

APRA'S DISTRIBUTION PRACTICES

Introduction:

APRA's main royalty distributions take place twice a year. The distribution periods are 1st July to 31st December (the 'A' distribution), with royalties distributed in May the following year, and 1st January to 30th June (the 'B' distribution), with royalties distributed in November. Distribution payments are made to all members with accrued earnings of \$10 or more.

Foreign and adjustment earnings are distributed monthly when the distributable amount exceeds \$10 and the member has an EFT facility, or otherwise when the amount exceeds \$200.

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 be 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.

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 5 million musical works in APRA's database. In the case of television and cinema, reported films and programmes are matched against some 550,000 film and programme titles housed in APRA's computer. On entry to APRA's computer system, the reported usages are converted to 'credit points' (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.

The method of calculation varies according to the category of licensee (such as, radio, TV, concert, online), but is essentially governed by 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 (ie, the programme has been taped 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 six month 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").

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 Senior Researcher for special research.

All lower value works are either paid, if possible, in accordance with the international Warsaw Rule (see below) or their performances and credit points are 'carried-over', and the works are listed as unidentified works on APRA's website for identification and claim by members and affiliate societies. Upon identification, a work is paid in the next APRA distribution, at the distribution rates that apply at that time.

The Warsaw Rule is an international rule adopted by societies around the world and ratified by CISAC. The Rule reads as follows:

"If at the time of distribution there is no documentation available for a work that has been performed or broadcast but if one of the writers is identified as a member or copyright owner belonging to a sister-society, the total royalty payment for this work must be forwarded to this sister-society. The receiving Society will carry out the distribution according to the documentation available to it"

When a work is first identified by APRA as a work that may be distributed in accordance with the Warsaw Rule, it is flagged in CMS. The flag remains during the running of the current distribution, unless a registration is received. A work may be registered at any stage prior to the cut-off date for the following distribution, which will cause a full division-of-fee (DOF) to be added to the work and make a Warsaw Rule payment unnecessary.

If however no claim is received during the processing of the current distribution, the work will appear on APRA's website (following the close of that distribution) for a period of approximately 5 months, for possible identification and claim by APRA's publisher members, until the close off date for the following distribution. Any works listed on APRA's website that have not been registered during that period will be paid under the Warsaw Rule. These works continue to be flagged in CMS as works payable in accordance with the Warsaw Rule until such time as a division-of-fee is added. If a work is registered in a subsequent distribution, a DOF will be attached to the work and no further Warsaw Rule payments will occur.

There are three exceptions to the application of the Warsaw Rule:

- 1) Works written by APRA members, or by writers residing in or citizens of APRA's territories who may be eligible for APRA membership.
- 2) Any work with an estimated value of \$500 or more, which may initially receive a Warsaw flag before its distribution earnings are calculated, will be reported prior to the website listing and will be excluded from this process.

- 3) For technical reasons, it is not possible to apply a Warsaw payment to works that have received a promoter concert performance or an online, ringtone or digital download performance, unless the work was set up as a Warsaw payment in a previous distribution period.

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** - 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 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** – 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) **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. 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.

The word "EDI" denotes that stations are providing electronic, computer readable logs.

***Distribution Analysis Data for APRA's
Major Radio & Television Categories***

<i>Radio:</i>		No. of Hours
Australian Commercial	EDI census for 249 stations – 13,028 weeks p.a. in total. Paper reports from 8 stations - 12 weeks p.a. each for city stations and 4 weeks p.a. each for country stations – total 80 weeks p.a..	2,200,000
ABC (Classic FM, JJJ, RN Metro. & PNN)	Census for all electronic playlists and music based programmes, additional paper reports from Triple J and Metro. Paper only from Classic FM, RN and PNN. Approx. 95% analysis overall.	40,000
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	Sample. 1 week in 4 for most languages.	4,300
New Zealand National Network	Census for EDI playlists + 12 weeks paper reports p.a.	8,000
New Zealand Concert Network	Sample. Paper logs 13 weeks p.a.	2,200
New Zealand Commercial	EDI census for 54 stations	472,700
New Zealand Maori stations	Sample. 40 weeks p.a.	6,700
New Zealand Student stations	Sample. 20 weeks p.a.	3,400
Total Radio hours = c.2.7 million		
<i>Television:</i>		
Australian Commercial	Sample - Network 9 and affiliates - 52 weeks p.a. Census (EDI) - Networks 7 & 10 (capital city stations) Sample - Network 7 & 10 regional affiliates + Unaffiliated stations - 34 weeks p.a.	8,700 87,400 5,700
ABC & ABC2	Census - EDI (programmes networked throughout Australia).	17,400
SBS Channel 0/28	Census for automatched (EDI) , programmes. 1 week in 4 for new programmes.	8,000
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 C4 TV	Census - EDI	8,700
New Zealand Maori TV	Census (EDI) for automatched programmes. 1 week in 4 for new programmes.	8,000
Australian Pay-TV	Census EDI reports from 35 channels, plus promos only from a further 7 channels.	306,000
NZ Sky TV	Census EDI for 11 channels. 1 week in 4 for 2 channels.	100,500
Total TV hours = c. 572,000		

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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.

(If you are reading an electronic version of this report, you can place your cursor on the required section or page number, press CTRL + click left button on your mouse, to follow the link).

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Radio - Australia:					
1. Australian Commercial Radio	257	Monthly fee based on combination of (a) annually fixed rate dependent on station's music use and (b) monthly sales figures.	direct allocation (see section for special treatment of music in commercials)	1	15
2. ABC	1	Fixed percentage of appropriation from government plus fixed percentage of advertising revenue from overseas satellite service.	direct allocation & by analogy	2	17
3. SBS	1	Fixed percentage of appropriation from government plus fixed percentage of advertising revenue from television service.	sample analysis	3	18
4. Community Radio (Permanent)	300	Percentage based scheme – variable rates applied to different revenue streams.	sample analysis & by analogy	4	19
5. Community Radio (Temporary)	50	Fixed percentage subject to a minimum annual fee.	by analogy	5	20
6. Narrowcast Radio	100	Varied percentage (subject to music use) subject to a minimum annual fee dependent on power of transmitter.	direct allocation & by analogy	6	20

* For Austar & Foxtel Digital Radio, see the Australian Pay TV section of this document.

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Radio - New Zealand:					
7. New Zealand Commercial Radio	2 networks, plus 27 independent stations	Percentage of advertising revenue – two tiered structure (1% under 50% MUP ¹ /2.6% above 50% MUP).	direct allocation (see section for special treatment of music in commercials)	7	21
8. New Zealand Public Radio	1	Fixed percentage of appropriation from government.		8	22
- NZ National Radio	1		direct allocation	8	22
- NZ Zealand Concert Radio	1		sample/direct allocation	8	22
9. NZ Maori Radio	20	Fixed percentage of advertising revenue, together with fixed percentage of government operating grants.	sample analysis	9	22
10. NZ Student & Access Radio	10	Fixed percentage of advertising revenue, together with fixed percentage of government operating grants.	sample analysis	10	23
11. NZ Community radio (low powered)	25	Non-commercial community stations – flat fee	n/a	11	23
Television - Australia:					
12. Australian Commercial Television	45	Fixed industry fee (payable in two instalments per year) with CPI variation. Each station pays split of industry fee as advised by Free TV Australia.	(see this section for special treatment of music in commercials)	12	23
Network 7			direct allocation (capital city, network stations)	12	23
			sample analysis (affiliated stations)		
Network 9			sample analysis	12	23
Network 10			direct allocation (capital city, network stations)	12	23
			sample analysis (affiliated stations)		
Unaffiliated Stations			sample analysis	12	23

¹ MUP = Music Use Percentage. That is, the percentage of on-air time taken up by the broadcast of music.

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
13. Australian Pay TV	6	Agreed fee per month per subscriber.	direct allocation	13	25
14. Australian Pay TV (pay per view)	3	Agreed fee per month per subscriber – over above standard fee.	direct allocation	14	27
15. ABC TV & ABC2 (including Australia Network p.k.a. Asia Pacific Television)	2	Fixed percentage of appropriation from government plus fixed percentage of advertising revenue from overseas satellite service. Australia Network – a percentage of government funding from DFAT. Note that scheme covers television services, overseas satellite service and digital TV channels.	direct allocation	15	27
16. SBS TV	1	Fixed percentage of appropriation from government plus fixed percentage of advertising revenue from television service. Note that scheme covers television services and digital TV channels.	direct allocation	16	28
17. Community Television	5	Fixed percentage subject to a minimum annual fee.	by analogy	17	28
Television – New Zealand:					
18. TVNZ (TV1 & TV2)	1	Fixed percentage of advertising revenue paid quarterly.	direct allocation (see section for special treatment of music in commercials)	18	28
19. NZ Commercial Television – TV3	1	Fixed percentage of advertising revenue paid quarterly.	sample/direct allocation (see section for special treatment of music in commercials)	19	30
20. NZ Commercial Television – C4	1	Fixed percentage of advertising revenue paid quarterly.	direct allocation	20	30
21. NZ Commercial Television - Prime	1	Fixed percentage of advertising revenue paid quarterly.	by analogy	21	30
22. NZ Maori TV	1	Fixed percentage of advertising revenue plus fixed percentage of grants.	direct allocation	22	30

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
23. NZ Pay TV	1	Agreed fee per month per subscriber.	direct allocation	23	31
NON-BROADCAST CATEGORIES.					
24. Airlines: (GNA)				24	31
Qantas	1	Annual fee based on i) Terminals, flat fee per device, and ii) In-flight,	direct allocation	24	31
Virgin Blue	1	Annual fee based on i) Terminals, flat fee per device, and ii) In-flight,	direct allocation	24	31
Jetstar	1	Annual fee based on i) Terminals, flat fee per device, and ii) In-flight,	Not currently analysed for distribution purposes.	24	31
Air New Zealand	1	Annual fee based on i) Terminals, flat fee per device, and ii) In-flight.	direct allocation	24	31
25. Ambient Music:				25	32
Australia		The sum of \$86,300 is deducted from the Australian, Background Music pool, prior to the allocation of this pool to Australian radio.	direct allocation & third-party data	25	32
New Zealand		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.	direct allocation & third-party data	25	32
26. Background Music: DMX and SMA Coles and BigW	27	Annual flat fee, increased each year with CPI	direct allocation	26	33
27. Churches: (GNW)				27	34
Australia	1,912	Annual flat fee, increased each year with CPI	third-party data	27	34
New Zealand	80	Annual flat fee, increased each year with CPI.	n/a	27	34

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
28. Cinema:				28	34
(C, GCFF)					
Australia	234	Fixed percentage of gross box office revenue.	third-party data	28	34
New Zealand	25	Fixed percentage of net box office receipts.	third-party data	28	34
Film Festivals	varies	Fixed percentage of gross box office revenue.	by analogy	28	34
29. Concerts & Promoted Events:				29	35
(GCCE, GCFF, GCLB, GCLF, GCLN, GCNF, GCPD, GCSF, GCSM)					
Australian Promoter Concerts	varies	Fixed percentage of gross box office revenue, in some instances pro-rated according to APRA control.	direct allocation (where value of licence is \$200 or more)	29	35
New Zealand Promoter Concerts	varies	Fixed percentage of gross box office revenue, in some instances pro-rated according to APRA control.	direct allocation (where value of licence is \$200 or more)	29	35
Symphony Orchestras	1	Fixed percentage of gross box office revenue, pro-rated according to APRA control.	direct allocation	29	35
NZ Symphonic & Auckland Philharmonic	2	Fixed percentage of gross box office revenue, pro-rated according to APRA control.	direct allocation	29	35
30. Dance Clubs (Discos):				30	37
(GFD)					
Australia	1,230	Whichever is the greater of i) fixed percentage of gross sums paid for admission, or ii) flat fee per person (increased each year with CPI).	third-party data	30	37
New Zealand	160	Whichever is the greater of i) fixed percentage of gross sums paid for admission, or ii) flat fee per person (increased each year with CPI).	third-party data	30	37
31. Featured Recorded Music	96	Whichever is the greater of i) fixed percentage of gross sums paid for admission, or ii) flat fee per person (increased each year with CPI).	third-party data	31	37
(GFR)					

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
32. Fitness & Aerobic Classes:				32	38
(GFAC)					
Australia	930	Annual flat fee per aerobics/circuits class, increased each year with CPI	third-party data & by analogy	32	38
New Zealand	150	Annual flat fee per aerobics/circuits class, increased each year with CPI	third-party data & by analogy	32	38
33. Music on Hold:				33	38
(GMH)					
Australia	6,000	Tiered schedule of fees based on the number of external lines per location person (increased each year with CPI).	by analogy & direct allocation	33	38
New Zealand	60		by analogy & direct allocation	33	38
34. Live Performance Returns (LPRs):	See Section 38 below for information regarding the allocation of licence fees to the Live Performance Pool.		direct allocation	34	39
35. Online, Ringtone, Podcast, 3G Mobile & Digital Delivery Services					
Online (including the ABC Website and commercial/community radio simulcasters)	133 Aust.	Varied schemes depending on service. Three main groups are - variable fee depending on use; - percentage subject to minimum fee; and - negotiated one-off agreements.	sample or by analogy, depending on circumstances	35	40
Australia & New Zealand		Joint licences offered with AMCOS.			
Ringtones and Ringback (aka Callback)	55 Aust. 5 NZ	Fixed percentage of ringtone sale price subject to minimum fee per sale.	direct allocation	35	40
Australia & New Zealand		Joint licences offered with AMCOS.			
Digital Downloads	16 Aust. 4 NZ	A la carte digital download purchases: Interim "WITHOUT PREJUDICE - ALL RIGHTS RESERVED" agreement at higher of 1.75% of retail price and 1.5c per track (capped at 15c for an album download).	direct allocation	35	40

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Podcasters	5 Aust.	Experimental licences – generally short-term flat fees	sample or by analogy, depending on circumstances	35	40
3G Mobile Services	4 Aust.	Experimental licences – generally short-term flat fees	sample or by analogy, depending on circumstances	35	40
Music Distribution Services	2	Percentage of revenue pegged to AMCOS reproduction licence fee.	Used where client supplies music updates to stored services via a communication (e.g. digital background music or jukebox services).	35	40
Miscellaneous	5	Tailor made agreements for specific services	Licence specific will vary from agreement to agreement. Would include Bus Video licence.	35	40
36. Schools (GNS)				36	42
Australia	39 educational organisations	Annual rate per student, increased each year with CPI.	third-party data	36	42
New Zealand	1,400 schools	Annual rate per student, increased each year with CPI.	sample & third-party data	36	42
37. Background Music²: (GMT, GMR, GMB, GMC, GME, GMJ, GMVJ , GMVP , GMV1 , GMV2 , GNE, GNR)		<i>See section 25 for distribution of the licence fees received from the background music suppliers SMA and DMX and for Coles and BigW.</i>	by analogy	37	43
Australia	56,500	Annual flat fee per device, increased each year with CPI		37	43
New Zealand	1,800	Annual flat fee per device, increased each year with CPI		37	43
38. Community Groups & Eistedfodau: (GNG, GNQ)			by analogy	38	43

² Licence fees received under Tariff GMT for television sets are added to APRA's television pools rather than radio pools for distribution. Licence fees received under tariffs GMVJ & GMV1 (Video Juke Boxes), GMV2 (Video Tape Players) and GMVP (Large Screen Televisions) are added on a 50/50 basis to the music used in the music television programmes "Rage" and "Video Hits".

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
Australia	1,300	Annual flat fee, increased each year with CPI.		38	43
New Zealand	60	Annual flat fee, increased each year with CPI.		38	43
39. Dance Schools:			by analogy	39	43
(GND, GNLC)					
Australia	2,070	Annual flat fee per day on which dance classes are conducted, increased each year with CPI.		39	43
New Zealand	150	Annual flat fee per day on which dance classes are conducted, increased each year with CPI.		39	43
40. General Live:			by analogy	40	43
(GLA)					
Australia	5,300	Fixed percentage of annual gross expenditure on live artist performers plus fixed percentage of gross sums paid for admission.		40	43
New Zealand	735	Fixed percentage of gross expenditure on live artist performers plus fixed percentage of gross sums paid for admission.		40	43
Live Performance Return (LPR) Pool:				40	43
100% of the Australian and New Zealand General Live Revenue , and 50% the undistributed promoter concert licence fees under \$200, are combined to form the distribution pools for Australian and New Zealand LPR performances. Distribution of the LPR pools is described in Section 35.					
41. Halls & Functions:			by analogy	41	43
(GNH)					
Australia	1930	Annual flat fee per 100 persons per function increased each year with CPI.		41	43
New Zealand	120	Annual flat fee per 100 persons per function increased each year with CPI.		41	43
42. Karaoke:			by analogy	42	44
Australia	975	Annual flat fee per day upon which Karaoke performances occur, increased each year with CPI		42	44
New Zealand	125	Annual flat fee per day upon which Karaoke performances occur, increased each year with CPI		42	44

REVENUE SOURCE	LICENSEES (approx no.)	FEE STRUCTURE	DISTRIBUTION METHOD	SECTION NO.	PAGE NO.
43. Music in the Workplace: (GNB)			by analogy	43	44
Australia	260	Annual rate per FTE, increased each year with CPI		43	44
New Zealand				43	44
44. Payments From Affiliate Societies		Affiliate Societies distribute royalties to APRA according to their own distribution rules and in accordance with CISAC guidelines.	direct allocation	44	44

- EXPLANATION OF DISTRIBUTION PROCESSES -

1. AUSTRALIAN COMMERCIAL RADIO

– direct allocation -

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. A very small number of stations, about five in total, provide paper reports only.

The licence fees paid by each of the 240 stations in this category 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.

Over 2,700,000 broadcast hours are reported to APRA each year and analysed for APRA's distribution. This represents over 27,000,000 individual broadcasts of musical works a year. The titles reported by the stations are matched against the approximately 3.7 million musical works housed in APRA's database. An automatic title match rate of approximately 94% is achieved, rising to over 99% after research by APRA staff.

Music in Commercials

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 'B' 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 (ie, 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 'B' 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.

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

2. ABC RADIO

– direct allocation –

There are seven domestic ABC radio 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 in direct proportion to the total duration of copyright music broadcast. The allocation to ABC Classic FM is increased by 50% to take into account the effects of APRA's 'Long Work Schedule', as detailed in APRA's Distribution Rules.

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;

'Home and Hosed'
'The Hip Hop Show'
'Full Metal Racket'
'Short Fast Loud'
'Roots n All'
'Groove Train'
'Sound Lab'

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 – Paper based logs report all music broadcast.

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

- 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.

3. SBS RADIO – 2EA and 3EA

– direct allocation –

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.

The national frequency is a shared AM/FM frequency and 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 a approximately 70 languages, including English. The SBS provides APRA with broadcast information for both the AM and FM networks, and the languages (in addition to English) that are included in APRA's distribution analysis are shown below:

2EA	3EA
Aboriginal	Aboriginal
Arabic	Arabic
Bengali	Bengali
Bosnian	Bosnian
	Bulgarian
Cantonese	Cantonese
Cook Island Maori	Cook Island Maori
Croatian	Croatian
Czech	Czech

Danish	Danish
Dutch	Dutch
Estonian	Estonian
Fijian	Fijian
Filipino	Filipino
Finnish	Finnish
French	French
German	German
Greek	Greek
Hebrew	Hebrew
Hindi	Hindi
Hungarian	Hungarian
Indonesian	Indonesian
Irish	Irish
Italian	Italian
Japanese	Japanese
Korean	Korean
Latvian	Latvian
Lithuanian	Lithuanian
Macedonian	Macedonian
Malay	Malay
Mandarin	Mandarin
Maori	Maori
Maltese	Maltese
Norwegian	Norwegian
Polish	Polish
Portuguese	Portuguese
Romanian	Romanian
Russian	Russian
	Samoan
Serbian	Serbian
Slovak	Slovak
Slovenian	Slovenian
Spanish	Spanish
Swedish	Swedish
Thai	Thai
Tongan	Tongan
Turkish	Turkish
Yiddish	Yiddish

4. *COMMUNITY RADIO (permanent)*

– sample analysis & distribution by analogy –

There are approximately 300 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.

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 all non-English programme community stations are added to the distribution pool for SBS Radio, who provide APRA with logs for their foreign language broadcasting services.

5. *COMMUNITY RADIO (temporary)*

– distribution by analogy –

There are approximately 50 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.

6. *NARROWCAST RADIO*

- direct allocation & 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.

7. NEW ZEALAND COMMERCIAL RADIO

– direct allocation –

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 in Commercials

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 'B' 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 (ie, 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 'B' 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 both APRA's 'A' and 'B' distributions.

8. 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 National network electronically and on a census basis. Royalties are distributed by **direct allocation**

The Concert ('serious' music) network is subject to a **sample/direct allocation** distribution. Paper logs are provided for 13 weeks per year.

An additional analysis is undertaken of Australian and New Zealand content broadcast during non-sampled weeks, however. This music is included in the distribution, but is weighted to ensure that it is not paid at the higher sample rate.

9. 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 six month period.

10. 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 six month period.

11. NEW ZEALAND COMMUNITY RADIO (LOW POWERED)

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

12. AUSTRALIAN COMMERCIAL TELEVISION

- direct allocation - (Network 7, 9 and 10 capital city stations)

- sample analysis - (all other stations)

EDI Stations:

Electronic logs are provided for each Network 7 and Network 10 capital city station and for the Network 9 stations, TCN (Sydney), GTV (Melbourne) and QTQ (Brisbane) on a full census (ie, 100%) basis. As a consequence, all programmes and interstitial material (promos, ID's etc.) broadcast by these network stations are included in APRA's distributions.

Sampled Stations:

Network 9 affiliated stations in Adelaide & Perth, and 7, 9 and 10 regional affiliates, as well as a small number of Unaffiliated stations continue to provide paper 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 ACNielsen, 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

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 advertisements by APRA's Performance Verification Department. Several hundred advertisements broadcast on selected city and country television stations were taped, 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.

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 'B' 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 (ie, 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 'B' 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 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.

13. AUSTRALIAN PAY TV (cable and satellite)

– direct allocation –

The APRA distribution includes channels where music usage is generally highest. Most narrowcast, business, news, weather and sport channels (see below re. promos and ID's) are not included in APRA's analysis. Programme, music and interstitial details for 38 channels are reported to APRA electronically on a full census basis by the pay TV operators.

The following 38 channels, carried variously on the Austar, Foxtel and Optus Vision pay TV platforms, are included in APRA's distributions[‡]. Time-shifted (ie, "+2") channels are not listed separately. Foxtel's and Austar's digital services commenced on the 14th March 2004. Channels currently available only to digital subscribers are shown with an asterisk.

[V]
[V]2*
Arena
Australian Christian Channel
Biography*
Box Office*
comedychannel
Country Music Channel (CMC)
Crime & Investigation*
Disney Channel
Discovery
Encore
Fox 8
Fox History
Fox Kids/Fox Classics
Fuel*
Hallmark
How To*
Lifestyle
Lifestyle Food*
Movie Greats
Movie One
Movie Extra
MTV
musicMax
National Geographic
Nick Jr.*
Nickelodeon
Ovation Arts
Playhouse Disney
Sci-Fi Channel
Showtime

[‡] Where relevant cue-sheets are in APRA's computer database at the time of logging the performance.

Showtime Greats
TCM (Turner/TNT)
TV1
W (pka fx)
UKTV
VH1*
World Movies

In addition to the three main operators mentioned above, licence fees are also received from Sky Channel for the transmission of their programming to hotels and clubs etc. See below for details.

APRA receives and includes in its distributions, electronic reports for interstitial material (promos, station ID's etc.) for sport channels, which use relatively little music, and for the music used with the EPG (Electronic Programme Guide), which do not otherwise receive a distribution analysis.

Because of the large number of channels and the enormous amount of data sharing in the licence fees paid by the three pay TV operators (Foxtel, Optus Vision and Austar), the per-minute distribution value is extremely low – ranging from just a few cents to a couple of dollars per minute.

The licence fees received from the pay TV operators are allocated to each channel in direct proportion to the amount of music used. Most channels are carried by the three operators. The music broadcast by each channel receives a share of the APRA licence fees paid by each operator that carries it.

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.

UBI World TV

UBI is a Multicultural broadcaster, broadcasting a range of foreign channels across a number of languages.

No individual reporting or distribution analysis is currently undertaken. Licence fees are added to the Special Broadcasting Service television pool for distribution based on SBS TV programming

Digital Radio – direct allocation –

A full analysis is made of the music used on Austar's and Foxtel's digital radio channels. Separate distribution pools are calculated and the amounts are deducted from the monies allocated to the pay TV channels. Although these channels form part of Austar's and 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.

14. AUSTRALIAN PAY TV (pay per view)

– direct allocation –

Pay per view events screened on Australian pay TV are subject to a separate licence fee (in addition to the operators' blanket licence fees) and are distributed directly to the musical works used in each event.

15. ABC TELEVISION

– direct allocation –

ABC 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.

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.

ABC2

- direct allocation –

ABC2 is a "digital-only" television service requiring a special decoder to watch it free-to-air, or it can be viewed by subscribing to one of the subscription TV services that are offering ABC2 as part of their basic tier – e.g. Foxtel and Austar. ABC2 is being broadcast from 6.20am to 2.00am from Monday to Saturday and from 8am to 2.00am on Sundays.

The ABC provides APRA with full electronic logs for all programmes and interstitials broadcast on ABC2. All programming is analysed for inclusion in APRA's distributions. A proportion of the revenue allocated to the ABC's main TV channel is deducted for payment to ABC2.

Australia Network (pka Asia Pacific Television) – Electronic logs provide music details on a census basis. Themes which are not broadcast on ABC free-to-air TV are also reported, but on paper.

16. *SBS TELEVISION*

- direct allocation –

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.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution. The number of credit points for the works and programmes that auto-match during this 3 week per month period are divided by 4, as per advice by ACNielsen.

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.

17. *AUSTRALIAN COMMUNITY TELEVISION*

– distribution by analogy –

There are 4 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 currently added to the Australian Commercial television pools for distribution.

18. *TELEVISION NEW ZEALAND – TV1 & TV2*

– direct allocation –

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 by means of Excel files, 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

Music in Commercials

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 taped, 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.

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 'B' 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 (ie, 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 'B' 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.

19. NEW ZEALAND COMMERCIAL TELEVISION – TV3

– sample/direct allocation –

TV3 provides paper programme logs to APRA for 26 weeks per year, as selected by ACNielsen. 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.

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

20. NEW ZEALAND COMMERCIAL TELEVISION – C4

– direct allocation –

C4 provides APRA with electronic reports containing all featured music broadcast on this music video channel. Their reports are included in APRA's distributions on a census basis.

21. NZ COMMERCIAL TELEVISION – PRIME (recently purchased by Sky TV in New Zealand)

– distribution by analogy –

Licence fees received from Prime are very low in relation to most other television payments. No direct reporting or analysis is undertaken, with licence fees currently being added to the TV3 pool.

A distribution reporting system is currently being developed.

22. NZ MAORI TV

- direct allocation –

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.

For the remaining 3 weeks per month, only works and productions that auto-match with APRA's database are included in the distribution. The number of credit points for the works and programmes that auto-match during this 3 week per month period are divided by 4, as per advice by ACNielsen.

23. NZ PAY TV – NZ Sky TV

– direct allocation –

As with Australian pay TV, the APRA distribution currently includes specific types of channels in its distribution where music usage is generally highest. Narrowcast, business, news, weather channels etc. are not included in APRA's analysis. Programme and/or music and interstitial details for the following 16 channels are either reported electronically to APRA on a full census basis by the pay TV operators or are copied over from the Australian analysis to share in the licence fees paid by NZ Sky TV. The following channels are included in APRA's distributions:

Cartoon Network
Discovery
Disney
Hallmark
Juice
J2
MGM
Movie Max
MTV
National Geographic
Nickelodeon
Playhouse Disney
Rialto
Sky 1 (pka Orange)
Sky Movies (pka Sky Movies)
TCM

In addition, promos screened on the sports channels are included in APRA's distributions.

NON-BROADCAST CATEGORIES

24. AIRLINES

Qantas

– direct allocation –

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 and paper reports and in-flight magazines.

Qantas licence fees are paid 50% to the in-flight audio channels and 50% to the in-flight video programming.

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 –

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

Video - Owing to the relatively low licence fees in relation to the cost of processing, in-flight video programmes are not reported or included in APRA's distributions.

Jetstar

Jetstar's music use is very limited in comparison to the other airlines and its APRA licence fees are much lower as a result. The APRA licence fees paid by Jetstar are currently insufficient to warrant distribution analysis.

Air New Zealand

– direct allocation –

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 - As with Virgin Blue, it is not currently possible to include Air New Zealand's in-flight video programming in the distribution.

25. 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 (ie, 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 'A' 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 'A' distributions.

26. BACKGROUND MUSIC – SMA & DMX and Coles & Big W

– 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. Exceptions to this are Coles and BigW whose background music usage is reported to us and paid in APRA's distributions.

APRA also undertakes a specific analysis and distribution of the major background music supply companies Satellite Music Australia (SMA) and DMX. SMA and DMX 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. Owing to the enormous number of musical works included in the SMA reports, research of unidentified titles is limited to works with a distribution value of \$5 or more.

27. CHURCHES

Australia

– third-party data –

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 negligible, no logs are received nor distribution analysis conducted.

28. CINEMA:

Australia

– third-party data –

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

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 cinema distribution. 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.

New Zealand

– third-party data –

No separate movie information is received in respect of New Zealand cinemas, other than in respect of NZ productions.

The comprehensive data received from the MPDAA is used to distribute the NZ cinema licence fees. The exception is that local NZ movie productions that have not received a screening in Australia receive a distribution payment based on the number of screenings they receive in New Zealand, as a percentage of total film screenings for all movies during the relevant distribution period.

Film Festivals

– distribution by analogy –

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

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

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

29. CONCERTS

Australian & New Zealand Promoter Concerts

– direct allocation (for licence fees of \$200 or more) –

The APRA licence is issued to the promoter of the concert event or concert tour. Promoter concerts are mostly large, almost always contemporary music concerts or concert tours, by major local and international artists.

Promoter concerts receive a 100% analysis based on music setlists provided to APRA by the concert promoters. In addition, at least one concert in a tour will be attended by a member of APRA's staff to keep a record of the musical works performed.

The licence fees paid by the promoters of the concerts or concert tours, where those fees are \$200 or more, are allocated directly to the works performed by both the headline acts and the supporting artists. Where the licence fees are under \$200, 50% of the money is added to general revenue and allocated to the various radio pools on a follow-the-dollar basis. The remaining 50% is added to APRA's Live Performance Return (LPR) pool.

Works performed at classical music concerts and at concerts where the APRA licence fees are \$1,000 or more are paid at their reported durations. Works performed at non-classical

music concerts and at concerts where the APRA licence fee is less than \$1,000 - or where durations are not shown on the setlists - are paid at a standard duration of 3'00".

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

Only live music shares in a 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 generally distributed twice 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.

Australian Symphony Orchestras

– direct allocation –

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).

N.B. Adelaide Symphony Orchestra (ASO) events are licensed under APRA's promoter concert scheme.

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 –

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.

30. DANCE CLUBS

– third-party data –

Australia

The distribution of licence fees received from discos and dance clubs is split between the two main types of music performed – dance music and retro/commercial music.

The ARIA Club Chart has been used as a basis for APRA's dance music distribution since 1999. The ARIA chart is compiled from the reports of approximately 160 DJ's from around the country, who report weekly their most played dance tracks. Each DJ's music style (whether, House, Breaks, Trance, Urban, Electro, Drum 'N Bass or Progressive), as well as the location of the DJ, is taken into account in ARIA's analysis.

The data used for the distribution of the retro/commercial music is taken from the playlists of selected radio stations and the Video Hits TV programme.

The APRA licence fees are split between the ARIA information on the one hand and selected radio station playlists and Video Hits logs on the other in the ratio 55.7:44.3. The breakdown between the dance and retro/commercial music was determined by a survey of approximately 200 dance clubs and discos in 2005. The survey was conducted using methodology designed by ACNielsen, and included dance clubs and discos of all sizes in all Australian states. The retro/commercial amount is split 67% to selected radio playlists and 33% to Video Hits.

ARIA maintain a chart of the Top 100 works played in clubs, and provide APRA with collated data every six months. This data allocates 1 point for position 100, 2 points for position 99 etc., up to 100 points for position number 1, on a week by week basis. These points are aggregated for each work for each six month period and credited as 'performances' in the APRA distribution.

New Zealand

Owing to the relatively low licence fees collected from New Zealand, no separate reporting or analysis is undertaken for dance music, which is distributed in accordance with ARIA's data. The split between dance music and retro/commercial music is the same as is applied to Australian revenue.

However, for the retro/commercial music, New Zealand radio stations are selected in place of Australian stations.

31. 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 Dance Clubs, and distributed as described above.

32. FITNESS & AEROBIC CLASSES

– third-party data (50%) / distribution by analogy (50%) –

Australia

Fifty percent of licence fees from this source are distributed on the basis of music reports received from the manufacturers of aerobic and fitness tapes. The proportion of revenue allocated to each tape manufacturer's music reports was determined by a survey of gyms conducted in 2005. 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 50% of licence fees are distributed by way of analogy across the various radio pools, on a follow-the-dollar basis.

New Zealand

Again, 50% of licence fees are distributed on the basis of tape manufacturers' music reports, with the remaining 50% added to the New Zealand radio station pools.

33. MUSIC ON HOLD

Australia

– distribution by analogy -

Fees received from Music on Hold (MoH) licences are allocated to existing radio pools. Fees are not, however, allocated on a purely follow-the-dollar basis, as is done in many other areas of distribution by analogy. Fees are allocated according to data obtained on music usage patterns from a 1997 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.

34. *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. Such notification can be provided manually on APRA's specially designed LPR forms or, for members only, through APRA's ad hoc, online facility, accessible through APRA's website.

100% of the Australian and New Zealand General Live (Tariff GLA) licence fees comprise the Australian and NZ LPR distribution pools, together with 50% of the total monies for undistributed Australian and New Zealand promoter concerts (GNPC), where licence fees are less than \$200.

The distribution rate applicable to LPR's is therefore dependent each year upon the amount collected under the GLA and GNPC tariffs, and the number of LPR's (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, jazz and dance music, which are credited at their reported durations.

The payment amount allocated to performances occurring at residencies is checked to ensure that the amount distributed does not exceed the licence fee paid by the venue at which the residency performance occurs.

Performances at venues not yet licensed by APRA are paid as if the venue holds an APRA licence. However, if a residency performance occurs at such a venue, the payment is capped at \$150 (less administration costs).

Live Performance Returns need to be submitted to APRA by 31st July each year, or 31st August if the online reporting facility is used, to ensure payment in the following 'B' distribution. LPRs are paid once a year, in APRA's 'B' distributions.

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 (ie, 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 'B' distribution. It will be credited at the rate applicable to the distribution in which it is paid.

Copies of the LPR Forms containing instructions for their completion are available on APRA's website. Details can be found in the Members' section of the site under 'Forms and Guidelines'.

DJ's 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 dance club pool and added to the LPR pool accordingly.

35. *ONLINE, RINGTONE, PODCASTS, 3G MOBILE & DIGITAL DELIVERY SERVICES*

Online, Podcasts and 3G Mobile

– 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:

1) A direct royalty allocation for online, podcast and 3G services is applied in the following circumstances:

Electronic Reports:

a) In cases where the licence fee **exceeds** \$200;

if the automatic title match rate is 90% or above

or,

if the automatic title match rate is less than 90%, if the per work value is \$5.00 or more.

b) If the licence fee **exceeds** \$200, but

i) the automatic title match rate is less than 90% and

ii) the per work value is less than \$5.00,

the automatically matched titles will be allocated the proportion of the relevant licence fee, based on the percentage of total performances that can be paid.

If the remaining portion of the licence fee attributable to the unmatched titles is over \$200, the remaining sum may be added to either the existing distribution pool or to an alternative pool where the music content is most similar.

c) In cases where the licence fee **is less than** \$200;

- if, i) the automatic title match rate is 90% or above **and**
- ii) the per work value is \$1.00 or more,
- or
- iii) if the automatic title match rate is less than 90%, the per work value is \$5.00 or more.

Paper Reports:

- d) If the performance details are provided on paper and the per work value is \$5.00 or more, irrespective of the value of the licence.
2. Where indicated in licensees' performance logs, the 'number of transmissions' are used for the calculation of royalty payments.
 3. Licence fees received in respect of simulcasts of radio transmissions are pooled with licence fees received for broadcasts by the relevant radio station and distributed accordingly.
 4. A single duration-to-point conversion schedule is used for all types of use, as follows:
Durations up to 1 minute: 1 point per 15" or part; durations between 1' 01" and 5'59" :12 points (ie, the "standard work" factor applied to radio and live performances); 6' 00" and over: 4 points per minute for the full duration.

Licence fees received with no accompanying music usage data are distributed by analogy – ie, the fees are allocated to a distribution source that most accurately reflects the type of music used.

ABC Online

- sample/direct allocation -

The ABC commenced reporting their online music use to APRA from 1st 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: DIG, DIG Jazz, DIG Country, Rage, Playground and Oztrax.

The ABC provides APRA with details of the number of "visits" to each of these sites and this information is used to weight the payment that is allocated to them. The APRA distribution payments therefore reflect the number of times each Gateway has been accessed by users of the ABC website.

Ringtones

– direct allocation – transactional

Ringtone providers report musical work and sales details to APRA|AMCOS quarterly, by means of our proprietary EDI reporting format. The total value of each work's sales is

reported. 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.

(N.B. although Ringtones research is subject to the \$5 threshold under APRA's Distribution Rules, in practice all unmatched Ringtones are researched in order to ensure that the \$10 AMCOS 'fixation fee' has been invoiced).

Digital Download Services

– direct allocation – transactional

Digital service providers (DSP's) provide musical work and sales details to APRA|AMCOS on either a quarterly or a monthly basis.

Data is provided in a proprietary APRA|AMCOS EDI format or, in the case of iTunes, the international DDEX format. The volume of works reported to APRA|AMCOS is enormous, running into several hundred thousand unique works and productions each quarter.

As with Ringtones, the APRA|AMCOS distribution for Digital Downloads is 'transactional', in that each work's distribution payment is calculated as a percentage of the value of its sales. Because download sales are generally spread thinly across a very large number of separate works, however, the vast majority of sales are worth only a few cents per work in terms of their APRA|AMCOS distribution value. As a consequence, we apply 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, as are works that can be identified by means of special software designed to report 'probable' matches. Where a match does not occur and the per work APRA|AMCOS distribution value is less than \$5, the work is held until such time as subsequent sales accumulate to an aggregate value for distribution of \$5 or more, or until the work receives a performance from any other performing or mechanical distribution source. On reaching the threshold or on receiving a performance from another source, the work is reported, researched and paid in the usual way.

36. SCHOOLS

Australia

– third party data –

APRA's distributions include payment in respect of music performed in Australian government, independent and catholic schools. APRA's school licences cover the public performance of musical works, including performances by school bands, orchestras, choirs and singing groups. The APRA licence does not include, however, music performed at

concerts put on by independent concert promoters or where the school is paying a professional musician to perform.

Owing to the difficulties and prohibitive costs of obtaining performance data from the approximately 9,600 schools in Australia, APRA uses for its distribution purposes information obtained from an ACNielsen 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 by schools 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 twice a year. 50% of the licence fees collected from schools is distributed to the musical works included in the CAL survey, with the remaining 50% allocated across the various radio pools.

New Zealand

– sample and third-part data –

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

The various sources of information are collated and share equally in the licence fees received. 50% of the licence fees collected from schools are distributed to the musical works provided, with the remaining 50% allocated across the various New Zealand radio pools.

LICENCE CATEGORIES FOR WHICH FEES ARE ADDED TO RADIO* POOLS FOR DISTRIBUTION (Australia and New Zealand):

– distribution by analogy –

In respect of the following licence categories;

37. *Background Music*

38. *Community Groups & Eistedfoddau*

39. *Dance Schools*

40. *General Live*

41. *Halls & Functions*

42. *Karaoke*

43. *Music in the Workplace*

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 the various radio pools (with the exceptions detailed in the following paragraph) on a follow-the-dollar basis, using the broadcast logs provided by the stations as the most appropriate and analogous music information source.

*The only exceptions to the allocation to radio pools are in the case of Tariff GMT for the use of television sets. The fees received under this licence are added to the various television distribution pools, again on a follow-the-dollar basis. And Tariffs GMVJ & GMV1 (Video Juke Boxes), GMV2 (Video Tape Players) and GMVP (Large Screen Televisions) which are added on a 50/50 basis to the music programmes "Rage" and "Video Hits".

44. *Payments from Affiliate Societies*

APRA receives royalty distributions from approximately 60 affiliated societies around the world, covering some 50 countries. Payments totalling approximately \$16 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.

Royalties received from affiliated societies are distributed to members in the semi-annual distribution following receipt **except** where:

- (a) the distributable amount exceeds \$10.00 and the member has an EFT facility with APRA;
- (b) otherwise, the distributable amount exceeds \$200

in which case the amount concerned is distributed approximately one month from receipt and analysis of the accompanying documentation.

APRA deducts 1.5% of net royalties received from affiliated societies in respect of the costs associated with analysis and processing of such royalty payments.