

AMCOS

Distribution

Practices



APRA
AMCOS

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OVERVIEW:

Under the terms of the AMCOS licence agreements, Licensees are obliged to report details of works reproduced in order for licence fees to be calculated and distributed. Where a blanket licence is issued details of the music usage should be supplied unless it has been agreed that the APRA distribution data for that music use is to be used for the basis of distribution.

AMCOS's distribution is based on the premise that the licence fee should be paid directly to the musical works reproduced where possible and economically viable to do so.

AMCOS's distribution methods are as follows:-

- a) Pay per use – licence fees are calculated and collected for each work reproduced.
- b) Direct allocation – blanket licence fees are paid by the Licensees and are allocated directly to the Musical Works used by that Licensee.
- c) Sample/direct allocation – licence fees are paid by a single Licensee however owing to the characteristic of the licence scheme a sample reporting system is in place.
- d) Distribution by analogy – licence fees are added to a distribution pool that is most similar in terms of its music content.

The following table lists the sources of AMCOS's licence fee income. It is explained in the following pages how each income source is distributed. The following explanations apply to both Australia and New Zealand income except where noted otherwise.

LICENCE TYPE	LICENSEES (APPROX No.)	FEE STRUCTURE	DISTRIBUTION METHOD
<p>Non-Major Record Companies</p> <p>Audio/Video/Karaoke</p> <p>AUSTRALIA</p>	80	<p>Negotiated voluntary licence agreement with ARIA (Australian Record Industry Association) – Physical Product Agreement</p> <p>Audio – 8.7% of PPD or 6% of Retail</p> <p>Video – 6.5% of PPD or 4.5% of Retail, subject to pro rata background music adjustment where the release is not a music audio visual production</p> <p>Karaoke – 15.25% of PPD or 10.5% of Retail</p> <p>Mixed Format – Audio rate applies to Audio Tracks and the Audiovisual rate for the Video Tracks</p> <p>Retentions allowed at different rates for firm sales and sale or return. Royalty rates subject to minimum fees.</p>	Pay per use

<p>Non-Major Record Companies</p> <p>Audio/Video/Karaoke</p> <p>NEW ZEALAND</p>	<p>17</p>	<p>Negotiated voluntary licence agreement with RIANZ (Recording Industry of New Zealand) – Physical Product Agreement</p> <p>Audio - 8% of PPD or 5.6% of Retail</p> <p>Video – 6.25% PPD or 4.375% of Retail</p> <p>Karaoke – 14.55% PPD or 10.1% of Retail</p> <p>Mixed Format – Audio rate applies to Audio Tracks and the Audiovisual rate for the Video Tracks</p> <p>Retentions allowed at different rates for firm sales and sale or return. Royalty rates subject to minimum fees.</p>	<p>Pay per use</p>	<p>12</p>
<p>DIGITAL MUSIC SERVICE PROVIDERS (Joint licence with APRA)</p> <p>A La Carte Services/Subscription Music Services</p> <p>AUSTRALIA</p>	<p>37</p>	<p>Subject to approved scheme by the Australia Copyright Tribunal (for period 1 Jan 2010 to 31 December 2014)</p> <p>A La Carte Services – 7.02% retail price for music downloads/ 6.25% retail price for video downloads</p> <p>Subscription Music Services – varies depending on the nature of the service</p> <p>Rates subject to certain track minima</p>	<p>Pay Per use</p>	<p>12</p>

DIGITAL MUSIC SERVICE PROVIDERS (Joint licence with APRA) NEW ZEALAND	4	<p>Voluntary licence scheme</p> <p>A La Carte Services 7.02% of retail price for music downloads/ 6.24% of retail price for video downloads</p> <p>Subscription Music Services – 7.02% of the relevant revenue</p> <p>Rates subject to certain track minima</p>	Pay per use	12
MOBILE PHONE RINGTONE PROVIDERS (Joint licence with APRA) AUSTRALIA	19	<p>Voluntary licence scheme</p> <p>One-off \$10 fee for each new work per Licensee</p> <p>10% of ringtone sale price subject to minimum fee of 15c per sale</p>	Pay Per Use	13
MOBILE PHONE RINGTONE PROVIDERS NEW ZEALAND	4	As per above	Pay per use	13
ONLINE SERVICE PROVIDERS AUSTRALIA/NEW ZEALAND	300	<p>Varied schemes depending on service. The 3 main groups are</p> <ul style="list-style-type: none"> - Variable fee depending on use - Percentage subject to minimum fee - Negotiated one-off agreements 	<p>Pay per use</p> <p>Blanket</p> <p>Analogy</p>	13

		- Joint licences offered with APRA. Depending on nature of site different "value splits" of the 2 rights apply		
MAJOR RECORD COMPANIES Audio/Video/Control/Dispute/Audit Recoveries AUSTRALIA	3	Negotiated voluntary licence agreement with ARIA (Australian Record Industry Association) – Physical Product Agreement Audio – 8.7% of PPD or 6% RRP Video – 6.5% of PPD or 4.5% of RRP (subject to pro rata background music adjustment) Karaoke – 15.25% of PPD or 10.50% of Retail Mixed Format – Audio rate applies to Audio tracks and the Audiovisual rate for Video Tracks Retentions allowed at different rates for firm sales and sale or return. Royalty rates subject to minimum fees.	Pay per use By analogy	13
MAJOR RECORD COMPANIES Audio/Video/Control/Dispute/Audit Recoveries	3	Negotiated voluntary agreement with RIANZ (Recording Industry of New Zealand) Audio 8% of PPD or 5.6% of Retail Video – 6.25% of PPD or 4.375% of Retail Karaoke – 14.55% of PPD or 10.1% of Retail	Pay per use By analogy	13

NEW ZEALAND		Retentions allowed for consignment sales.		
OCCASIONAL SUNDRY CLIENTS AUSTRALIA	780 p.a.	Percentage of retail price (6.0%) subject to a minimum fee per track (5c) or per recording (\$15)	Pay per use	14
OCCASIONAL SUNDRY CLIENTS NEW ZEALAND	120 p.a.	Percentage of Retail (5.60%) subject to a minimum fee of \$10 per recording	Pay per use	14
PRODUCTION MUSIC AUSTRALIA	800 p.a.	Application Fee plus 30 second unit rates per Production Music Rate Card or flat fee per production	Pay per use	14
PRODUCTION MUSIC NEW ZEALAND	337	As per Australia above based on NZ Production Music Rate Card	Pay per use	14
COMMERCIAL TELEVISION BLANKET AUSTRALIA	37	Negotiated (commercial-in-confidence) fixed amounts with each network	Direct allocation/pay per use	15
NATIONAL BROADCASTERS AUSTRALIA	2	Negotiated (commercial-in-confidence) fixed amounts with each broadcaster	Direct allocation	15

TV NETWORK NATIONAL NEW ZEALAND	4	Negotiated (commercial-in-confidence) fixed amounts with each broadcaster)	Direct allocation	15
REGIONAL TELEVISION NEW ZEALAND	9	Negotiated (commercial-in-confidence) fixed amounts with each broadcaster	Direct allocation	15
BOARD APPROVED MINI TV BLANKET LICENCES AUSTRALIA	5	Negotiated fixed amounts either per 30 second units or per episode rates	Direct allocation/Pay per use	16
BOARD APPROVED MINI TV BLANKET LICENCES NEW ZEALAND	1	Negotiated fee per episode	Pay per use	16
COMMERCIAL RADIO BLANKET (Joint licence with APRA) AUSTRALIA	274	APRA/AMCOS combined licence – percentage of revenue tiers based on music use.	Analogy	16
COMMERCIAL RADIO BLANKET NEW ZEALAND	120	Flat fee with 3 tiers according to licence area	Analogy	16

COMMUNITY RADIO AUSTRALIA	216	Negotiated flat fee	Analogy	16
NARROWCAST RADIO BLANKET AUSTRALIA	14	Negotiated flat fee – various tiers taken from community and commercial blanket licences depending on stations size	Analogy	16
PAY TV AUSTRALIA	15	Negotiated (commercial-in-confidence) fixed or per use amounts with each channel	Direct allocation	16
PAY TV NEW ZEALAND	5	Negotiated (commercial-in-confidence) fixed amounts with each channel	Direct allocation	16
NON-RETAIL BLANKETS AUSTRALIA	85	Generally for background music suppliers and radio syndication. Usually a percentage of revenue (6.0%) subject to a minimum fee where applicable. Some agreements on a flat fee basis	Sample/direct allocation	16
NON-RETAIL BLANKETS NEW ZEALAND	1	Background music supplier, Negotiated blanket amount	Direct allocation	16
SOCIETY WORKS – SYNCHRONISATION/ PREMIUMS AUSTRALIA	15-30 p.a.	Negotiated amounts	Pay per use	17

JOINT ARIA LICENCES AUSTRALIA	1,000	Flat fees subject to incremental adjustments. Includes Dance Schools & Single Event Domestic Video use.	N/A Analogy	17
SCREENRIGHTS – MUSICAL WORKS AUSTRALIA	4.2m	AMCOS receives 7.4% of Screenrights collections from educational copying for the reproduction of the Musical Work	Sample/Direct Allocation	17
SCREENRIGHTS - MUSICAL WORKS NEW ZEALAND	0.4M	Per above	Sample/direct allocation	17
SCREENRIGHTS – SOUND RECORDINGS AUSTRALIA	4.2m	AMCOS receives 2% of Screenrights collections from educational copying for the copyright in the Sound Recording of the Musical Work	Sample/direct allocation	17
SCREENRIGHTS – SOUND RECORDINGS	0.4M	Per above	Sample/direct allocation	17
SCHOOLS PHOTOCOPYING AUSTRALIA	3.3m	65c per student	Sample/direct allocation	17

SCHOOLS PHOTOCOPYING NEW ZEALAND	397,000	47c per student	Sample/direct allocation	17
SCHOOLS AUDIO & VIDEO REPRODUCTION LICENCE AUSTRALIA	3.3m	51.01c per student	Sample/direct allocation	19
SCHOOLS AUDIO & VIDEO REPRODUCTION LICENCE NEW ZEALAND	397,000	38.70c per student	Sample/direct allocation	19
OVERSEAS AFFILIATED SOCIETIES	50	Various licence fees set by affiliated Societies	Pay per use	19
ADVERTISING NEW ZEALAND	15-30 p.a.	Negotiated amounts	Pay per use	19
SYNCHRONISATION NEW ZEALAND	15-30 p.a.	Negotiated amounts	Pay per use	19

EXPLANATION OF DISTRIBUTION PROCESSES

1. *Non-major Record companies – pay per use*

Production details are supplied to AMCOS electronically via the CMS Clearance Facility (CF). Songs are matched to extant works in the CMS database or are newly created. Members are then able to view the productions, check the works ownership and make new/amended claims to these on line if necessary. A Prescribed Notice is issued to the record company 10 working days after the productions submission date. Mechanical royalties can then be invoiced. These are based on quarterly sales, on a pay per use basis at the applicable royalty rate checking the Membership Opt Out and Direct Pay Tables in the CMS Membership system. These monies are distributed on a quarterly basis in the quarter's distribution that the invoice is paid in full. Monies are paid to the copyright owner at the time of distribution based on the CMS Agreement Database. If there is no current owner at this time the monies are held in control until such time there is a current owner in a subsequent distribution quarter.

The distribution statements show the record company, production and sales detail in full together with the works and percentage share being distributed.

Some record companies keep their own control accounts i.e. for those works not controlled by AMCOS at time of invoicing. For those that do not AMCOS issues invoices to the record company as if it controls the mechanical right in all copyright works being reproduced. These monies are kept in an "unidentified control account" by AMCOS for 2 ½ years and if the ownership has not been identified within this period the royalties are credited to the record company as part of an overpayment control distribution process.

2. *Digital Music Service Providers – Pay Per Use*

Digital Music Service providers submit sales reports of single work and production downloads on a quarterly basis which are matched to extant works and productions in the CMS database or are newly created if their APRA/AMCOS joint royalty value is over the current \$15 threshold. These are invoiced on a pay per use basis at the applicable royalty rate checking the Membership Opt Out and Direct Pay Tables in the CMS Membership system. These monies are distributed on a quarterly basis in the quarters' distribution that the invoice is paid in full. Monies are paid to the copyright owner at the time of distribution based on the CMS Agreement Database. If there is no current owner at this time the monies are held in control until such time there is a current owner in a subsequent distribution quarter.

The distribution statements show the Digital Music Service Provider, the work, production and sales detail in full.

The Digital Music Service providers do not keep their own control accounts i.e. for those works not controlled by AMCOS at time of invoicing. AMCOS issues invoices as if it controls the mechanical right in all the copyright works being reproduced except those or shares of those which are subject to Opting Out and Direct Deals by the AMCOS Member. The monies held in control will be distributed when a claim is received from an AMCOS Member.

3. *Streaming Services (including Spotify) – Direct allocation/by analogy*

AMCOS currently processes direct distributions for Spotify, YouTube, Apple Music, VEVO, Tidal, Deezer, Soundcloud and Les Mills NZ. All other services are distributed by analogy

using Spotify data. Works are paid on a quarterly basis using data provided by these companies.

Where copyright ownership has not been identified, a threshold is applied. For works above threshold, the monies are held in control until such time there is a current owner in a subsequent distribution quarter. For works below threshold, no control monies are carried forward except where the ownership of the work is in dispute.

AMCOS includes in its YouTube distribution the music reported by YouTube by means of their electronic "Music Asset" reports. These reports contain approximately 300,000 musical works per quarter. In addition, YouTube provides a report containing music videos where music, if present, is not reported. AMCOS researches the top 1,000* videos by number of views to identify, where possible, the music contained in these videos.

*the top 250 videos were researched for distribution 1509 (distribution paid in November 2015)

4. *Mobile Phone Ringtone Providers – Direct Allocation (iTunes)/Pay per use (other)*

Mobile phone ringtone providers provide details of musical works sold as ringtones on a quarterly basis which are matched to extant works in the CMS database or are newly created. iTunes Ringtone revenue is distributed on a Blanket basis. All other Clients are invoiced on a per work basis per the applicable royalty rate which includes a \$10 fixation fee for each work when it is first reported. The royalty rate is either calculated on a fixed percentage of the ringtone sale or a fixed sum per work and is distributed in the quarter the invoice is paid in full to the current owners of the work based on the CMS Agreement Database.

The mobile phone retail providers do not keep their own control accounts, AMCOS issues invoices as if it controls the mechanical right in all the copyright works being reproduced except those or shares of those which are subject to Opting Out and Direct Deals by the AMCOS Member. The monies held in control will be distributed when a claim is received from an AMCOS Member.

5. *Online Service Providers – pay per use/direct allocation/by analogy*

Online reproductions may be licensed either on a pay per use or blanket licence basis.

If licensed on a pay per use basis distributions are made on a quarterly basis for all invoices which are paid in full at the end of the quarter. If licensed on a blanket basis the licence fees are distributed in the quarter the invoice is paid in full provided the music usage has been provided. Each work receives one credit point per 30 seconds or part thereof. If duration is not provided fees are distributed equally on a song occurrence basis. The total licence fee is distributed at time of distribution to the current owners of the work/s. No control monies are carried forward except where the ownership of the work is in dispute.

If the Licensee does not supply details of works reproduced the licence fees will be added to a distribution pool that is most similar in terms of its musical content.

6. *Facebook*

APRA AMCOS entered into a licence agreement with Facebook in 2018 to cover the use of

our members' works on Facebook platforms (which include Facebook, Instagram, Messenger and Oculus). Facebook is in the process of developing their music reporting system and, although APRA AMCOS is working with Facebook locally, the music system is being developed globally and is not expected to produce usable reports until mid-2019 at the earliest. To ensure members receive a flow of royalties from the Facebook licence agreement, the APRA and AMCOS Boards approved an interim distribution practice that uses analogous data from other digital sources until Facebook's reporting system has been implemented across their licensed platforms.

7. Major Record Companies – pay per use/analogy

AMCOS collects from the Major Record Companies where its Members have opted in for this line of business and for works AMCOS administers on behalf of its affiliated overseas Societies where the works are not represented by a local publishing company. Claims with the major record companies are made by means of the CMS Clearance Facility and payments are received quarterly within 60 days of the end of each quarter. AMCOS entered into Service Agreements with all the Major Record Companies in 2012 and now calculates and produces their mechanical royalty accountings each quarter. AMCOS dispatches all the statements on their behalf however the record companies pay AMCOS members directly where they have opted to be paid directly and not via AMCOS.

The right of Audit under the Physical Product Agreements does not extend to the making or sales of Records which took place more than 3 years before the date of the audit so AMCOS operates a 3 year audit program. Any audit is undertaken at the expense of AMCOS provided that if any deficiency is found to exceed 10% of the moneys actually payable for the period under audit is found, the reasonable cost must be borne by the Record Company. If monies are recovered by AMCOS as a result of an audit the audit costs are deducted before the recovery is distributable. In most cases the audit recoveries are not attributable to particular productions so the amount recovered will be added to a distribution poll that is most similar in terms of its music content.

As part of the audit process AMCOS receives details of all works being held in the Major Record Companies' control accounts. These works are investigated and where possible claims are made on behalf of our Members. These monies are received quarterly and are distributed to the copyright owners in the following quarters' distribution.

Where the works are in dispute AMCOS hold the monies until the dispute is resolved and can the royalties be distributed in the next quarterly distribution. These monies are accounted by AMCOS to its' members.

8. Occasional Sundry Clients – pay per use

Production details are supplied to AMCOS via the CMS clearance facility and mechanical royalties are invoiced based on number of units manufactured by the client. These monies are distributed on a quarterly basis in the quarters' distribution that the invoice is paid in full. Royalties are paid to the copyright owner at time of distribution per the CMS agreement database. If there is no current owner at time of distribution but there was as the time of the invoice the monies are held in control until such time there is a current owner in a subsequent distribution quarter.

The distribution statements show the client, production details and number of units manufactured.

AMCOS does not invoice royalties for "unidentified" works however if it subsequently

identifies a work as having been an AMCOS work at time of manufacture, AMCOS reserves the right to issue an additional invoice to the client in respect of this musical work/s and these royalties will be distributed in the quarter the invoice is paid.

9. Production Music - pay per use

Licence fees are calculated on a per-30 second or part thereof usage based on a rate card per production which sets out the rate for each licence category or a negotiated flat fee. For non-broadcasters a \$10 application fee applies per production which is not distributable. Monies are distributed on a quarterly basis in the quarters' distribution the invoice is paid in full. Royalties are paid to the copyright owners at time of distribution based on the CMS Agreement Database.

The distribution statements show the source and licence category for each licence fee distributed.

10. Commercial Television Network Blanket Licences – direct allocation

These blanket licences only cover locally produced programs, promos and ID's as defined in the licence agreements. Cue sheet information for programs, promos and ID's made under these licences is extracted from the APRA performance pool for the period being distributed into a discrete AMCOS pool. Commissioned works and published music used as themes are removed as they are not covered by the blanket licence. The works are matched to the AMCOS database and if they do not already exist are added together with the ownership details if known.

If the ownership is unknown or partially unknown details of these works are circulated to AMCOS Members to allow them to register their interest prior to distribution. The total licence fee is distributed at time of distribution to the current owners of the works per the CMS Agreement Database. If a work has no current ownership or partial ownership no monies are allocated to these unrepresented shares.

Distributions are made quarterly.

11. National Broadcasters Blanket Licence (ABC/SBS) – direct allocation

Licence fees received from the ABC & SBS are pooled together. Same distribution process as 9 above. Distributions are made quarterly.

12. TV Network National New Zealand – direct allocation

Same process as above. Distributions are made quarterly.

13. Regional Television New Zealand – direct allocation

Cue sheets for programs, promos and ID's are supplied to AMCOS by the licensees and are entered into discrete distributions pools per licensee. If the ownership is unknown or partially unknown details of these works are circulated to AMCOS Members to allow them to register their interest prior to distribution. The total licence fee is distributed at time of distribution to the current owners of the works per the CMS Agreement Database. If a work has no current ownership or partial ownership no monies are allocated to these unrepresented shares.

Distributions are made quarterly.

14. Board approved Mini-Blanket TV Licences – pay per use

These licences are for locally made television programs not covered by the Commercial Television Network/National Broadcasters blanket licences. Cue sheets for the series are supplied to AMCOS by the licensees.

The Licensee either pays on a per 30 second or part thereof unit rate in which case the licence fee is allocated to the work/s at time of invoicing or a fixed rate per episode in which case the licence fees are allocated at time of distribution based on a 30 second or part thereof units. Distributions are made in the quarter the invoice is paid in full provided all the cue sheet information has been received.

15. Commercial Radio/Community Radio/Narrowcast Radio – distribution by analogy

These licence fees are all pooled together by territory and are distributed based on data received from APRA which details all production music works broadcast in commercials on commercial radio in both Australia & New Zealand. The licence fees are distributed on duration based on 30 second units or part thereof.

Distributions are made quarterly.

16. Pay TV – direct allocation

The Pay TV channels are licensed under negotiated fixed or per use amounts. The licence fees are distributed based on cue sheets and music logs (music channels) provided to APRA. Each work receives one credit point per 30 seconds or part thereof. If the ownership is unknown or partially unknown details of these works are circulated to AMCOS Members to allow them to register their interest prior to distribution. The total licence fee is distributed at time of distribution to the current owners of the works per the CMS Agreement Database. If a work has no current ownership or partial ownership no monies are allocated to these unrepresented shares.

17. Non-Retail Blanket Licences – direct allocation/analogy

These licences are issued to background music suppliers e.g. airlines in-flight audio systems and radio syndicators. The licensees are required to provide music usage details which are allocated to the licence fees on a song occurrence basis i.e. not duration as this is not normally provided. Licence fees from similar music users are “pooled” together as not all licensees provide music usage. Owing to the large number of works reproduced and the relatively low licence fees works are included in the distribution until a minimum per work value of \$20 is reached.

If the ownership is unknown or partially unknown details of these works are circulated to AMCOS Members to allow them to register their interest prior to distribution. The total licence fee is distributed at time of distribution to the current owners of the works per the CMS Agreement Database. If a work has no current ownership or partial ownership no monies are allocated to these unrepresented shares.

Distributions are made quarterly.

18. Music on Devices Licences –analogy

Businesses that use personal digital music services (e.g. Spotify and Apple Music) require a licence from AMCOS because AMCOS' licence to the service itself is limited to personal and domestic use. It would be impractical and costly for such licensees to provide AMCOS with details of all the music they use, and it would be equally quite unfeasible economically for AMCOS to process such large volumes of data. These licence fees (after a small deduction has been made to fund approved industry matters such as anti-piracy initiatives) are, therefore, distributed by means of an analogous data set (i.e. the music streaming reports from the services themselves).

If the ownership is unknown or partially unknown details of these works are circulated to AMCOS Members to allow them to register their interest prior to distribution. The total licence fee is distributed at time of distribution to the current owners of the works per the CMS Agreement Database. If a work has no current ownership or partial ownership no monies are allocated to these unrepresented shares.

19. Synchronisation/Premiums – pay per use

These are for a specific work/s and the licence request is passed onto the original Society for approval before it can be licensed. The licence fees are distributed in the quarter the invoice is paid in full.

20. Joint ARIA Licences

50% of the licence fees collected are paid to ARIA (Australian Record Industry Association). The AMCOS share of these Licence fees is distributed with the Non-Retail Blanket distribution data.

21. Screenrights Musical Works – sample/direct allocation

Screenrights is the collecting society approved by the Government to collect royalties from educational institutions when they copy from television or radio under provisions in the Australian Copyright Act. Screenrights distribute this money on a non-profit basis to all relevant rights owners whose copyrights have been copied, including rights owners in musical works included in copied programs. Based on a sample system devised by A C Nielsen Screenrights sends a list of all copied program titles to AMCOS with their royalty allocation payment. These are matched to the APRA/AMCOS cue sheet database to identify all the relevant rights owners in the copied musical works. AMCOS allocates this money among each of the individual musical works. This scheme takes into account such factors as the duration of the musical work and its placement in the program (i.e. whether it is a featured piece or background only) in determining the allocation. These monies are distributed annually each year.

22. Screenrights Sound Recordings – sample/direct allocation

As part of the above process a separate allocation is made to the copyright owners in the sound recordings of the musical works. Where the right owner is a member of AMCOS, as is the case with rights owners of production music sound recordings the royalties are paid to AMCOS. These are allocated electronically on a pro rata basis to all the production music works in the musical works pool for the same distribution period and are distributed on an annual basis.

23. Schools Photocopying – sample/direct allocation

In 1980, an amendment to the Copyright Act made it permissible, under the Statutory Licence provisions for educational institutions to make copies of copyright material, including musical works, for their educational purposes. The Statutory Licence was found to be unsatisfactory for the needs of schools in relation to photocopying of musical works, as it did not always permit the copying of the entire musical work. As a result AMCOS negotiated a voluntary licence with the major educational bodies in Australia. A similar voluntary scheme has operated in New Zealand since 1996 although in New Zealand each school is licensed individually under the OneMusic licence. In conjunction with Screenrights, CLNZ and Recorded Music NZ, AMCOS operate a licensing service for the schools offering licences to enable the copying of works in certain circumstances. The schools OneMusic licence is a joint licence between APRA, AMCOS and Recorded Music New Zealand.

The royalties from this licence are distributed annually in the March quarter distribution when the licence fees from the schools have been collected and the copying data has been received. Each year, 180 schools around Australia from four different states/territories are selected to keep records about what they are copying for CAL (Copyright Agency Limited), Screenrights and AMCOS for a period of one term.

The distribution is made by means of a “page rate” which is established by dividing the total money received in licence fees by the total number of copied pages in the data received. This is then multiplied by the number of copied pages for each work to obtain a per work royalty allocation. The royalties are split between the copyright owner of the underlying musical work and the print right owner (i.e. the publisher that has the right to print the musical work in graphic form). Where AMCOS receives book-only data (rather than data relating to individual works) and it constitutes 3% or less of the total pages to be distributed this is excluded from the distribution. Where book-only data constitutes more than 3% of the total pages to be distributed this is referred to the Print Music and Education Committee for a determination prior to finalising the distribution.

If the copying of lyrics only is reported the following applies. If the lyrics are copied with no chords or tablature 100% of the royalty allocation is attributed to the underlying copyright owner of the work unless a particular print agreement includes lyrics only royalties. If there are chord and tablature above the lyrics then the underlying copyright owner is allocated 50% of the royalties and the print owner 50%.

Royalties for public domain works that are unarranged are distributed in total to the publisher that has printed the book. Royalties for any disputed works are held until resolution of the dispute and any undistributable royalties are carried forward to the next distribution pool. The New Zealand licence fees are distributed in accordance with data collected from New Zealand licensed schools. Each year sixty (60) schools are surveyed and samples taken of the works copied. Added to this is data from relevant third parties.

24. Schools Audio & Video Reproduction – sample/direct allocation/ analogy

This is a joint licence with ARIA (Australian Record Industry Association) and APRA.

Royalties from this licence scheme are distributed annually in accordance with the data received from the schools’ sample survey whereby nominated schools will keep records about the audio and video recordings that they make under this licence plus the data collected for the Schools’ photocopying licence. In New Zealand licensed schools are surveyed and similar records are kept of the audio and video recordings made under the

OneMusic licence plus the data collected under the copying survey.

25. Overseas Affiliated Societies – pay per use

AMCOS has reciprocal agreements with approximately 50 similar mechanical collecting societies around the world. These reciprocal agreements enable the Societies to collect for AMCOS controlled works in their territories where they are not published by one of their local Members. Monies AMCOS receives from overseas affiliated societies are distributed in the quarter the royalties are received. AMCOS deducts 5% of net royalties received in respect of the costs associated with the analysis and processing the payments. The royalties are allocated to the musical works as detailed on the statements received.

26. Advertising – Pay per use

AMCOS New Zealand licenses published music for use in television, radio and cinema advertisements. In tandem with this process AMCOS New Zealand also licenses the Sound Recording for use in television, radio and cinema advertising so that the Licensee only has to deal with the one party for approval and payment. All licence requests are forwarded to the copyright owners for approval before the licence is issued. Licence fees are distributed monthly by the AMCOS New Zealand office directly to the Copyright Owners. AMCOS charges 5% commission which is added onto the licence fee quoted by the Copyright Owner.

27. Synchronisation – Pay per use

AMCOS New Zealand licenses published music for use in audio visual presentations, promos, films, DVD's and television. All licence requests are forwarded to the copyright owners for approval before the licence is issued.

Licence fees are distributed in the AMCOS quarterly distribution in the quarter the invoice is fully paid.