the deducted amount is added to the commercial television pool 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 exactly the same way as all other radio. Earnings are reported in the ‘Radio’ column of APRA’s distribution statements.

## ***ABC TELEVISION***

### ***ABC1 and ABC2***

#### *Direct Allocation - Blanket*

ABC1 and ABC2 television broadcasts are analysed for 52 weeks per annum. The majority of 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 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.

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

#### *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.

**Australia Plus (pka Australia Network)** – There is no separate revenue received from the ABC for this service and Australia Plus programming is virtually the same as programming across the ABC free-to-air stations. Accordingly there is no separate distribution analysis.

## **SBS TELEVISION**

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

#### *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.

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

A proportion of the SBS TV revenue is deducted for allocation to the music used in commercials. Owing to the relatively small number of commercials and the low licence fees involved, however, the deducted amount is added to the commercial television pool for music used in advertisements

## **AUSTRALIAN COMMUNITY TELEVISION**

### *Distribution By Analogy*

There are about 15 community television stations licensed by APRA. None has to date shown itself to be commercially viable and very low licence fees (if any) are being paid by these stations. 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.

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

#### *Direct Allocation - Blanket*

National Indigenous Television (NITV) is a not for profit public company 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 programming and are added to APRA's distribution database. Music and programmes contained on NITV's electronic files that match automatically with APRA's database are included for payment in APRA's distribution.

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.

### ***TELEVISION NEW ZEALAND – TV1 and TV2***

#### *Direct Allocation - Blanket*

TV1 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.

Note that digital TV station TVU closed in August 2013. As a result, two months' of TVU programming was paid in Distribution P1401 (the September 2013 Quarter). The EDI files for TVU were matched against APRA's database of musical works and audio-visual productions on a census basis. Works and AV productions that did not match automatically were researched by APRA staff on a 1 week in 4 basis, and new cue-sheets were obtained for addition to APRA's computer system where necessary.

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

#### ***Music in Commercials***

*Note that, following Distribution P1510 (for FY 2015, to be paid in November 2015), for which the following description applies, the distribution process for music in commercials will change significantly to incorporate the use of music recognition technology for metropolitan stations. This document will be updated in the near future.*

A separate sub-pool exists for the payment of music used in advertising commercials. The size of the pool is calculated from extensive taping and timing of New Zealand television programming. Over 190 hours of NZ television were recorded, and the music content of each commercial timed and analysed.

The size of the 'jingle' pool 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 under APRA's Distribution Rules, is then deducted from total NZ Commercial television revenue. The resultant pool is then separated into individual pools for commissioned and published music, and for production music, based on an analysis conducted for APRA's New Zealand office. The main pool is separated in this way because the source of distribution data and consequently the distribution procedures for commissioned/published and production music differ.

Music contained in advertisements (including 'infomercials') and public service announcements receives 7.5% of a full Featured credit (i.e. 50% of a Background credit) for each second of duration.

#### ***Commissioned and Published Music – third-party data –***

APRA Jingle Forms are completed by writer and publisher members and, indeed, by affiliate societies, who identify National, North Island or South Island use in respect of each commercial for which they have either written or licensed the music. The 'value' of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a 'National' commercial is allocated 3 credit points, a North Island commercial 2 credit points and a South Island commercial 1 credit point.

Jingle form payments for music in commercials are made once a year in APRA's 'Annual' distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms 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.

Copies of the relevant forms and guidelines for their completion are available from APRA's New Zealand office.

#### ***Production Music – third-party data –***

As with Australian commercial television, production music is paid for its use in advertisements broadcast on NZ commercial television using data provided to APRA by AMCOS. APRA is copied with this information twice a year and distributes the production music pool to the works reported to AMCOS. The AMCOS report identifies the number of commercials each production work has been used in during the relevant period.

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

### *Sample/Direct Allocation - Blanket*

Prime TV programming 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.

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

### *Sample/Direct Allocation - Blanket*

TV3 provides paper 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.

**Music in commercials** – a separate pool is calculated for music in commercials, as described in the TV1/TV2 section above.

## **NEW ZEALAND COMMERCIAL TELEVISION – FOUR**

### *Sample/Direct Allocation - Blanket*

FOUR provides paper 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.

## **NZ MAORI TV**

### *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.

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

*Direct Allocation - Blanket*

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

The following channels are included in APRA’s distributions:

<b>NZ Pay-TV Distribution Channels</b>
ANIMAL PLANET
ARTS CHANNEL
BBC KNOWLEDGE
BBC WORLD NEWS
BRAZZERS TV
CARTOON NETWORK
CCTV NEWS
CHINESE TV 1
CHINESE TV 2
CHINESE TV 3
CHINESE TV 4
CHINESE TV 5
CHINESE TV 6
CHINESE TV 7
CNN INTERNATIONAL
CRIME
DESIRE TV
DISCOVERY CHANNEL
DISNEY CHANNEL
DISNEY JUNIOR
E!
ESPN
ESPN 2
HISTORY CHANNEL
JAPANESE TV
KOREAN TV 1
KOREAN TV 2
MTV CLASSICS

MTV HITS
NATIONAL GEOGRAPHIC CHANNEL
NICK JR.
NICKELODEON
PLAYBOY CHANNEL
RIALTO CHANNEL HD
SKY MOVIES CLASSICS HD
SKY MOVIES EXTRA HD
SKY MOVIES FAMILY HD
SKY MOVIES GREATS HD
SKY MOVIES PREMIERE HD
TCM HD
TRAVEL CHANNEL
UKTV
UNIVERSAL CHANNEL

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 Commercials**

*Note that, following the last annual distribution for commercials (Distribution P1510, for FY 2015, paid in November 2015), for which the following description applies, the distribution process for music in commercials will change significantly next year to incorporate the use of music recognition technology for free-to-air metropolitan stations.*

*This document will be updated in the near future.*

**Commissioned and Published Music – third-party data –**

APRA Jingle Forms are completed by writer and publisher members and, indeed, by affiliate societies, who identify National, North Island or South Island use in respect of each commercial for which they have either written or licensed the music. The ‘value’ of each jingle is calculated based on the extent of its broadcast use in terms of national and state population. That is, a ‘National’ commercial is allocated 3 credit points, a North Island commercial 2 credit points and a South Island commercial 1 credit point.

Jingle form payments for music in commercials are made once a year in APRA’s ‘Annual’ distributions. At the time of each APRA distribution for jingles, the total number of credit points for all Jingle Forms is divided into the amounts available for distribution, to arrive at a dollar value per point. The final payment to each jingle is based on its total number of credit points, multiplied by their dollar values.

The retrospective claim period for Jingle Reporting Forms 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.



Copies of the relevant forms and guidelines for their completion are available from APRA's New Zealand office.

## **NON-BROADCAST CATEGORIES**

### **AIRLINES**

#### ***Qantas***

##### *Direct Allocation - Blanket*

Audio - Electronic logs are received on a quarterly basis covering all music played on Qantas' in-flight audio systems.

Video - In-flight film and television programming is reported to APRA by a combination of electronic reports and in-flight magazines.

Qantas licence fees are paid separately for in-flight audio and for in-flight audio/visual entertainment and are distributed accordingly.

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

#### ***Virgin Blue***

##### *Direct Allocation - Blanket*

Audio - Electronic logs are received on a quarterly basis covering all music played on Virgin's in-flight audio systems.

Video - In-flight film and television programming is reported to APRA by means of electronic reports.

Virgin Blue's licence fees are paid separately for in-flight audio and for in-flight audio/visual entertainment and are distributed accordingly.

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

#### ***Jetstar***

##### *Direct Allocation - Blanket*

Audio - Electronic logs are received on a quarterly basis covering all music played on Jetstar's in-flight audio systems.

Video - In-flight film and television programming is reported to APRA by means of electronic reports.

Jetstar's licence fees are paid separately for in-flight audio and for in-flight audio/visual entertainment and are distributed accordingly.

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

### ***Air New Zealand***

#### *Direct Allocation - Blanket*

Audio - Details of the musical works used on Air New Zealand's in-flight audio system are taken from the airline's in-flight magazines, on a census basis. Albums included in Air New Zealand's "on demand" service are also included in the distribution.

Video - It is not currently possible to include Air New Zealand's in-flight video programming in the distribution owing the low licence fees received.

### **AMBIENT MUSIC**

#### ***Australia***

A separate pool exists for the payment of Ambient music. The size of the pool, which is deducted from general revenue, is determined by the APRA Board based on a study into the use of Ambient music in various businesses in Australia, conducted by an international marketing research company. The study found that the use of Ambient music is widespread in businesses such as Acupuncturists, Chiropractors, Naturopaths, Physiotherapists, Beauty Salons etc.

However, because of the nature of these businesses, it is not possible to obtain music usage reports. As a consequence, APRA separates the Ambient pool into three sub-pools and distributes the revenue using three sources of information:

- 1) **Members' and Affiliates' claims** – 50% of the pool. By means of specially designed forms, members and affiliated societies may provide APRA with details regarding the sale of their Ambient music recordings. Forms may be completed in respect of each album that has sold 50 copies or more, detailing the titles of the works, the duration of each track, the number of units sold etc.

The retrospective claim period for Ambient music will be 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 Ambient distribution. It will be credited at the rate applicable to the distribution in which it is paid.

- 2) **Qantas In-Flight Ambient Music Channel** – 25% of the pool. APRA includes Qantas's Ambient in-flight music channel in the distribution to provide a wider spread of Ambient titles able to share in the pool set aside for the payment of this type of music.
- 3) **Ambient music broadcast on selected radio programmes** – 25% of the pool. As with the inclusion of Qantas Ambient, this is to provide a wider spread of ambient works to share in the distribution pool. The selected radio programmes are sampled on a 1 week in 4 basis.

However, where a suitable radio programme is unavailable, fees are allocated 67% to Members' claims, 33% Qantas.

### ***New Zealand***

A separate pool is similarly set aside in respect of the use of Ambient music in New Zealand. This pool is also split into two sub-pools and distributed using members' claims (as above, this constitutes 67% of the New Zealand pool) and the Air New Zealand in-flight Ambient channel (33% of the pool).

The Ambient pools are distributed once a year in APRA's 'Annual' distributions.

### ***BACKGROUND MUSIC SUPPLIERS –***

Australia: SMA, Mood Media (DMX), Coles, Big W, SBA & Marketing Melodies.

New Zealand: Audio Pilot, Automated Music Systems, Orange Door Music Video, Smartpay Ltd., Radio Network and Soundproof Australia

#### *Direct Allocation*

Background music used by the large number and variety of APRA's general background music licence holders is, in the main, distributed by the addition of the relevant licence fees to APRA's radio distribution pools.

However, the above named suppliers are exceptions to this, as APRA undertakes a specific analysis and distribution of these major background music supply companies, which provide APRA with reports, in computer readable form, of the musical works included in their databases, which are used to provide a variety of retail and other outlets with background music content.

The licence fee paid by each supplier is distributed directly to the works they report to APRA.

### ***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.

## **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 4 credit points per minute. 'Featured' music is multiplied by 2 and theme music 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. As a consequence, 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 exactly 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.

## **CONCERTS, EVENTS & DANCE PARTIES**

### ***Australian & New Zealand Promoter Concert, Events and Dance Parties***

#### *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. In addition, at least one concert in a tour will be attended by a member of APRA's staff who verifies the list of the musical works performed.

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 setlists are valued at less than \$15 (\$1 or less per work based on an average length setlist) that cannot be obtained at the time of distribution or higher value setlists that cannot be obtained after 3 years, 100% of the money is added to APRA's Live Performance Return (LPR) pool.

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 a number of 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.

### ***Sporting Code and Event Licence***

#### ***Australia***

##### *Direct Allocation*

Where setlists are provided by the relevant sporting code (e.g. Cricket Australia, Netball 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).

## **Australian Symphony Orchestras**

### *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.

## **NZ Symphonic and Auckland Philharmonic Concerts**

### *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.

## **NIGHTCLUBS**

### *Sample*

#### **Australia**

The distribution of licence fees received from Nightclubs is distributed using a combination of ARIA Chart data, Music Recognition Technology (MRT) and playlists of selected radio stations and music video TV programmes.

The ARIA Club Chart is 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.

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 20+ 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.

The third 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: 45% is allocated to the ARIA Club Chart data, 45% to the works reported by DJ Monitor and 10% to the broadcast logs. 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.

The amount allocated to the selected radio and TV logs is further split, 66.7% to the radio playlists, 16.7% to Music Max and 16.6% to Channel V.

### ***New Zealand***

Owing to the relatively low licence fees collected from New Zealand, no separate reporting or analysis is undertaken for dance music.

As a consequence, the Australian Club Chart and DJ Monitor reports are used for distribution purposes, but the allocation to broadcast logs is based on New Zealand radio and music video data.

### ***FEATURED RECORDED MUSIC***

#### *Third-Party Data*

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

### ***FITNESS & AEROBIC CLASSES***

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

#### ***Australia***

Thirty-eight percent of licence fees from this source are distributed on the basis of music reports received from the manufacturers of aerobic and fitness CDs. The proportion of revenue allocated to each CD manufacturer's music reports was determined by a survey of gyms. Based on survey advice from ACNielsen, questionnaires were sent to over 200 gyms around the country to ascertain the source of the music used during classes held on their premises. This information was related to the APRA licence fee paid by each gym.

The remaining 62% of licence fees are distributed by way of analogy across the various radio pools, on a follow-the-dollar basis.

## ***New Zealand***

Again, 38% of licence fees are distributed on the basis of tape manufacturers' music reports, with the remaining 62% added to the New Zealand radio station pools.

## ***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 radio pools.

## ***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 then contacts 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.

## ***LIVE PERFORMANCE RETURNS (LPRs)***

### *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 LPR 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 LPR 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	100%
Community Bands	100%
Music in the Workplace	100%
Churches	10%
Karaoke	25%
Nightclubs (DJ's LPRs)	variable

The additions to the New Zealand LPR 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 LPRs is dependent upon the amount of revenue collected under the relevant tariffs and the number of LPRs (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 LPR performances, with the exception of contemporary classical and jazz music, which are credited at their reported durations.

Performances at venues not yet licensed by APRA are paid as if the venue holds an APRA licence. However, where multiple performances occur at such a venue, or at a venue where there is no door charge or expenditure on artists, the payment is capped at \$25, which is the minimum GLA licence for a venue (less administration costs).

The payment amount allocated to multiple performances by the same performer occurring at the same venue is checked to ensure that the amount distributed does not exceed the licence fee paid by that venue.

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

The retrospective claim period for Live Performance Returns 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 an LPR claim can be found in the Members' section of APRA's website under 'Forms and Guidelines'.

#### DJs' LPRs

Live Performance returns submitted by DJs are paid from the LPR pool and at the same rate as conventional LPRs. An appropriate amount is deducted from the Nightclub pool and added to the LPR 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 LPRs

Live Performance returns submitted by members for qualifying performances in schools are paid from the LPR pool and at the same rate as conventional LPRs.

#### ***Online Services, including Digital Delivery, Streaming, You Tube, Video on Demand, Podcasts, 3G Mobile & Ringtone***

##### ***ABC Online***

##### *Sample/Direct Allocation - blanket*

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 broadband sites (referred to by the ABC as "Gateways") currently included in APRA's distributions are: **JJJ Unearthed, DIG, DIG Jazz** and **DIG Country**. In addition, 20% of the ABC's Online monies are added to the ABC TV pool in respect of 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**

#### *Direct Allocation – Blanket (iTunes) and Transactional (other)*

Ringtone providers report musical work and sales details to APRA AMCOS quarterly, by means of our proprietary EDI reporting format. For clients other than iTunes, whose Ringtone revenue is distributed on a Blanket basis, licences are Transactional. The 'transactional' nature of the APRA (and AMCOS) distribution means that each work's distribution payment is calculated as a percentage of its sales value.

All works are matched automatically against the APRA AMCOS database where possible. Works that do not find a match are reported for research by APRA AMCOS staff.

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

##### *Direct Allocation – Transactional & Direct Allocation - Blanket*

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 several hundred thousand unique works and productions each quarter.

The APRA AMCOS distribution for Digital Delivery is either 'transactional', in that each work's distribution payment is calculated as a percentage of the value of its sales, or is distributed on a 'blanket' licence basis, where each work shares in a single revenue 'pool' from which the value of each work is calculated using a combination of download activity and duration.

Because download sales are generally spread thinly across a very large number of separate works, the vast majority of sales are worth only a few cents per work in terms of their APRA AMCOS distribution value. As a consequence, APRA AMCOS applies a dollar threshold before researching unidentified titles, in order 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.

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.

With some blanket licences for digital download services, the pool of money available for distribution from that licence must be calculated by factoring the fee, usage, usage patterns and the term of use.

## **YouTube**

APRA includes in its distributions the music reported by You Tube by means of their electronic 'Music Asset' reports. These reports contain approximately 300,000 musical works per quarter. In addition, You Tube provides a report containing videos where music, if present, is not reported. Each quarter, APRA staff research the top 1,000 videos by number of views to identify, where possible, the music contained in them.

## **Streaming Services (including Spotify, Pandora and Apple Music)**

APRA currently distributes all streaming revenue, other than You Tube, Pandora and Apple Music, using Spotify data. Spotify, Pandora and Apple Music works that have an APRA AMCOS distribution value over \$2 are processed for distribution purposes and are paid on a quarterly basis using usage data provided by these companies.

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

With the exception of Netflix, APRA distributes all Video on Demand revenue quarterly using the quantity of iTunes VOD data that represents 50% of the iTunes file by APRA distribution value.

## **Netflix**

As with iTunes VOD, APRA distributes all Netflix Video on Demand revenue quarterly using the quantity of Netflix VOD data that represents 50% of the Netflix file by APRA distribution value.

N.B. It is APRA's intention to move to a full analysis of Streaming, You Tube 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.

## **Miscellaneous Online Clients**

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

A number of Online, Podcast and 3G Mobile licensees report their music details in a computer readable form. The distribution procedure approved by Board has been adopted to maintain a distribution system that is not, in terms of workload and therefore cost, incommensurate with the fees received.

The distribution procedure is as follows: Licence fees received with no accompanying music usage data are distributed across the radio revenue pools on a follow-the-dollar basis. However, where the online licence fee exceeds \$5,000, fees may be allocated to an alternative distribution source if one exists that more closely reflects the type of music used.

## **EDUCATIONAL LICENCES - SCHOOLS & UNIVERSITIES, INCLUDING CONSERVATORIA and COMMERCIAL COLLEGES**

### **Australia**

#### *Third Party Data*

APRA's distributions include payment in respect of music performed in Australian government, independent and catholic schools, universities 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 the large majority of 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 and universities 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*

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, 90% of the remaining licence fees are distributed to the musical works included in the CAL survey, with the remaining 10% allocated to New Zealand schools' data.

### **LICENCE CATEGORIES FOR WHICH ALL OR PART FEES ARE ADDED TO RADIO AND OTHER POOLS FOR DISTRIBUTION INCLUDE: (Australia and New Zealand):**

#### *Distribution By Analogy:*

#### **Background Music**

#### **Restaurants**

#### **Hotels**

#### **Retail**

***Dance Schools  
Schools  
Universities  
Fitness & Aerobic Classes  
Karaoke***

Licence fees are received from a large number of, generally, small businesses for the use of mechanical devices such as radios, juke boxes and TV sets on their premises.

As it would be virtually impossible for such licensees to provide APRA with music usage information, and it would equally be quite unfeasible economically 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, generally on a 50/50 basis (with the exceptions detailed in the following paragraph), and then on a follow-the-dollar basis across the various stations, using the broadcast logs provided by the stations as the most appropriate and analogous music information source.

\*The only exceptions to the allocation to the TV and radio pools as described are in respect of the tariffs specifically for the use of television sets - the fees received under these licences are added to the various television distribution pools, again on a follow-the-dollar basis.

***Payments from Affiliate Societies***

APRA receives royalty distributions from approximately 60 affiliated societies around the world, covering some 50 countries. Payments totalling approximately \$20 million a year are received for APRA members' musical works performed and broadcasts overseas. Approximately 150 individual distributions are processed each year.

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.