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2001 ANNUAL REPORT

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Phonographic Performance Company of Australia

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Acknowledgment

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Thanks to

Sony Music Entertainment Aust., Roadshow Music,
Transistor Music, Warner Music, BMG Australia,
Universal Music Australia, Standard Records,
EMI Music Festival Mushroom Records

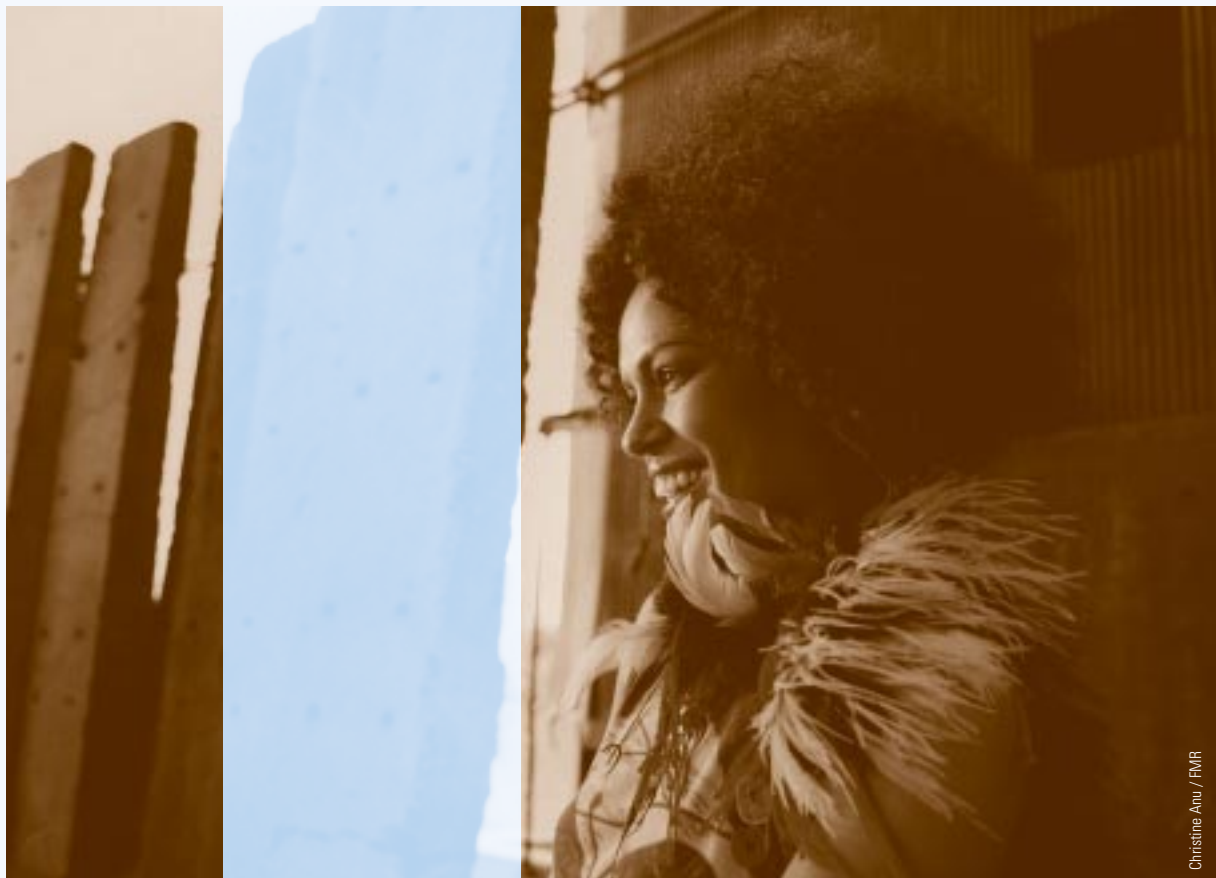
Kylie Minogue / FMR

PPCA revenues, distributions, licences and registered artists and groups continued to increase in 2000-2001, maintaining our unbroken succession of improvements since 1990.

- **Income up 27.2% to \$8,419,395**
- **Distribution surplus up 38.69% to \$5,846,218**
- **Licences up 1.8% to 33,290**

The PPCA Trust approved 8 applications for funding:

- **5 related to further education and research**
- **3 for festivals, live music and local artists**



Christine Anu / FMR



I am pleased to report on another successful and busy year for the organisation.

The year's income (1 July to 30 June) stood at the record level of \$8.4 million, representing an increase of 27% over the previous year. The surplus is at another record high - almost \$5.9 million available to distribute to artists and labels, representing an increase of 38% over the year ending June 2000. This year's excellent result was assisted by the receipt of a back payment from a subscription broadcaster, which accounted for approximately one quarter of the 38% increase.

Public performance licence numbers at the end of the period stood at 33,290, representing an increase of approximately 2% over the previous year.

All in all, a very good result from a financial perspective, and PPCA's 12th consecutive year of income and surplus growth.

The year has not been without its challenges. The welcome introduction of the Copyright Amendment (Digital Agenda) Act in March 2001 provided or confirmed a number of licence areas, coupled with a need to further extend our communication and education programmes to disseminate relevant information.

These legislative amendments have provided a platform allowing us to implement proper licensing schemes for the use of sound recordings in telephone "on hold" systems, and negotiate more fully with subscription broadcast suppliers and those wishing to use sound recordings over the internet.

Since the end of June 2001 we have progressed negotiations with FACTS, in relation to the payment of fees for use of sound recordings by commercial television stations, and the matter is now resolved.

After protracted negotiations we have now (in December) concluded an agreement with the CBAA (Community Broadcasters Association of Australia), in relation to use of protected sound recordings by their members, and look forward to including both revenue and log information from the community broadcast sector in future distributions.

During the year PPCA worked with other Australian collecting societies to develop an 'industry' code of conduct. The Code, to be launched early in 2002, provides a framework for greater understanding between the societies, creators, and users of copyright material.

PPCA has a number of legally related priorities for the coming year including:

- Continued discussions with the Government over the removal of the unjustified caps on broadcast licence fees which only apply to sound recordings;
- The negotiation and conclusion of long term agreements with PayTV operators;
- The negotiation and conclusion of a licence scheme for the narrowcast sector; and
- The clarification of opportunities for simulcast and webcast licences and the introduction of licence schemes for such activities if appropriate.

PPCA continues to provide submissions to Government to assist in positive law reform, and the comprehensive protection of the rights of sound recording copyright holders.

Peter Bond

Chairman
November 2001

DIRECTORS

ELIZABETH ANN BLAKEY
(Appointed 26 July 2001)

PETER BOND

LOUIS CALLEJA

EDWARD ERSKINE ST JOHN
(Appointed 3 July 2001)

JEREMY FABINYI
(Resigned 26 July 2001)

DENIS ANTHONY HANDLIN

SHAUN JAMES

GREGORY JOHN MACAINSH
(Appointed 18 March 2001)

MICHAEL MCMARTIN

BELINDA MORRISON

KAREN ANN DON
(Alternate for Peter Bond - Appointed 5 November 2001)

DESMOND ARTHUR DUBERY
(Alternate for Edward St John -
Appointed 8 December 2000)

ADRIAN FITZ-ALAN
(Alternate for Denis Handlin
- Appointed 25 January 2001)

MICHAEL WILLIAM GOLDEN
(Alternate for Elizabeth Blakey
- Appointed 20 February 2002)

GRAHAM HARRIS
(Alternate for Louis Calleja)

MARK NARBOROUGH
(Alternate for Shaun James - Appointed 11 April 2001)

AUDITORS
DELOITTE TOUCHE TOHMATSU

BANKERS
COLONIAL STATE BANK

SOLICITORS
GILBERT & TOBIN

REGISTERED OFFICE
PPCA A.C.N. 000 680 704 A.B.N. 43 000 680 704
Level 9, 263 Clarence Street
Sydney NSW 2000

EXECUTIVE SECRETARIAT



EMMANUEL CANDI
Executive Director (resigned Dec 2001)



LYNNE SMALL
General Manager, Operations & Public
Performance Licensing



MARCELLA MCADAM
Public Relations Manager



MAXINE CHISHOLM
Licensing Manager



LINDA COURTNEY
Distribution Manager



From left: **Stephen Peach**, (CEO, PPCA), **Peter Bond** (Chairman
PPCA), **Lindy Morrison** and **Greg Macainsh** (Artist Directors, PPCA)

2000 - 2001 Operations

Financial Performance - another increased surplus

Once again, we are pleased to report on another successful year for the organisation, with record achievements in the areas of revenue, distributable surplus and licence coverage.

Total income increased by 27.2% to over \$8.4 million, with the most substantial increases occurring in the areas of broadcast fees (particularly commercial radio and subscription television) and public performance fees. The overall surplus increased by almost 39% over the previous year to exceed \$5.8 million.

The surplus for 2000/2001 included a back payment of fees from a Pay TV operator, which contributed to the excellent increase achieved. However, the distributable surplus increased almost 30% notwithstanding this 'catch up' payment relating to previous years.

We are also able to favourably report on general licence coverage, with licences held with PPCA now reaching over 33,000. The growth in both licensing numbers and public performance income reflect the contribution of our licensing department, and has been assisted by an effective communications programme.

The simple graphs on page 7 illustrate the extensive growth in key sectors enjoyed by PPCA over recent years.

Distribution

During December 2001, PPCA made its distribution to registered artists and member labels for the financial year ending June 2001. Almost 900 cheques were drawn and issued prior to Christmas, to distribute the record surplus to artists and labels.

PPCA continues to focus on increasing awareness amongst the recording artist sector, using its contacts with various artist and manager associations to encourage Australian artists to register for participation in the Direct Artist Distribution Scheme.

Similarly, we continue to contact smaller labels to explain the role and function of PPCA, and the benefits of allowing PPCA to assist them in their licensing activities.

The 2001 distribution was the first to be affected by GST and necessitated the supply of further information from participants. To allow the system to operate efficiently, we urge all registered artists and labels to promptly advise the distribution department of any changes to their tax status or postal address.

The distribution process is one of PPCA's core functions. It is significantly aided by the access granted to PPCA by the Australian Record Industry Association (ARIA) of its extensive catalogue database. The database provides invaluable information for the process of matching titles in the distribution logs against artist registrations.

Communications

During the period, PPCA maintained its proactive programme of advertising, education and communications introduced in 1996. The programme aims to:

- Educate public and commercial users of sound recordings on the importance of copyright and their legal obligations,
- increase awareness of the value of sound recordings and music videos, and
- promote the need for equitable remuneration to be paid to the originators of these valuable music products.

As part of this programme, PPCA has participated in a number of industry events and education based initiatives. Further details can be found in the Communications section of this report.

Information Technology

Like all other organisations over recent years, PPCA has had to divert significant resources to ensuring system compliance in the areas of Y2K and GST. Having met those requirements, we have now been able to turn our attention to other issues, and we completed a necessary hardware upgrade towards the end of 2001. During 2002 we will be undertaking a comprehensive review of our systems, in order to most accurately determine ongoing requirements and establish the systems necessary to support future growth and service needs.

Code of Conduct

Throughout 2001 PPCA, in conjunction with a number of other organisations, developed a "Code of Conduct for Copyright Collecting Societies", (the "Code"). The Code will be implemented early in 2002.

Further information and a copy of the Code can be found on pages 8 and 9.

Support Act Limited (SAL)

PPCA continues to be a proud supporter of SAL, a national benevolent fund established to provide assistance to Australian musicians, composers and associated workers. As a founding member, PPCA is represented on SAL's Board and supports its aim to provide financial, legal and medical assistance to those artists and families in need.

Throughout the year, PPCA has provided practical assistance in fund raising, with events such as SAL's annual Melbourne Cup Lunch raising much needed funds to aid the organisations ongoing charitable activities.

Human Resources



Stephen Peach
(Chief Executive Officer)

Since issuing our last report PPCA has undergone a change in leadership, following the resignation of Emmanuel Candi. Emmanuel left PPCA in January 2002, having completed twelve years as Executive Director. Emmanuel presided over a period of record growth in income, licence numbers and surpluses at PPCA. The period also saw the introduction of artist representation on the PPCA Board, the establishment of our communications programme and a review of the distribution formula which saw increased benefits for local artists.

Following Emmanuel's departure at the end of January 2002, Stephen Peach joined the organisation in the newly titled role of CEO. Stephen brings to PPCA a wealth of experience, particularly as a result of his time at Sydney law firm Gilbert & Tobin, where he was a partner for 7 years. At Gilbert & Tobin Stephen specialised in intellectual property rights and music law as well as PayTV and film.

During this time Stephen was the principal lawyer for both ARIA and PPCA and gained a solid understanding of the industry generally, and particularly PPCA's operations.

What's next?

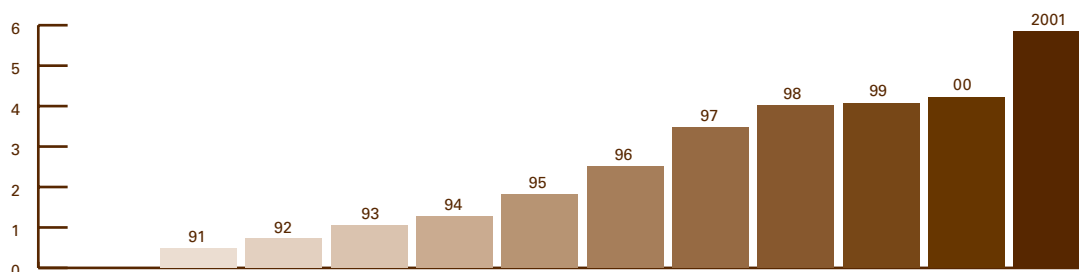
The year ahead provides a number of diverse challenges for the organisation and its staff. During the previous year we have negotiated and settled agreements with the community broadcast sector (through CBAA) and commercial telecasters (through FACTS). We are currently in discussions with cinema owners and cable subscription telecasters in regard to an appropriate level of licence fees, and expect to conclude those negotiations during the next few months.

We intend to continue our strategy of steady public performance licence growth. This strategy is closely linked to our education and public awareness programme, which aims to increase knowledge on both copyright generally and PPCA's role in particular.

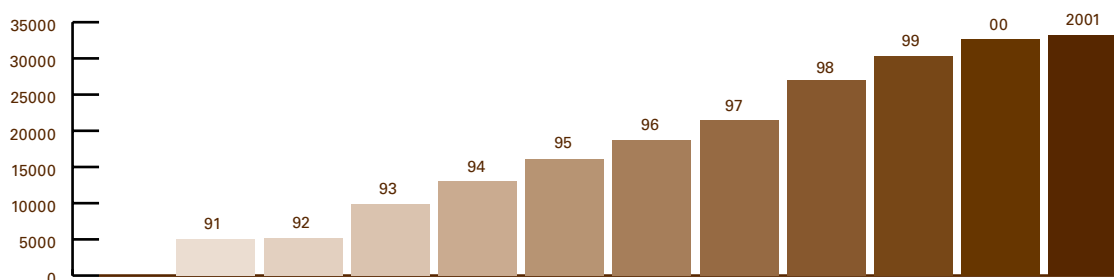
In relation to broadcast rights, we will continue to raise with the Federal Government the removal of the artificial limit on radio broadcast fees contained in the Copyright Act. For many years, recording artists as well as the owners of copyright in sound recordings have been effectively subsidising the Australian radio broadcasting industry. Since the introduction of the Copyright Act (1968), broadcasters have benefited from the "price capping" on the licence fees that can be charged for the broadcast of sound recordings, both for free-to-air broadcasters and the ABC.

The limits are significantly lower than comparable market rates for such licences. This is a vital issue for PPCA, and continues to remain high on our list of priorities. On this and all issues, we are committed to working to ensure that artist and label members are equitably rewarded for the use of their sound recordings and music videos through PPCA's simple licence schemes and reasonable fees.

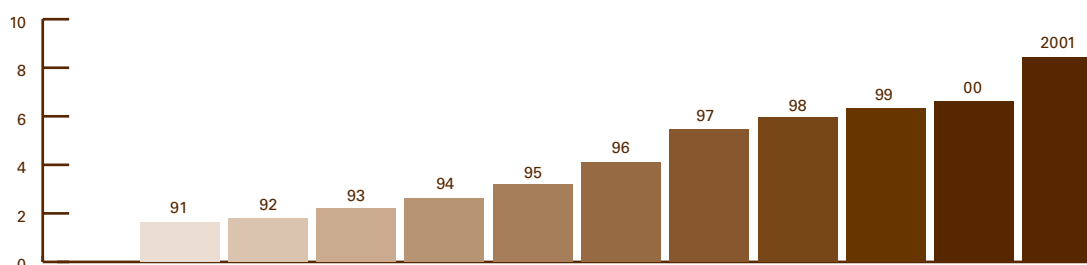
GRAPH 1 DISTRIBUTION (Millions)



GRAPH 2 NUMBER OF LICENCES (Thousands)



GRAPH 3 GROSS REVENUE (Millions)



CODE OF CONDUCT FOR COPYRIGHT COLLECTING SOCIETIES

In 1998 the House of Representatives Standing Committee on Legal and Constitutional Affairs produced its report titled "Don't Stop the Music". This followed an inquiry into use of music by small business, and the payment and administration of related copyright licence fees. While supporting the general concept of collective administration of copyright, the inquiry identified some issues for collecting societies in their relationships with both licensees and members.

The key recommendation of the Committee was that the societies should develop a voluntary code of conduct, and this recommendation was supported by the Government in its response to the Committee's report, which was tabled in 2000. The Committee recommended that the code should set out standards of acceptable licensing practices and activities for collecting societies. Following the Committee's recommendation and subsequent Government response, the societies got together to address the concerns identified in the inquiry and work towards the development of such a code.

The result is a collaborative document, developed by PPCA, Screenrights, APRA, CAL and Viscopy, with the involvement of ASDA and the Australian Writers' Guild. During the development process, consideration was given to a number of documents and other resources. The items considered included:

- The report of the Task Force on Industry Self-Regulation, released in August 2000. This report set out a series of general principles for industry self-regulation, in respect to consultation, coverage and publicity, administration, dispute and complaint resolution and monitoring and review processes.
- The Consumer Affairs publication titled "Codes of Conduct Policy Framework" published in 1998.
- Australian Standard 4269 on Complaints Handling.
- Examples of codes of conduct from other industries, in particular the telecommunications industry, as it has had a great deal of experience with such codes. For example, we made use of documents produced by the Australian Communications Industry Forum (ACIF), which publishes code development guidelines and various other tools for the development of codes within the telecommunications industry.
- It was also important to consider the various constitutions and Articles of Association of each collecting society. These already impose significant obligations, particularly in respect of corporate governance and accountability, and highlight the differing activities and structures of the various collecting societies.
- The Attorney-General's guidelines for declared collecting societies.
- The various statements of the Government's principles, objectives and expectations of the Code.

The purpose of the Code is essentially to set a framework within which all collecting societies can work. As each society has very different issues in its relationships with members and licensees, it is extremely difficult to set very specific standards to apply across all societies. This Code is designed to ensure a minimum level of protection for all who deal with the societies, and we expect that each society will work with their members and licensees to develop more specific standards or procedures where appropriate.

The key features of the Code are as follows:

- It regulates relationships between societies and their members - for example, who can be a member, how the society will deal with its members, how the society's income will be distributed, and what level of accountability is required.
- It also regulates relationships with copyright users or licensees - for example, how licensees should be treated, how licence fees are set and the availability of information on licence schemes. It also acknowledges the need to consult and inform relevant trade and industry associations.
- It imposes obligations in respect of ongoing staff training, particularly in regard to complaint handling and dispute resolution. It includes provisions requiring each society to engage in education and awareness activities in regard to both copyright generally and the role of collecting societies. It also requires promotion of the Code itself.

- It sets out principles for the development of complaint handling and dispute resolution procedures. Each society must establish and publish its own specific procedures in accordance with these principles.
- It sets out procedures for monitoring compliance with the Code and calls for the appointment of a Code Reviewer. The Code Reviewer will monitor the operation of the Code and prepare annual reports on compliance generally by collecting societies.
- It requires a three yearly review, and involves public consultation in the review process.

PPCA is pleased to have been involved in the establishment of this Code, and notes that many of the obligations imposed were already being met as part of our general procedures. Copies of the Code, and associated policy documents (*Complaints Handling, Privacy and Distribution*) can be accessed on our website at www.pcca.com.au



Savage Garden/Roadshow Music



Pictured with representatives of the NSW Musicians Union is **Lynne Small** after speaking on PPCA at one of their branch meetings for members.



Meryl Gross, (SAL Chairman) with **Lindy Morrison** and **Emmanuel Candi** (PPCA) at the annual Melbourne Cup Luncheon in Sydney.



PPCA presented a national music industry award to the members of Taxiride and their label Warner Music acknowledging the outstanding broadcasting achievement of the bands hit single "Everywhere you Go". As the band were overseas recording their next album, this PPCA award was presented to their Manager, Keith Ridgway on behalf of Taxiride and to Shaun James, Chairman Warner Music (Director, PPCA Board) and his staff.



Pictured at the Music Business Adelaide 'Soundvice' business sessions is **Lynne Small**, GM Operations & Public Performance Licensing PPCA, with **Keith Jeffrey** of Adelaide based rock band 'Hairy Lemon'.



PPCA was pleased to be a sponsor of the Restaurant & Catering Association of Victoria's Annual Awards for 2001. Pictured with PPCA Artist Director **Greg Macainsh** is **Judy Phelan** from the 'Classic Carriage Restaurant', winner of the PPCA Speciality Themed or Entertainment Award for Excellence.

CALLING ALL AUSTRALIAN RECORDING ARTISTS

Anyone who has delved into the financial or contractual side of the music industry will know that it is sometimes an intricate web of laws, By-Laws and collection agencies. If you don't register with the right people for the collection of monies that are rightfully yours, you are likely to lose out on vital dollars and one of these organisations is the Phonographic Performance Company of Australia Ltd. (PPCA).

PPCA was established in 1969 when the copyright in sound recordings (not songs) was first introduced into the Copyright Act. It is a non-profit organisation that collects license fees for the public performance and broadcast of commercially released and protected sound recordings on behalf of its members and then distributes this income to record company owners and registered artists performing on the recordings, who are entitled to an artist royalty.

The PPCA ARTIST DISTRIBUTION SCHEME provides an opportunity for Australian recording artists and record labels to obtain direct payment for the playing of their sound recordings in a commercial environment.

Emmanuel Candi, Executive Director for PPCA, explains, "When copyright protected recordings are broadcast from venues and businesses, such as hotels, nightclubs, gyms, cafes, radio & TV stations, they have to obtain a licence and pay a fee for the right to use the sound recording".

Currently, PPCA holds license agreements with close to 35,000 businesses and venues with artist distributions made annually after administration costs are deducted. It is also important to note that there are two copyrights in any recording – there is the copyright embodied in the 'sound recording' and the copyright in the 'song/lyric'. PPCA represents the first whilst APRA represents composers and publishers for the second.

"If you are a recording artist and/or have your own record label", continues Mr. Candi, "it makes good sense

to join PPCA. It removes the need to deal directly with the thousands of small venues that currently hold PPCA licenses and wish to play your recordings and subsequently provides valuable income for re-investment".

Recording artists entitled to a distributable license fee on a sound recording performed publicly should be a registered member with PPCA accepting artist registrations either for the band/group as a whole or on an individual artist basis. PPCA distributes direct to its recording artist and label members with many local artists such as Savage Garden, newcomers Killing Heidi and Kassey Chambers, and John Farrham, Lee Kernaghan and Gina Jeffreys all making a substantial contribution to Australian broadcasting.

Joining PPCA is easy and we urge you to do so! Just contact the Artist Distribution Manager, Linda Courtney at PPCA on (02) 9267 7877. It is a simple process and there are no costs involved to be a member. Or visit www.pcca.com.au where there is more information to peruse and Lindy Morrison, Artist Director on the PPCA Board, provides a further explanation of what PPCA is about and answers your registration and distribution questions. J

PPCA
Is your business playing music?

GINA JEFFREYS • HUMAN NATURE • SAVAGE GARDEN
PPCA Most Successful Australian Recording Artist 2001 • 122012 Easton Road, Easton NSW 2202

PPCA represents Australian recording artists and their labels for the public performance of their music and videos. PPCA provides non-exclusive 'one stop' licences to businesses and venues playing protected CDs, tapes or music videos such as cafes, hotels, nightclubs and gyms. Background record music, combined with excellent service, ambience and facilities, are important marketing tools for businesses. PPCA license fees are cost effective, simple to administer and tax deductible and commence at under \$55.00 per annum for a small bar area. Contact PPCA for details on music licensing requirements for the use of CDs, music video clips, jukeboxes and DJs in your business. Users may alternatively obtain licenses directly from all copyright owners.

PPCA
COMPANY OF AUSTRALIA LTD.
A MEMBER OF THE APRA GROUP

PPCA links businesses to music makers

800 Poca, 200 Clarence Street Sydney NSW 2000
Tel: 800 333 028 Fax: Sydney 9267 7878
Sydney 02 9267 7877 Fax: 02 9264 6589
Email: pcca@pcca.com.au www.pcca.com.au

TAXIRIDE RECEIVE AWARD FOR SUCCESS IN 2000

PPCA recently presented a national music industry award to the members of Taxiride and their label Warner Music acknowledging the dizzy success of the groups hit single, Everywhere You Go. It is the first time such an award for a 'single Australian recording' has been presented.

Everywhere You Go was named the Most Played Australian recording for 2000 on the basis of extensive television and radio playlists collected by PPCA for both local and international recording artists. The song was the second most played song on the PPCA 2000 playlist behind Santana's worldwide hit Smooth.



The band are currently overseas recording their next album (due out mid-2002), so their Manager Keith Ridgway and Shaun Jones – Chairman, Warner Music Australia received the award on behalf of Taxiride members Jason and the two Tired They've pictured here with Emmanuel Candi – Executive Director, PPCA.

Copyright in the Music Industry

HUMAN NATURE
PPCA represents artists like Human Nature & their record label Sony Music

Seminars presented by
Lindy Morrison, Artist Director
Phonographic Performance Company of Australia (PPCA)
Thursday January 24th 2002, 5pm
Friday January 25th 2002, 2pm
Peel House, University of New England (next to Tamworth Town Hall)

What is PPCA?
PPCA is a national, non-profit organisation representing record companies and recording artists. Established in 1968, PPCA provides non-exclusive "one stop" licences to businesses for the broadcast and public performance of protected sound recordings and music videos and distributes the fees collected to its member artists and record labels.

Linking Australian Businesses with Record and Music Video Makers

9th Floor, 263 Clarence Street Sydney NSW 2000
PO BOX 020 QVB PO Sydney NSW 1230
Telephone 02 9267 7877 Fax 02 9264 6589
Email pcca@pcca.com.au www.pcca.com.au A MEMBER OF THE APRA GROUP

WHAT ARE YOUR MUSIC LICENSING REQUIREMENTS?

Whether it is going to 1950's baroque or pop music is one of the key elements in the business of working with a CD. The simple fact is a CD or tape does not mean it can be played in a public place, or in any commercial environment like a hotel, cafe or supermarket, unless the permission of the copyright owner which takes the form of an actual music licence.

Copyright law protects the broadcasting of protected sound recordings and music videos that enables it possible for recording companies, artists and businesses to be able to receive payment for their work when it is publicly played. There is a second collection system that can be used collecting money on behalf of thousands of copyright owners and to be used in the same way as the first, the Phonographic Performance Company of Australia (PPCA) who represent recording artists and record labels, provides a CD or a tape commercially sold music licence (often called the Music Licence).

It is always a good idea to make a copy of a tape if you have brought it out for any other purpose. I always bring the original CD or tape with me! This means you keep a copy of CD you can use for purchasing the rights to reproduce or to give a public performance of your music to your business. This means that if you have a CD or a tape in a public place, you can be sure that the copyright owner will receive any money owed and that the value of the CD or tape is not lost.

I am a great singer and we have worked with other artists playing in the same bar. I need a licence? What if I play the TV, including

Classed V or MTV?
The only licence you will require for playing music video clips in your premises is an actual public performance licence from PPCA for the individual record company and APRA. If you only play TV including music video channels, you will only require a licence from APRA.

What if I perform pre-made compilation cassette tapes or CDs from a licensed company for use in my service areas - are all my licensing requirements covered?
Yes, you will still need to obtain a public performance licence from PPCA for the individual record company and APRA as this will be able to play the tapes or CDs in the course of your business. You should also check to see if the company whose album you have purchased your cassette compilation tapes or CDs has obtained the necessary registration licence from both APRA for the individual record company and AMCTC.

What would an actual music licence fee be for my venue?
Licence fee rates with a PPCA licence from APRA for standard three-minute commercial music is under \$55.00 (plus GST) for the use of background music only in the premises. The fee for three-minute recordings in the number of service areas offered also are licensed music.

How do I contact these industry bodies to ensure I am meeting all my music licensing requirements?
You contact the licensing departments at PPCA, 800 333 028, APRA, 800 333 028, or AMCTC, 800 333 028.

Licensed to thrill

by Teazy Crow

When a protected sound recording or music video is played for the patrons in your establishment, those responsible for playing the music need to have a licence for the public performance of this sound recording. This licence can be obtained from the Phonographic Performance Company of Australia (PPCA), or alternatively, from the copyright owner, usually a record company.

A PPCA licence should not be confused with one issued by the Australian Performing Rights Association Ltd (APRA). There are at least 2 copyrights to be found in any protected sound recording. PPCA is authorised to grant licences in respect of the copyright that exists in a sound recording, on behalf of the recording artist or record company, whilst APRA represents its composers and music publisher members and grants licences in respect of the copyright that exists in the song/lyrics. Therefore, where a public performance of a protected sound recording takes place (whether it be radio, CD, TV or music on hold), it may be necessary to hold a licence from both PPCA and APRA.

Music copyright is something, which once fully understood, should be regarded as a necessary part of the operational costs of running a business, similar to rent, water, electricity and insurance. And remember, PPCA & APRA licence fees can be a tax deductible business expense for your restaurant depending on your circumstances.

DIGITAL AGENDA AMENDMENTS

On 4 March 2001, the Copyright Amendment (Digital Agenda) Act 2000 came into effect. One of the most significant consequences of the Digital Agenda Act was the introduction of a broad based and technology neutral "right of communication". Until those amendments came into effect, the copyright in a sound recording only extended, relevantly, to the broadcast and public performance of sound recordings. Importantly, sound recording copyright owners were unable to seek equitable remuneration from the operators of other distribution channels which have emerged in recent years such as cable television and music on hold services. The Digital Agenda Act has now addressed those anomalies and allows sound recording copyright owners to seek equitable remuneration for all public communications of sound recordings.

Following the coming into effect of the Digital Agenda Act, PPCA moved quickly to introduce:

- A "music on hold" licence scheme; and
- Interim licence arrangements with each of the three pay television operators (Austar, Optus and Foxtel) pending the negotiation of more long term licences.

In addition, PPCA is also exploring the opportunities for simulcast and webcast licence agreements. The term 'simulcast' is used by PPCA to describe the simultaneous transmission, via broadcast and via the internet, of a single radio transmission. By way of example, a number of commercial radio stations and the ABC offer an internet based simulcast service via their websites. The term 'webcast' is used to describe a stand alone internet based 'radio' service where there is no corresponding broadcast transmission.

Commercial Television

After a considerable period of negotiation over many years (which included applications to the Full Federal Court and the High Court of Australia on an important point of statutory interpretation), PPCA and FACTS successfully negotiated the introduction of a new industry based broadcast licence agreement. Under the terms of that agreement, the licence fees payable by the commercial television sector have been significantly increased to the benefit of PPCA's licensors and Australian recording artists registered under the direct distribution scheme. The increased licence fees will be payable from the 2002 calendar year onwards.

This is a significant achievement for PPCA and its licensors.

Community Broadcasters

2001 also saw the conclusion of an industry based licence scheme with the Community Broadcasters Association of Australia ("CBAA") after some years of negotiation. The agreement was concluded in December 2001 and both PPCA and CBAA are working together during 2002 to ensure that all CBAA members take advantage of the industry based licence scheme.

Cap on Broadcast Licence Fees

PPCA has continued to argue for the repeal of price cappings on the fees payable by radio broadcasters for the use of sound recordings. Regrettably, the repeal of these price cappings was not included in the Copyright Amendment (Digital Agenda) Act. However, PPCA continues dialogue with various Federal Government decision makers concerning the inconsistencies and inequities caused by the existence of these price cappings.

PPCA remains optimistic that this anomaly will be rectified. Various quarters within Government and associated with Government have recognised the inequities of the current structure which effectively obligates Australian recording artists as well as the Australian record companies to subsidise the activities of commercial radio broadcasters in Australia. This issue will remain a priority for PPCA in the coming year.



PPCA TRUST ACTIVITIES

Since its inception, PPCA has funded and co-administered with the Musician's Union and the Media Entertainment and Arts Alliance (formerly Actor's Equity) the "PPCA Trust". The Trustees during the period 1 July 2000 - 30 June 2001 were Peter Bond, Emmanuel Candi, Patricia Amphlett and Denis Shelverton.

In exercising their powers pursuant to the provisions of the Trust, the Trustees have the power to pay or to apply the Trust Fund to or for the benefit of such beneficiaries as the Trustees in their absolute discretion from time to time determine in respect of one or more of the following purposes:

- 1 performance at concerts at or for charitable institutions such as hospitals or homes for the aged; or
- 2 scholarships for the promotion and encouragement of musical and theatrical education; or
- 3 the promotion and encouragement of the performing arts to the general public; or, in particular,
- 4 the aid or assistance of any beneficiary who in the opinion of the Trustees is unable to adequately maintain herself/himself by her/his own exertions and other income.

Total funds provided since creating the Trust have been **\$1,386,369** (up to 30 June 2001).

In the 2000-2001 year, two Trust meetings were held and 12 applications were put to the Trustees. Of these, 8 were approved totalling \$52,586. Of the successful applications 5 related to further education and research; and 3 to festivals, live music and local artists.

The names of the recipients are as follows:

Adrian Stanway
 Mike Bevan
 International Artist Management
 Association for Music Community Arts & Development
 Tom Ward
 Launceston Jazz Club
 Media Entertainment & Arts Alliance

The Trust Balance Sheet can be found on page 40 of this report.

Feedback from many of the grantees has been welcome and useful. Here are some examples.

Thank you for your assistance with the Willow Neilson Quartet's trip to Belgium to attend the Jazz Hoelaart International Competition. Each member of the group has benefited from the experience in many ways. I think we created interest in Australian jazz amongst all the musicians and organisers that we met. What I think was most important, outside of the contacts we made for further touring, recording and arrangement work, was the musical interaction between other young musicians of high calibre from so many countries.

Thank you once again.

Willow Neilson

Over 1000 people attended the Expo held at the Launceston Country Club with the union having the number one stand with a Classical Quartet and guitarists playing over a six hour period. Almost all the information on the Musicians Union of Australia was given away with the support of PPCA acknowledged on the day.

Overall the Expo was a resounding success with hopefully union members receiving live performance work as a result.

Yours sincerely

Glenn Price

Secretary, Launceston Branch, Musicians Union

MOST BROADCAST RECORDINGS AND ARTISTS

As with previous years, PPCA continues to acknowledge the most broadcast recordings and artists in Australia. The extensive play lists used as the basis for PPCA's distribution surplus payments determine these results.

The MOST BROADCAST RECORDINGS lists the fifty (50) most broadcast recordings of the year as played by radio and television stations across Australia.

The MOST BROADCAST ARTIST list is measured by collating all titles performed by each of the artists listed in the PPCA radio/TV broadcast logs taken during the relevant period (i.e. July 2000 to June 2001)

MOST BROADCAST RECORDINGS

The most Broadcast Recording overall for 2001 was from talented Irish band **The Corrs** with their worldwide hit *Breathless* taking #1 position; this was followed by **Ronan Keating's** *Life is a Rollercoaster* placed at #2 and our own local pop sensation **Vanessa Amorosi's** hit single *Shine* at #3.

Australian music continued to have a strong presence in the PPCA Top 50 for the given period with many artists achieving multiple entries including **Savage Garden**, **Kylie Minogue**, **Vanessa Amorosi** and **Killing Heidi**. Credit must be given to the record companies for their dedicated marketing and investment efforts towards these artists and their recordings throughout the year.

Several Australian artists that also made their debut onto the PPCA list were **Invertigo**, **Madison Avenue**, **Powderfinger** and **Leah Haywood**.

Overall, sixteen (16) positions in the Top 50 Recordings for 2001 were by Australian artists.

MOST BROADCAST ARTISTS

The Top 50 MOST BROADCAST ARTISTS saw an outstanding result for local music with Brisbane pop duo **Savage Garden** taking the #1 position. This position was mainly achieved by having three (3) of their recordings 'airplayed' into the Top 50 - *Crash & Burn*, *Chained to You* and *Affirmation* - pushing the band ahead of international artists **Matchbox 20** at #2, **U2** at #3 and **The Corrs** ranking at #4. Also encouraging for Australian music was the positioning at the top of the list of other local talents **Vanessa Amorosi** at #5 and **Kylie Minogue** at #7.

In the history of compiling the PPCA playlist charts, this is the second year running an Australian act has achieved the top position indicating the popularity of **Savage Garden's** music across a wide range of broadcasting station formats. This, combined with their continuing catalogue of hits, has resulted in **Savage Garden** receiving the PPCA Award as the Most Broadcast Australian Recording Artist (2001).

Other Australian performers in the Top 50 Most Broadcast Artists list included **Vanessa Amorosi** (5), **Kylie Minogue** (7), the popular **John Farnham** (11) **Powderfinger** (13), **Human Nature** (14), **Cold Chisel** (17), **Killing Heidi** (18) and longtime favourites **INXS** (21), many still proving the dominance of their music catalogue on radio.

PPCA has once again compiled a Most Broadcast series list for the Most Broadcast Recording and Artists for 1998, 1999, 2000 and 2001 on the following pages. Being hard factual data, these results are always keenly observed by artists and record companies, radio stations and music enthusiasts.

PPCA 50 MOST BROADCAST ARTISTS 2001

- | | | | |
|---|------------------------|-----------|--|
| 1 | Savage Garden | 26 | Fleetwood Mac |
| 2 | Matchbox 20 | 27 | Christine Anu |
| 3 | U2 | 28 | Red Hot Chili Peppers |
| 4 | The Corrs | 29 | Crowded House |
| 5 | Vanessa Amorosi | 30 | Green Day |
| 6 | Ronan Keating | 31 | Rolling Stones |
| 7 | Kylie Minogue | 32 | Queen |
| 8 | Backstreet Boys | 33 | The Eagles |
| 9 | Madonna | 34 | John Mellencamp |
| 10 | The Beatles | 35 | Robbie Williams |
| 11 | John Farnham | 36 | Phil Collins |
| 12 | Elton John | 37 | Creedence Clearwater Revival |
| 13 | Powderfinger | 38 | Midnight Oil |
| 14 | Human Nature | | |
| 15 | Bryan Adams | | |
| 16 | Shania Twain | | |
| 17 | Cold Chisel | | |
| 18 | Killing Heidi | | |
|  | | | |
| | | | <small>Sony Music Entertainment (Aust)</small> |
| | | 39 | Faith Hill |
| | | 40 | R.E.M. |
| | | 41 | Britney Spears |
| | | 42 | Invertigo |
| | | 43 | The Offspring |
| | | 44 | Rod Stewart |
| | | 45 | Craig David |
| | | 46 | The Beach Boys |
| | | 47 | Christina Aguilera |
| | | 48 | Vertical Horizon |
| | | 49 | Leann Rimes |
| | | 50 | Santana |



Roadshow Music

- | | |
|-----------|-----------------------|
| 19 | Bon Jovi |
| 20 | Jennifer Lopez |
| 21 | INXS |
| 22 | Anastacia |
| 23 | Bachelor Girl |
| 24 | Madison Avenue |
| 25 | Billy Joel |

Chart is measured by collating all titles which appear in the PPCA radio /TV broadcast logs during the period July to June each year.

* Bold denotes Australian Artist

PPCA TOP 100 BROADCAST RECORDINGS 2001

1	<i>Breathless</i>	The Corrs	51	Hold Me	Savage Garden
2	<i>Life Is A Rollercoaster</i>	Ronan Keating	52	<i>Breathe</i>	Faith Hill
3	Shine	Vanessa Amorosi	53	We Think It's Love	Leah Haywood
4	Sunshine on a Rainy Day	Christine Anu	54	<i>Never Be The Same Again</i>	Melanie C
5	<i>I'm Outta Love</i>	Anastacia	55	<i>Why Does It Always Rain On Me?</i>	Travis
6	<i>If You're Gone</i>	Matchbox 20	56	<i>Irresistible</i>	The Corrs
7	Crash & Burn	Savage Garden	57	<i>Could I Have This Kiss Forever</i>	Whitney Houston
8	My Happiness	Powderfinger	58	Torn	Natalie Imbruglia
9	<i>Bent</i>	Matchbox 20	59	<i>Most Girls</i>	Pink
10	<i>Shackles (Praise You)</i>	Mary Mary	60	<i>Amazed</i>	Lonestar
11	<i>Rome Wasn't Built In A Day</i>	Morcheeba	61	Trying To Live My Life Without You	John Farnham
12	Spinning Around	Kylie Minogue	62	<i>Show Me The Meaning</i>	
13	<i>It's My Life</i>	Bon Jovi		<i>Of Being Lonely</i>	Backstreet Boys
14	<i>Beautiful Day</i>	U2	63	Kids	Robbie Williams/Kylie Minogue
15	On A Night Like This	Kylie Minogue	64	<i>Love Don't Cost A Thing</i>	Jennifer Lopez
16	<i>Teenage Dirtbag</i>	Wheatus	65	<i>Wonderful</i>	Everclear
17	<i>Cruisin'</i>	Gwyneth Paltrow	66	<i>Shape Of My Heart</i>	Backstreet Boys
18	<i>Let's Get Loud</i>	Jennifer Lopez	67	Absolutely Everybody	Vanessa Amorosi
19	Permission to Shine	Bachelor Girl	68	Chances Are	Invertigo
20	Chained To You	Savage Garden	69	<i>Pure Shores</i>	All Saints
21	<i>Groovejet</i>	Spiller	70	<i>Come On Over (All I Want Is You)</i>	Christina Aguilera
22	<i>Don't You Worry</i>	Madasun	71	<i>She Bangs (English Edit)</i>	Ricky Martin
23	<i>Gotta Tell You</i>	Samantha Mumba	72	<i>Independent Women Part I</i>	Destiny's Child
24	<i>Yellow</i>	Coldplay	73	Gravity	The Superjesus
25	<i>Can't Fight The Moonlight</i>		74	Everywhere You Go	Taxiride
	(Theme From "Coyote Ugly")	Leann Rimes	75	<i>Every Morning</i>	Sugar Ray
26	<i>Absolutely (Story Of A Girl)</i>	Nine Days	76	<i>Every Breath You Take</i>	The Police
27	<i>Rock DJ</i>	Robbie Williams	77	<i>It Feels So Good</i>	Sonique
28	Desensitized	Invertigo	78	I Knew I Loved You	Savage Garden
29	<i>Kryptonite</i>	3 Doors Down	79	<i>Original Prankster</i>	The Offspring
30	<i>Everything You Want</i>	Vertical Horizon	80	<i>Save Tonight</i>	Eagle Eye Cherry
31	Affirmation	Savage Garden	81	<i>The One</i>	Backstreet Boys
32	<i>Smooth</i>	Santana	82	<i>All The Small Things</i>	Blink 182
33	<i>Don't Tell Me</i>	Madonna	83	<i>Iris</i>	Goo Goo Dolls
34	He Don't Love You	Human Nature	84	<i>Walking Away</i>	Craig David
35	<i>She's So High</i>	Tal Bachman	85	Everything You Need	Madison Avenue
36	Who The Hell Are You	Madison Avenue	86	Weir	Killing Heidi
37	The Power	Vanessa Amorosi	87	<i>You're A God</i>	Vertical Horizon
38	<i>Thank You</i>	Dido	88	<i>Adam's Song</i>	Blink 182
39	Mascara	Killing Heidi	89	<i>Day & Night</i>	Billie
40	<i>Hey Leonardo</i>		90	<i>Believe</i>	Cher
	(<i>She Likes Me for Me</i>)	Blessid Union of Souls	91	<i>That's The Way It Is</i>	Celine Dion
41	<i>7 Days</i>	Craig David	92	<i>Californication</i>	Red Hot Chili Peppers
42	<i>Dance With Me</i>	Deborah Morgan	93	<i>Kiss Me</i>	Sixpence None The Richer
43	<i>I'm Like A Bird</i>	Nelly Furtado	94	<i>Minority</i>	Green Day
44	Blow Up The Pokies	The Whitlams	95	<i>Slide</i>	Goo Goo Dolls
45	<i>Not That Kind</i>	Anastacia	96	<i>That Don't Impress Me Much</i>	Shania Twain
46	<i>When You Say Nothing At All</i>	Ronan Keating	97	<i>Overload</i>	Sugababes
47	<i>Toca's Miracle</i>	Fragma	98	<i>All Star</i>	Smash Mouth
48	Live Without It	Killing Heidi	99	<i>Lady (Hear Me Tonight)</i>	Modjo
49	<i>Warning</i>	Green Day	100	<i>This Kiss</i>	Faith Hill
50	<i>I Try</i>	Macy Gray			

Chart is measured by collating all titles which appear in the PPCA radio /TV broadcast logs during the period July to June each year.

* Bold denotes Australian Artist

1998-2001 MOST BROADCAST ARTISTS



1998	1999	2000	2001
1 Elton John	1 Shania Twain	1 Savage Garden	1 Savage Garden
2 John Farnham	2 The Beatles	2 The Beatles	2 Matchbox 20
3 Savage Garden	3 Madonna	3 Madonna	3 U2
4 The Beatles	4 Elton John	4 Elton John	4 The Corrs
5 Billy Joel	5 Bachelor Girl	5 Taxiride	5 Vanessa Amorosi
6 John Mellencamp	6 Natalie Imbruglia	6 Vanessa Amorosi	6 Ronan Keating
7 Mariah Carey	7 John Farnham	7 Bryan Adams	7 Kylie Minogue
8 Tina Arena	8 Goo Goo Dolls	8 Shania Twain	8 Backstreet Boys
9 Spice Girls	9 Alanis Morissette	9 Killing Heidi	9 Madonna
10 Madonna	10 Elvis Presley	10 U2	10 The Beatles
11 Rolling Stones	11 Savage Garden	11 Backstreet Boys	11 John Farnham
12 INXS	12 U2	12 Smash Mouth	12 Elton John
13 Crowded House	13 Phil Collins	13 Bachelor Girl	13 Powderfinger
14 Fleetwood Mac	14 Billy Joel	14 Santana	14 Human Nature
15 Eagles	15 Spice Girls	15 Crowded House	15 Bryan Adams
16 Bryan Adams	16 Human Nature	16 The Beach Boys	16 Shania Twain
17 The Corrs	17 Mariah Carey	17 Fleetwood Mac	17 Cold Chisel
18 Hanson	18 John Mellencamp	18 Red Hot Chili Peppers	18 Killing Heidi
19 Celine Dion	19 Lighthouse Family	19 INXS	19 Bon Jovi
20 Phil Collins	20 Cher	20 Billy Joel	20 Jennifer Lopez
21 U2	21 All Saints	21 Human Nature	21 INXS
22 Eric Clapton	22 Bryan Adams	22 The Eagles	22 Anastacia
23 The Beach Boys	23 Jewel	23 Rolling Stones	23 Bachelor Girl
24 Jewel	24 Sheryl Crow	24 John Mellencamp	24 Madison Avenue
25 Rod Stewart	25 Neil Diamond	25 Jennifer Lopez	25 Billy Joel

* Bold denotes Australian Artist

1998-2001 MOST BROADCAST RECORDINGS

1998	1999	2000	2001
1 Torn Natalie Imbruglia	1 <i>High</i> Lighthouse Family	1 <i>Smooth</i> Santana	1 <i>Breathless</i> The Corrs
2 Every Time You Cry John Farnham/ Human Nature	2 <i>Crush</i> Jennifer Paige	2 Everywhere you go Taxiride	2 <i>Life Is A Rollercoaster</i> Ronan Keating
3 <i>You're Still The One</i> Shania Twain	3 <i>Slide</i> Goo Goo Dolls	3 <i>She's So High</i> Tal Bachman	3 Shine Vanessa Amorosi
4 <i>I Wanna Be The Only One</i> Eternal	4 Buses And Trains Bachelor Girl	4 <i>I Try</i> Macy Gray	4 Sunshine on a Rainy Day Christine Anu
5 <i>Back To You</i> Bryan Adams	5 <i>Believe</i> Cher	5 <i>All Star</i> Smash Mouth	5 <i>I'm Outta Love</i> Anastacia
6 <i>Together Again</i> Janet Jackson	6 <i>One Week</i> Barenaked Ladies	6 I Knew I Loved You Savage Garden	6 <i>If You're Gone</i> Matchbox 20
7 <i>Semi-Charmed Life</i> Third Eye Blind	7 <i>The Way</i> Fastball	7 Affirmation Savage Garden	7 Crash & Burn Savage Garden
8 <i>My Heart Will Go On</i> Celine Dion	8 <i>Save Tonight</i> Eagle Eye Cherry	8 <i>When You Say Nothing At All</i> Ronan Keating	8 My Happiness Powderfinger
9 <i>If You Could Only See Tonic</i>	9 <i>When You're Gone</i> Bryan Adams	9 <i>Hey Leonardo (She Likes Me For Me)</i> Blessid Union of Souls	9 <i>Bent</i> Matchbox 20
10 <i>Sunny Came Home</i> Shawn Colvin	10 <i>From This Moment On</i> Shania Twain	10 Weir Killing Heidi	10 <i>Shackles (Praise You)</i> Mary Mary
11 Pash Kate Ceberano	11 <i>Thank U</i> Alanis Morissette	11 <i>Steal My Sunshine</i> Len	11 <i>Rome Wasn't Built In A Day</i> Morcheeba
12 <i>Only When I Sleep</i> The Corrs	12 Wishing I Was There Natalie Imbruglia	12 Have A Look Vanessa Amorosi	12 Spinning Around Kylie Minogue
13 <i>As Long As you Love Me</i> Backstreet Boys	13 <i>Sweetest Thing</i> U2	13 Absolutely Everybody Vanessa Amorosi	13 <i>It's My Life</i> Bon Jovi
14 <i>Never Ever</i> All Saints	14 <i>Sway</i> Bic Runga	14 Mascara Killing Heidi	14 <i>Beautiful Day</i> U2
15 <i>Bitch</i> Meredith Brooks	15 <i>Lullaby</i> Shawn Mullins	15 <i>Last Kiss</i> Pearl Jam	15 On A Night Like This Kylie Minogue
16 <i>Push</i> Matchbox 20	16 <i>I Don't Want To Miss A Thing</i> Aerosmith	16 <i>Scar Tissue</i> Red Hot Chili Peppers	16 <i>Teenage Dirtbag</i> Wheatus
17 <i>Tubthumping</i> Chumbawamba	17 <i>When the Lights Go Out</i> Five	17 Get Set Taxiride	17 <i>Cruisin'</i> Gwyneth Paltrow
18 <i>Something About The Way You Look Tonight</i> Elton John	18 <i>That Don't Impress Me Much</i> Shania Twain	18 <i>Baby Did A Bad Bad Thing</i> Chris Isaak	18 <i>Let's Get Loud</i> Jennifer Lopez
19 <i>Walkin' On The Sun</i> Smash Mouth	19 <i>Time Of Your Life (Good Riddance)</i> Green Day	19 <i>Beautiful Stranger</i> Madonna	19 Permission To Shine Bachelor Girl
20 Burn Tina Arena	20 <i>Hands</i> Jewel	20 <i>Kiss Me</i> Sixpence None The Richer	20 Chained To You Savage Garden
21 <i>Foolish Games</i> Jewel	21 <i>Can't Get Enough Of You Baby</i> Smash Mouth	21 <i>Burning Down the House</i> Tom Jones	21 <i>Groovejet</i> Spiller
22 <i>You Were Meant For Me</i> Jewel	22 The Day You Come Powderfinger	22 <i>Pure Shores</i> All Saints	22 <i>Don't You Worry</i> Madasun
23 <i>I Say A Little Prayer</i> Diana King	23 <i>This Kiss</i> Faith Hill	23 <i>If You Had My Love</i> Jennifer Lopez	23 <i>Gotta Tell You</i> Samantha Mumba
24 Truly, Madly, Deeply Savage Garden	24 <i>Music Sounds Better With You (Radio Edit)</i> Stardust	24 Permission to Shine Bachelor Girl	24 <i>Yellow</i> Coldplay
25 Next Time Marie Wilson	25 <i>Iris</i> Goo Goo Dolls	25 <i>Larger Than Life</i> Backstreet Boys	25 <i>Can't Fight The Moonlight (Theme From "Coyote Ugly")</i> Leann Rimes

* Bold denotes Australian Artist

APPENDIX A

Compliance with the Australian Music Performance Code 2000/2001

The 2000/2001 year has produced some significant successes for the commercial radio industry in the area of "new" Australian music content with 100% compliance from its 238 stations.

This can be attributed to a strong commitment by the industry to the new codes, which is dependent upon the availability of Australian music to suit station formats, and because the 12 months under review has seen a vast array of new Australian talent as well as releases by established acts. This is reflected in the latest figures.

The revised Australian content quotas introduced into the Commercial Radio Codes of Practice in October 1999 ushered in a new spirit of co-operation between the radio and record industries and the results since then, particularly for "new" Australian music, produced very positive results.

The music content figures for 2000/2001 show that "new" music (12 months from date of release) on commercial radio has never received so much airplay, accounting on average for almost 40% of Australian content on Category A music stations (min. 25% total Australian content) around the country, with some stations averaging up to 60% - the average is 56% up on the required minimum of 25%.

Similarly, of the 60 category "B" music stations (min 20% total Australian content), almost 40% of their total Australian content was "new" - double their minimum requirement of 20% "new" content.

CODE OF PRACTICE - AUSTRALIAN MUSIC

The purpose of this Code is to implement the object, set forth in the Broadcasting Services Act 1992, of promoting the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity, by prescribing minimum content levels of Australian Music.

METROPOLITAN AND REGIONAL STATIONS

<i>Category</i>	<i>Format</i>	<i>Proportions</i>
A	CHR/Mainstream Rock/Album oriented Alternative	Not less than 25%
B	Mainstream adult contemporary, country, Classic rock	Not less than 20%
C	Soft adult contemporary, Hits & Memories Gold, news talk	Not less than 15%
D	Easy listening - oldies, gold	Not less than 10%
E	Niche formats - jazz, big band	Not less than 5%
	All formats - other than niche not less than 10%	

ALL OTHER STATIONS

STATIONS ACHIEVING CONSISTENTLY HIGH FIGURES DURING THE YEAR INCLUDED:

2DAYFM	Sydney
REAL-FM	Mudgee
FM 92.9	Tamworth
3FOX FM	Melbourne
HOT 103.5	Cairns
HOT FM	Charters Towers
96.1 HEAT FM	Gympie
HOT FM	Mackay
HOT FM	Mareeba
HOT FM	Mt Isa
HOT FM	Roma
4AK	Toowoomba
HOT FM	Townsville
HOT FM	Emerald
SA-FM	Adelaide
92.9 FM	Perth

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

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The directors of Phonographic Performance Company of Australia Limited, submit herewith the annual financial report for the financial year ended 30 June 2001. In accordance with the provisions of the Corporations Act 2001 the directors report as follows:

The directors of the company in office during or since the end of the financial year are:

ELIZABETH ANN BLAKEY	
PETER BOND	
LOUIS CALLEJA	
EDWARD ERSKINE ST JOHN	
JEREMY FABINYI	
DENIS ANTHONY HANDLIN	
SHAUN JAMES	
GREGORY JOHN MACAINSH	
MICHAEL MCMARTIN	
BELINDA MORRISON	
DESMOND ARTHUR DUBERY	Alternate for Edward Erskine St John
GRAHAM HARRIS	Alternate for Louis Calleja

The above named directors held office during and since the end of the financial year except for:

JEREMY FABINYI	Resigned 26 July 2001
ELIZABETH ANN BLAKEY	Appointed 26 July 2001
EDWARD ERSKINE ST JOHN	Appointed 3 July 2001
GREGORY JOHN MACAINSH	Appointed 18 March 2001
DESMOND ARTHUR DUBERY	Appointed 8 December 2000

PRINCIPAL ACTIVITY

The principal activity of the company in the course of the financial year was acting for the copyright owners in the licensing throughout Australia of the broadcast and public performance of sound recordings and music video clips.

During the year there was no significant change in the nature of this activity.

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

REVIEW OF OPERATIONS

The company distributes the licence fees it collects to the copyright owners and artists after deducting operating expenses. As a result of this, no profit or loss is reported and no dividend will be payable.

The company's results have again shown a substantial increase in the amount to be distributed to copyright owners as compared with the previous year. The results of the operations of the company during the year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in financial years subsequent to this financial year.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been included in this report.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors



P. Bond
Director



S. James
Director

Sydney
16 November 2001

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

Scope

We have audited the attached financial report, being a special purpose financial report, of Phonographic Performance Company of Australia Limited for the financial year ended 30 June 2001 as set out on pages 28 to 39. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Phonographic Performance Company of Australia Limited. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Phonographic Performance Company of Australia Limited is in accordance with:

- (a) **the Corporations Act 2001, including:**
 - (i) giving a true and fair view of the company's financial position as at 30 June 2001 and of its performance for the year then ended on that date in accordance with the accounting policies described in Note 1; and
 - (ii) complying with Accounting Standards to the extent described in Note 1 and the Corporations Regulations; and
- (b) **other mandatory professional reporting requirements to the extent described in Note 1.**



DELOITTE TOUCHE TOHMATSU

Mark Godlewski
Partner
Chartered Accountants
Sydney,
21 November 2001

The liability of Deloitte Touche Tohmatsu, is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

DIRECTORS' DECLARATION

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

- (a) The attached financial statements and notes thereto comply with accounting standards to the extent described in Note 1;
- (b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

P. Bond
Director

S. James
Director

Sydney
16 November 2001

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

	Note	2001	2000
		\$	\$
Revenue from ordinary activities		8,419,395	6,618,267
Employee benefits expense		(1,211,738)	(1,128,980)
Depreciation and amortisation expense		(73,945)	(112,022)
Borrowing costs		(7,457)	(8,982)
Other expenses from ordinary activities		(1,280,037)	(1,153,094)
Distribution to Licensors		(5,846,218)	(4,215,189)
Result from Ordinary Activities Before Income Tax Expense	2	-	-
Income tax expense relating to ordinary activities	1(b)	-	-
Result from Ordinary Activities After Related Income Tax Expense		-	-
Net Result		-	-

Notes to the financial statements are included on pages 31 to 39.

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2001

	Note	2001	2000
		\$	\$
CURRENT ASSETS			
Cash assets		1,105,813	529,257
Receivables	6	2,241,552	1,264,280
Other financial assets	7	5,614,619	5,151,336
TOTAL CURRENT ASSETS		8,961,984	6,944,873
NON-CURRENT ASSETS			
Plant and equipment	8	110,524	166,050
TOTAL NON-CURRENT ASSETS		110,524	166,050
TOTAL ASSETS		9,072,508	7,110,923
CURRENT LIABILITIES			
Payables	9	8,880,045	6,880,877
Interest-bearing liabilities	10	10,711	8,372
Provisions	11	117,759	87,584
TOTAL CURRENT LIABILITIES		9,008,515	6,976,833
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	56,264	67,551
Provisions	13	7,711	66,521
TOTAL NON-CURRENT LIABILITIES		63,975	134,072
TOTAL LIABILITIES		9,072,490	7,110,905
NET ASSETS		18	18
EQUITY			
Contributed Equity	14	18	18
Retained Profits	21	-	-
TOTAL EQUITY		18	18

Notes to the financial statements are included on pages 31 to 39.

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

	Note	2001	2000
Cash flows from operating activities			
Receipts from operating activities		8,194,736	6,729,640
Payments for operating activities		(3,305,441)	(2,288,967)
Interest received		400,357	222,425
Interest paid		(7,457)	(8,982)
Distribution to licensors		(4,215,189)	(4,072,962)
Net cash provided by operating activities	18(b)	1,067,006	581,154
Cash flows from investing activities			
Payment for plant and equipment		(18,419)	(3,698)
Proceeds from sale of plant and equipment		200	21,000
Net cash (used in)/provided by investing activities		(18,219)	17,302
Cash flows from financing activities			
Repayment of borrowings		(8,948)	(39,284)
Net cash used in financing activities		(8,948)	(39,284)
Net increase in cash held		1,039,839	559,172
Cash at beginning of financial year		5,680,593	5,121,421
Cash at the end of the financial year	18(a)	6,720,432	5,680,593

Notes to the financial statements are included on pages 31 to 39.

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all applicable Accounting Standards and UIG Consensus Views, the disclosure requirements of accounting standard AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosures" and AASB 1040 "Statement of Financial Position" and UIG Abstract 35 "Disclosure of Contingent Liabilities", and other applicable Accounting Standards and UIG Consensus Views except the disclosure requirements of AASB 1017 "Related Party Disclosures" and AASB 1033 "Presentation and Disclosure of Financial Instruments".

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Depreciation

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight line method.

The following estimated useful lives are used in the calculation of depreciation.

Office Furniture	10-11 years
Office Equipment	9 years
Computer Equipment	3 years
Motor Vehicles	5 years

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

(b) Income Tax

The company prepares its income tax returns on the basis that it acts as agent for the record companies that it represents. As such, it does not derive income on its own account. Rather, it is entitled under its constituent document to be reimbursed for expenditure incurred in the course of its activities. The basis of assessment has been agreed with the Australian Taxation Office. The net effect of timing and permanent differences arising from expenditure incurred by the company is passed on to the recipients of the royalties collected.

(c) Revenue Recognition

Unearned revenue is brought to account over the terms of the licences issued on the following basis:

- (i) Public performance fees are normally issued for a period of one year, although shorter periods are accommodated. In all cases licence fees are payable in advance. Income is brought to account on a monthly basis over the life of the contract.
- (ii) Broadcast licences are issued for various terms - income is brought to account on a monthly basis over the life of the contract.

(d) Leased Assets

Leased assets classified as finance leases are capitalised as fixed assets. A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property.

The amount initially brought to account is the present value of minimum lease payments. Capitalised leased assets are amortised on a straight-line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and the reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments are charged as an expense in the period in which they are incurred.

(e) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(f) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.

Provisions made in respect of wages and salaries and annual leave expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

(g) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(h) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Comparative Figures

The Company has adopted the presentation and disclosure requirements of Accounting Standards AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosure" and AASB 1040 "Statement of Financial Position" for the first time in the preparation of this financial report. In accordance with the requirements of these new/revised Standards, comparative amounts have been reclassified in order to comply with the new presentation format. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non current liabilities or equity, or the net result of the company as reported in the prior financial report.

(j) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

	2001	2000
	\$	\$
2. AGENCY REVENUE AND EXPENDITURE		
Agency Revenues		
Licence fees	7,586,829	6,316,103
Licence fees - prior year claim	454,462	-
Other Agency Revenues		
Interest - other persons	377,904	284,439
Proceeds on disposals of plant and equipment	200	17,725
TOTAL AGENCY REVENUE	<u>8,419,395</u>	<u>6,618,267</u>
Less:		
Agency Expenses		
Provision for doubtful debts (Note 4)	7,695	(17,637)
Depreciation of plant and equipment	52,257	93,538
Transfer to Provisions		
Long-service leave	12,023	11,085
Annual leave	20,208	23,550
Finance Leases		
Amortisation of leased assets	21,688	18,484
Finance lease finance charges	7,457	8,982
Auditors' Remuneration		
Auditing the financial report	20,034	10,900
Other services	26,400	2,400
Other		
Operating lease payments	207,456	176,878
Other agency expenses	2,197,959	2,074,898
TOTAL AGENCY EXPENSE (NOTE 19)	<u>2,573,177</u>	<u>2,403,078</u>
DISTRIBUTION TO LICENSORS	<u>5,846,218</u>	<u>4,215,189</u>
3. SALES OF ASSETS		
Sales of assets in the ordinary course of business have been given rise to the following profits:		
Plant and equipment	<u>200</u>	<u>17,726</u>

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

	2001	2000
	\$	\$
4. BAD AND DOUBTFUL DEBTS		
(a) Bad debts written off against provision for doubtful debts - trade receivables	11,152	37,019
(b) Amount set aside to provision for doubtful debts - trade receivables	7,695	(17,637)
	<u> </u>	<u> </u>
5. REMUNERATION OF DIRECTORS		
Payments to artist representative directors: (Member company representatives are ineligible for fees)	<u>1,552</u>	<u>2,484</u>
6. CURRENT RECEIVABLES		
Trade receivables	770,461	670,088
Less: Provision for doubtful debts	(64,807)	(68,264)
	<u>705,654</u>	<u>601,284</u>
Prepaid expenses	22,087	19,332
Other licence receivables	1,421,635	537,106
Other receivables	92,176	106,018
	<u>2,241,552</u>	<u>1,264,280</u>
7. OTHER FINANCIAL ASSETS		
Cash on deposit	<u>5,614,619</u>	<u>5,151,336</u>

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

8. PLANT AND EQUIPMENT

	Office Furniture	Office Equipment	Computer Equipment	Motor Vehicles	Total
Gross Carrying Amount					
Balance at 30 June 2000	122,412	74,063	267,285	111,336	575,096
Additions	621	-	17,798	-	18,419
Disposals	-	(3,977)	(72,743)	-	(76,720)
Balance at 30 June 2001	123,033	70,086	212,340	111,336	516,795
Accumulated Depreciation					
Balance at 30 June 2000	(83,197)	(61,786)	(234,352)	(29,711)	(409,046)
Disposal	-	3,977	72,743	-	76,720
Depreciation expense	(11,397)	(7,491)	(33,369)	(21,688)	(73,945)
Balance at 30 June 2001	(94,594)	(65,300)	(194,978)	(51,399)	(406,271)
Net Book Value					
As at 30 June 2000	39,215	12,277	32,933	81,625	166,050
As at 30 June 2001	28,439	4,786	17,362	59,937	110,524

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2001 \$	2000 \$
Office Furniture	11,397	11,266
Office Equipment	7,491	7,491
Computer Equipment	33,369	62,821
Motor Vehicles	21,688	18,484
Leasehold Improvements	-	11,960
	73,945	112,022

9. CURRENT PAYABLES

Trade payables	515,941	339,113
Goods and Services Tax (GST) payable	182,066	206,072
Licence fees received in advance	2,335,820	2,120,503
Amounts payable to licensors	5,846,218	4,215,189
	8,880,045	6,880,877

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

	2001	2000
	\$	\$
10. CURRENT INTEREST-BEARING LIABILITIES		
Secured: Finance lease liability (note 15) (i)	10,711	8,372
(i) Effectively secured over the leased asset, the market value of which exceeds the value of the finance lease liability.		
11. CURRENT PROVISIONS		
Employee entitlements (note 19)	117,759	87,584
12. NON-CURRENT INTEREST-BEARING LIABILITIES		
Finance lease liabilities (note 15) (i)	56,264	67,551
(i) Effectively secured over the leased asset, the current market value of which exceeds the value of the finance lease liability.		
13. NON-CURRENT PROVISIONS		
Employee entitlements (note 19)	7,711	66,521
14. CONTRIBUTED EQUITY		
18 ordinary shares fully paid	18	18
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
15. LEASES		
Finance lease commitments:		
Not later than one year	16,392	16,392
Later than one year and not later than five years	60,603	76,995
Minimum finance lease payments	76,995	93,387
Less: Future finance charges	(10,020)	(17,464)
Finance lease liability	66,975	75,923
Included in financial statements as:		
Current interest-bearing liabilities (note 10)	10,711	8,372
Non-current interest-bearing liabilities (note 12)	56,264	67,551
	66,975	75,923

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

	2001	2000
	\$	\$
16. LEASES		
Non-cancellable operating leases		
During the year Phonographic Performance Company of Australia Limited entered into an operating lease for its office premises. The lease expires 30 April 2003 with an option to renew. Lease commitments are as follows:		
No longer than 1 year	215,239	207,456
Longer than 1 year and not longer than 5 years	184,770	400,004
	400,009	607,460
17. FINANCIAL REPORTING BY SEGMENT		
The company operates in one industry being the derivation of revenue from licensing the broadcast and public performance of sound recordings and music video clips wholly within Australia.		
18. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash assets	1,105,813	529,257
Cash on term deposit	5,614,619	5,151,336
	6,720,432	5,680,593

PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001 *Continued*

	2001	2000
	\$	\$
(b) Reconciliation of result from ordinary activities to net cash flows from operating activities		
Profit from ordinary activities	-	-
Profit on sale of non-current assets	(200)	(17,276)
Depreciation and amortisation of non current assets	73,945	112,022
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(977,272)	(39,916)
Increase/(decrease) in liabilities:		
Current payables	368,139	153,214
Current provisions	1,661,204	373,110
Non-current provisions	(58,810)	-
Net cash provided by operating activities	<u>1,067,006</u>	<u>581,154</u>
 19. EMPLOYEE ENTITLEMENTS		
The aggregate employee entitlement liability recognized and included in the financial statements is as follows :		
Provision for employee entitlements :		
Current (note 11)	117,759	87,584
Non-current (note 13)	7,711	66,521
	<u>125,470</u>	<u>154,105</u>
Number of employees at end of financial year.	<u>27</u>	<u>26</u>
 20. RETAINED PROFITS		
Balance at beginning of financial year	-	-
Net Result	-	-
Balance at end of financial year	<u>-</u>	<u>-</u>
 21. ADDITIONAL COMPANY INFORMATION		
Phonographic Performance Company of Australia Limited is a limited company, incorporated and operating in Australia.		
Principal Registered Office Level 9, 263 Clarence Street Sydney, NSW 2000	Principal Place of Business Level 9, 263 Clarence Street Sydney, NSW 2000	

PPCA PERFORMERS' TRUST FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2001

	2001	2000
	\$	\$
FUNDS RETAINED IN THE TRUST	328,755	324,302
Represented by:		
CURRENT ASSETS		
Cash assets	77,223	39,511
Accrued income	4,562	5,174
Deposits - at call	12,072	11,922
Term Deposits	450,119	450,119
GST - tax input	470	-
TOTAL CURRENT ASSETS	544,446	506,726
TOTAL ASSETS	544,446	506,726
Less:		
CURRENT LIABILITIES		
Payables and accrued charges	2,400	2,400
Grants allocated and unexpended at year end held by trustees for beneficiaries of:		
Professional Musician's Union of Australia	146,086	100,437
Media Entertainment & Arts Alliance	67,205	79,587
TOTAL CURRENT LIABILITIES	215,691	182,424
TOTAL LIABILITIES	215,691	182,424
NET ASSETS	328,755	324,302

Notes to the financial statements are included on pages 31 to 39.

SAMPLE PPCA LICENCE



PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

9th Floor, 263 Clarence Street, Sydney NSW 2000 PO Box Q20 QVB Post Office NSW 1230
Telephone: (02) 9267 7877 Fax: (02) 9264 5589 ACN 000 680 704

Tariff Classification: _____

Licence No: _____

LICENCE

1. PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED (hereinafter called "PPCA"), acting on behalf of the companies whose names shall from time to time during the currency of this Licence be listed in the First Schedule hereto (hereinafter called the "Companies") hereby grants to the party whose name and signature first appears hereunder (hereinafter called the "Performer"), subject always to the terms and provisions hereinafter appearing, the non-exclusive licence during the term of this Licence to cause to be heard in public -

(a) all and any sound recordings embodied in such records as are at the date hereof or may hereafter during the currency of this Licence be listed in any of the current catalogues of any of the Companies; and

(b) all and any of the sound recordings embodied in records (not listed as aforesaid) issued under any of the labels from time to time during the currency of this Licence listed in the Second Schedule hereto as are or shall hereafter be imported by or with the consent of one of the Companies representing the label concerned in Australia.

2. It is understood and agreed that PPCA shall be entitled from time to time during the currency of this Licence by notice in writing to the Performer -

(a) to vary the First Schedule and the Second Schedule:

- (i) by deleting from or by adding to the First Schedule the name or names of any company or companies; or, as the case may be:
- (ii) by deleting from or by adding to the Second Schedule any label or labels.

3. In consideration of the Licence herein granted the Performer agrees to pay to PPCA a fee calculated in accordance with PPCA tariffs, as modified from time to time. The fee payable for the first year shall be payable at the time of execution of this Agreement. PPCA may, at any time during the currency of this agreement vary their fee payable by the Performer in the event of any material change in the circumstances in which sound recordings are caused to be heard in public by the Performer. The fee shall be payable to PPCA at Level 9, 263 Clarence Street, Sydney, NSW 2000 or such other address as may be notified in writing from time to time.

4. Nothing herein contained shall confer upon or grant to the Performer or shall be construed as conferring upon or granting to the Performer-

(a) any right, licence or authority to use any of the sound recordings covered by this Licence-

- (i) for the purpose of sound or television broadcasting, or
- (ii) for the purpose of transferring or dubbing the same on to magnetic tape or on to any other device or medium;

(b) any right, licence or authority to perform in public any of the musical, literary or dramatic works which are reproduced in any of the sound recordings covered by this Licence; or

(c) any indemnity against any claim which may be made against the Performer by any owner of the copyright in any of the works as aforesaid in respect of any performance thereof in public by the Performer.

5. This Licence is personal to the Performer and shall not be assigned except with the written consent of PPCA previously had and obtained.

6. It is understood and agreed that this Licence is limited to causing to be heard in public the sound recordings covered by this Licence within the scope of the provisions of PPCA's Tariff Classification

only and not otherwise, that is to say:-

AT _____
(Name of Establishment)

(Address)

Postcode _____

SAMPLE PPCA LICENCE

7. This Licence, which shall not come into operation until the same shall have been duly signed for and on behalf of PPCA, shall be deemed to remain in force for the period of twelve (12) months from the date hereof and to continue thereafter, subject to the observance by the Performer of the terms and provisions hereof, from year to year unless terminated by either party hereto giving to the other not less than one (1) month's notice in writing expiring at the end of the original or any extended period, as the case may be.

8. Notwithstanding anything herein contained, PPCA reserves the right to cancel this Licence at any time forthwith by notice in writing given to the Performer in the event of any breach on the part of the Performer of any of the terms or provisions of this Licence, or if the Performer, being a corporation, is or becomes insolvent or passes a resolution for its winding up or has a provisional liquidator, liquidator, receiver, receiver and manager or agent of a mortgagee appointed otherwise than for the purposes of a bona fide reconstruction or amalgamation, or if the Performer, being an individual, commits an act of bankruptcy or is declared bankrupt, or if the Performer, in any event, enters into a scheme of arrangement or compromise with its creditors or any class thereof or ceases or threatens to cease carrying on its business. Any such cancellation shall be without prejudice to the right of PPCA to recover from the Performer any monies due and payable by the Performer hereunder or to the right of PPCA or of any one or more of the Companies to recover any damages sustained by it or them by reason of any such breach.

9. Any notice that may be given to the Performer or to PPCA hereunder shall be deemed to have been served on the Performer or on PPCA, as the case may be, three days after it has been placed in an envelope addressed to the Performer at his address as known to PPCA or, as the case may be, to PPCA at its address last known to the Performer, and placed in the post, postage being prepaid.

10. Any words or expressions used in this Licence which are defined in any of the provisions of the Copyright Act, 1968, shall bear the meaning as respectively assigned thereto by that Act.

11. (i) The Performer shall have a right to refer to a Board of Review ("the Board") any of the terms and conditions embodied in this Licence. Such right must be exercised by the Performer giving to PPCA one (1) month's notice in writing

(ii) (a) The Board shall be constituted by three members who shall be persons appointed by the following persons, associations or corporations or their equivalents from time to time upon notification in writing by the Performer of its desire to have its licence fee reviewed:-

- (aa) PPCA;
- (bb) the Australian Institute of Arbitrators;
- (cc) the Trade Association most closely associated with the business in which the Performer operates. The Board of Review shall be chaired by the representative appointed by the Australian Institute of Arbitrators.

(b) No legal representatives shall be allowed to appear before the Board.

(c) The hearing by the Board shall take place at such place as the appointee of the Institute of Arbitrators deems most convenient to all parties.

(d) The costs of the proceedings before the Board including but not limited to any professional costs incurred by any Board Member, stenographer's fees, and fees for hiring of a hearing room shall be shared equally between the Performer and PPCA.

(e) The Board shall not make any award of costs.

(f) The proceedings before the Board shall be conducted in an informal manner and without any strict adherence to the rules of evidence.

(g) Any party aggrieved by a decision of the Board may make application to the Copyright Tribunal pursuant to Part VI of the Copyright Act 1968.

(h) Nothing contained in this clause shall in any way limit or hinder or otherwise affect the right of any party to make an application to the Copyright Tribunal pursuant to Part VI of the Copyright Act 1968.

(i) The Board shall deliver its decision upon any matter referred to within three (3) months from the final day of submissions made to it.

12. The validity, construction and effect of this Agreement and any or all modifications thereof shall be governed by the laws of New South Wales.

13. This licence shall be deemed to have commenced on the first day of the month in which the Application was made.

Write in
month
and year

Sign here Signed by/for and on behalf of _____ (the Licensee)

Dated: _____

FOR OFFICIAL USE

Signed for an on behalf of
PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA LIMITED

Dated _____
General Manager

TARIFF CATEGORIES

A	General Licences - public address services and open air events, school or church concerts. (Single event licences are available).
B	Arts, film, music events and similar festivals
C	Cinemas and theatres
D	Dance studios, dance instructors, line dance instructors
DD	Live performance groups, dance companies, performance promoters
E	Nightclubs, discotheques, discotheque promoters, foreground music in bars
F	Mobile discotheque operators
FW	Mobile video discotheque operators
H	Public halls, church halls, school and council halls, institutes
HM	Music on hold
I	Factories, industrial premises and associated offices.
J	Jukeboxes
JO	Jukebox operators
JW	Video jukebox operators
K	Amusement centres, pool rooms, squash courts, swimming pools, ten pin bowling centres
M	Commercial or professional premises - including art galleries, bars, clubs, elevators, foyers, function rooms, funeral parlours, hairdressers, health/medical offices (eg doctors, dentists, chiropractors, massage therapists, osteopaths, physiotherapists), hotels, libraries, lounges, massage parlours, motels, museums, reception areas, retail stores, taverns, zoos, and/or similar establishments.
MW	Electrical and hi-fi stores
N	Shopping centres, plazas, concourses
P	Public vehicles (eg aircraft, buses, charter boats, coaches, ferries, hire cars, light rail, monorail, ships, taxis, trains, trams)
R	Restaurants, cafes, coffee lounges, road houses
S	Sports arenas, race tracks, showgrounds, outdoor amusement parks
SS	Community service recreational areas (eg. beaches, parks)
U	Skating rinks
V	Fitness centres, gymnasiums, health clubs, spas, solariums
W	Music video clips
W-E	Music video clips in nightclubs, fixed discotheques and discotheque operators
X	Concert venues
Y	Conference rooms

Licence fees are calculated differently in each category (eg, fees may be flat fees per annum, fees per person or per machine, or fees determined by size of venue depending on category) - contact PPCA for full details. It is quite possible, depending on your needs, that you may have a licence with any number of Tariffs eg a hotel may have a number of bar areas (Tariff M), restaurants (Tariff R), nightclubs (Tariff E), gymnasium (Tariff V), and video jukebox (Tariff W).



MOST BROADCAST ARTIST 2001

SAVAGE GARDEN / ROADSHOW MUSIC

**PPCA
MOST BROADCAST
2001**

**MOST BROADCAST
AUSTRALIAN RECORDING 2001**

"SHINE"

VANESSA AMOROSI / TRANSISTOR MUSIC



