



APRA Sustainability Report
30 June 2016

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

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

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CEO's Message

G4-1 Statement from the CEO

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

Sustainability impacts, risks and opportunities

G4-2 Description of key impacts, risks and opportunities

Impacts

We're a service based organisation. The environmental impact of our operations is limited by comparison to manufacturers, agribusiness and retailers, however we see great importance in measuring the footprint of our operations across our multiple sites.

Risks

APRA faces two key sustainability risks. One of those risks is to adopt a 'do nothing' approach. Whilst currently acceptable in today's statutory reporting environment, we believe our key stakeholders should be provided with a sense of our view of corporate responsibility. A 'do nothing/say nothing' approach isn't appropriate to our culture and we eliminate this risk by choosing to comment on our sustainability practices. The second key risk is that we take our corporate responsibility too far and manage our operations in a way that results in a financial detriment to our membership and affiliates. We must strike a balance where we recognise and accept our responsibility in environmental and social terms, yet continue to deliver the highest possible economic benefits to our membership and affiliates.

Sustainability is as important to APRA as we are sure it is to our stakeholders. APRA's overriding sustainability goal is to continue delivering superior service and economic returns to our membership whilst remaining an engaged and responsible corporate citizen.

Opportunities

APRA remains an organisational stakeholder of the GRI. We are proud to be the first collecting society in the world to partner with the GRI, to generate a sustainability report and lead the way for our international partners to follow.

The introduction of a sustainability report presents an opportunity to consider how we might move to integrated reporting in the near future. In 2015 our annual financial report was redesigned, retaining all the required disclosures under International Financial Reporting Standards and reporting these in a more readable and understandable report. We hope to generate our first integrated report in the next two years.

Reporting on our sustainability practices allows us to further analyse our operational activities and social conduct as an employer of 351 staff.

About us

G4-3 Name of the organisation

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

G4-4 Primary brands, products and/or services

APRA has 89,000+ members who are songwriters, composers and music publishers. APRA has managed the operations of AMCOS since 1997. Together with AMCOS, we license organisations to play, perform, copy, record or make available our members' music, and we distribute the royalties to our members. We are affiliated with similar collecting societies around the world. So when Australian and New Zealand songs and compositions are performed overseas, Australian and New Zealand writers get paid. We also help music customers in Australia and New Zealand access music from the rest of the world. Within the Australasian territory, we operate as APRA AMCOS.

APRA AMCOS also manages OneMusic NZ, a joint licensing initiative of APRA AMCOS NZ and Recorded Music NZ, providing a single licensing solution for music and recordings in New Zealand.

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

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

G4-5 Location of organisation's headquarters

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

G4-6 Number of countries where the organisation operates

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

G4-7 Nature of ownership and legal form

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

G4-8 Markets served

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

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

G4-9 Scale of the organisation

Music Creators

As at 30 June 2016, APRA had 89,421 members whilst AMCOS had 16,054 members.

Music Customers

APRA and AMCOS administer music licences for over 142,000 businesses.

APRA Staff

As at 30 June 2016, APRA had 351 staff members.

G4-10 Employees

The breakdown of APRA's employees as at 30 June 2016 is as follows:

Employees by employment contract and gender

Contract	Female	Male	Total
Permanent: Full Time	130	118	248
Permanent: Part time	22	6	28
Contract: Full Time	18	27	45
Contract: Part Time	5	6	11
Casual	6	13	19
Total	181	170	351

Employees by region and gender

Region	Female	Male	Total
Australia	164	160	324
New Zealand	17	10	27
Total	181	170	351

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

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

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

G4-12 Supply chain

APRA AMCOS' supply chain is:



Copyright can be complex - we seek to make it simple. "The Story of a Song" further explains our business in simple terms. View it [here](#).

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

In August 2014, we commenced a core system replacement project, "Copyright Licensing Enterprise Facility" (CLEF) to ensure a best-in-industry service offering in the years ahead. The system will have copyright ownership structured around agreements, creating territorial share pictures and take into account member and society mandates for various right types for licensing, claiming and distribution purposes. A Business Change function remains in place to facilitate the CLEF project. A team of 13 Subject Matter Experts and 14 Data Specialists have been seconded to this function, resulting in the majority of these roles being backfilled on a contract basis to maintain business as usual. Now due for delivery in 2017, it is anticipated that CLEF will transform the way we deliver our services and manage our business practices, data and systems.

Our commitments to external initiatives

G4-14 Addressing the precautionary principle

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

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

What is the precautionary principle?

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

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

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

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

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

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

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

Identifying our sustainability report content

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

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

APRA's Financial Statements for the year ended 2016 can be read [here](#).

G4-18 Defining report content and aspect boundaries

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

We value:

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

We're committed to:

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

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

There are no limitations regarding aspect boundaries.

G4-19 Material Aspects

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

What are Material Aspects?

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

G4-20 & G4-21 Aspect boundaries

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

What are aspect boundaries?

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

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

G4-22 Restatements of information provided in previous reports

There are no restatements of information provided in our 2015 Sustainability Report.

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

We first adopted the GRI G4 Guidelines in 2014. In adopting the G4 Guidelines, greater importance was placed on materiality and defining report content. The identification of our material aspects has resulted in more refined report content which is better aligned with our values, commitments and strategies as an organisation. There have been no significant changes to these material aspects in our 2016 report.

Engaging with our stakeholders

G4-24 Stakeholder groups engaged by the organisation

APRA's five key stakeholder groups are:

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

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

Our key stakeholder groups have been identified from our supply chain and these groups were a key consideration in defining our material aspects.

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

Our music creators

We represent 89,000+ members who are songwriters, composers and music publishers. The majority of our membership engagement takes place via the management of events in each state. During the 2016 year, we hosted 215 career development, networking and community events which were attended by more than 5,500 members. We also engage regularly with our members through initiatives such as SongHubs, SongMakers, Sounds Australia and the Live Music Office. Information about our community engagement can be read [here](#).

APRA AMCOS recognises the importance of our relationship with our members and the reliance of that relationship in our day-to-day business. We survey our members periodically to gauge their satisfaction and improve our services.

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

Our music customers

APRA AMCOS services more than 142,000 businesses across Australia and New Zealand. We hold individual and direct relationships with each of our customers, however we engage with their industry groups to ensure a tailored range of information is provided to as many customers as possible. We engage individually with major customers and collectively with those who are geographically dispersed. In addition to our consultation with key industry groups, our Public Performance Licensing staff engaged with customers at 38 industry association functions and events nationally throughout the 2016 financial year.

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

Our employees

Our employees are for music. They are the 351 people support music creators and music customers to make music rights simple and ensure the industry's future.

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

- Higher Education Assistance, Leadership Development and Mentoring Programs
- In-house Training Programs
- Induction sessions, reviews and buddies for all new staff
- Open Forums and seminars for staff, team leaders and managers
- Employee Assistance Programme – a free counselling service

Our international affiliates

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

Domestic regulators

APRA's membership, licensing, distribution and international arrangements have been authorised by the Australian Competition and Consumer Commission (ACCC) for more than 15 years. Seeking authorisation from the ACCC is one of several public review processes we have in place to ensure we are accountable to our music creators and customers. More information about the authorisation process we undergo with the ACCC can be read [here](#).

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

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

Throughout the 2016 financial year, no other specific concerns were raised by our stakeholders.

About this report

G4-28 Reporting period

Unless stated, all information presented in the Sustainability Report refers to the financial year ended 30 June 2016.

G4-29 Date of most recent previous report

APRA's previous Sustainability Report was released in October 2015 and refers to the financial year ended 30 June 2015.

G4-30 Reporting cycle

APRA's Sustainability Report is released annually.

G4-31 Contact point for questions regarding our Sustainability Report

Questions or feedback regarding APRA's Sustainability Reports can be provided [via email](#).

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

APRA's 2016 Sustainability Report has been compiled in accordance with the Core option of the GRI G4 Content Index under the G4 guidelines. APRA has not sought external assurance for this report.

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

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

Our governance structure

G4-34 Governance structure of the organisation

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

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

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

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

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

Staff are informed, consulted and have the ability to raise suggestions and/or concerns on any topic in various and regularly held forums.

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

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

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

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

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

Specific standard disclosures

Our economic performance

G4-DMA Economic Performance

During the 2016 financial year APRA AMCOS achieved \$285.5m in combined net distributable revenue for our members. A summary of our key financial performance indicators involving our royalty distributions, revenue and costs can be read in our Year In Review [here](#).

What are 'specific standard disclosures'?

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

G4-EC1 Direct Economic Value generated and distributed

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

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

Direct Economic Value Generated and Distributed For the year ended 30 June, 2016			
	Australia (AUD)	New Zealand (AUD)	Consolidated (AUD)
Direct economic value generated			
Revenues	228,291,826	32,758,350	258,353,632
	228,291,826	32,758,350	258,353,632
Operating costs	12,111,392	797,801	12,843,520
Employee wages and benefits	25,177,452	4,298,182	29,121,824
Payments to providers of capital	189,921,119	27,489,194	215,147,506
Payments to government	-	-	-
Community investments	1,081,863	173,174	1,240,782
	228,291,826	32,758,350	258,353,632
Economic value retained	-	-	-

Our environmental impact

G4-DMA Emissions

APRA AMCOS has always been conscious of its impact to the environment and is committed to managing its environmental footprint. We have been capturing data and reporting on our emissions since 2012. In addition to monitoring our output, employees are encouraged to commit to energy efficient behaviours such as turning off monitors at the end of each working day. Our teleconferencing and videoconferencing facilities have helped to reduce the impact of flights. Our Head Office is also subjected to monitoring and reporting of our waste outputs and we recently installed a 30KW solar system on our roof area, made up of 115 solar panels. We continue to support Green Music Australia, an organisation committed to harnessing the cultural power of music and musicians, to lead the way to a greener world.

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

Our direct greenhouse gas emissions were previously comprised of fuel consumption from our fleet of motor vehicles. In June 2015 APRA's vehicle fleet was divested, resulting in zero direct emissions for the 2016 financial year. Our direct and indirect greenhouse gas emissions are reported [here](#).

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

Our indirect greenhouse gas emissions for the 2016 financial year are reported [here](#). Our scope 2 and 3 emissions are comprised of office waste, emissions generated from the purchase of utilities such as electricity, the consumption of transport fuel due to flights and taxis.

Our output of tCO₂e per full-time equivalent employee (FTE) was calculated at 6.2, which is a favourable decrease from 2015 considering an increased FTE headcount.

Our labour practices

G4-DMA Training and Education

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

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

100% of our permanent employees receive annual performance reviews.

Our society

G4-DMA Anti-competitive behaviour

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

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

G4-SO7 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

In the year ended 30 June 2016, there were no legal actions brought against APRA alleging any breach of the conditions of its authorisation from the ACCC or the Competition and Consumer Act.

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

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