

Linking Australian Businesses to record and music video makers

**P P C A**

Phonographic Performance Company of Australia  
**Annual Report 2000**

# What does PPCA do?

PPCA is a non-profit organisation established to collectively license, enforce and administer public performance and broadcast rights in sound recordings and to distribute the revenues raised from these licences to recording artists and copyright owners.

PPCA was established in 1969 after those rights were first introduced in the Australian Copyright Act 1968. The rights vest in the sound recording copyright owner/controller. PPCA also licenses the broadcast and public exhibition rights in music video clips.

PPCA provides the commercial link between sound recording and music video copyright owners and tens of thousands of users, distributing revenues to featured recording artists and member labels in a quick cost-effective manner.

Revenues are also distributed through the **PPCA Trust**.



Savage Garden / Roadshow Music  
PPCA MOST BROADCAST RECORDING ARTIST 2000

Phonographic Performance Company of Australia Ltd

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## Credits

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Transistor Music, Warner Music, BMG Australia,  
Standard Records, Universal Music Australia



# 2000 Highlights

PPCA revenues, distributions, licences and registered artists and groups continued to increase in 1999-2000, maintaining our unbroken succession of improvements since 1990.

**Income up 4.5% to \$6,618,267**

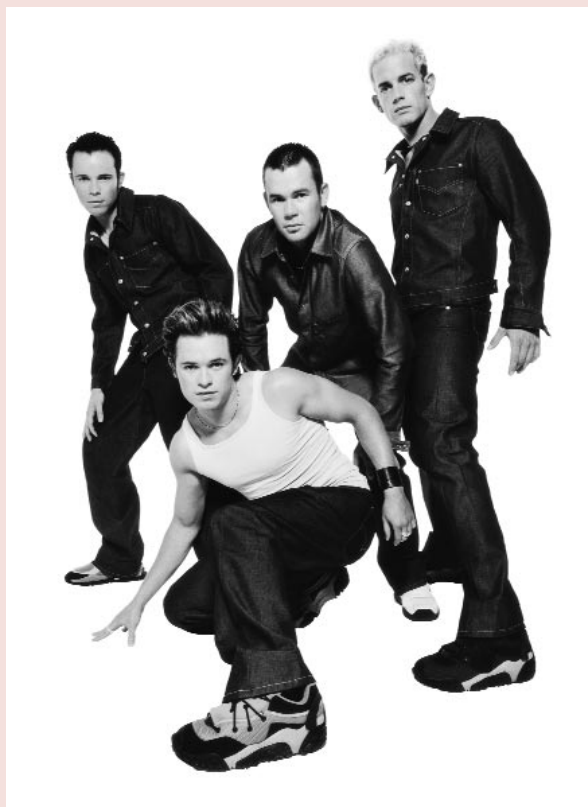
**Distribution surplus up 3.5% to \$4,215,189**

**Licences up 7.9% to 32,691**

The PPCA Trust approved 24 applications for funding:

**17 related to further education and research**

**7 for festivals, live music and local artists**



Human Nature/Sony Music Entertainment Aust.



Vanessa Amorosi/Transistor Music

# Chairman's Report



1999-2000 was a year of dramatic change and a great many economic, technological and legal challenges. We are pleased to report PPCA identified these challenges and effectively responded to them, achieving our most successful year yet for recording labels and artists.

The Goods and Services Tax, economic and financial challenges, legislative changes in the area of digital rights, government committees (including the ERGAS committee and the CLRC investigation into copyright issues), disputes with various parties (including the FACTS case), website development, and the continuing battle for a realistic commercial rate for the use of sound recordings by traditional broadcasters were all issues that impacted on the operations of PPCA in the last year. (This annual report covers the 1999-2000 financial year, as well as information on legal and operational issues up to the date of publishing, being December 2000).

Despite these robust challenges, PPCA achieved its most successful result ever and our 11<sup>th</sup> consecutive year of earnings growth. Income during the 1999-2000 financial year increased by 4.45 % to \$ 6.618 million. A surplus in the amount of \$ 4.2 million was also achieved during this period, representing an increase of 3.49 % on the previous year. In accordance with our usual practice, this money was distributed in December 2000 to recording labels and artists, and through the PPCA Trust. Licence numbers during the 1999-2000 financial year increased by 7.94 % and stood at 32,691 at the end of the financial year.

Equally as important as achieving business growth is PPCA's commitment to its innovative and original communication programs, which impart information not only to the music industry, but also to the general community. Many of these programs have been duplicated or emulated by other collecting societies. From our viewpoint, this indicates that these programs not only work well, but also are perceived by the general community to be very effective.

#### Elements of PPCA's information dissemination and education programs include the following:

- The wide distribution of plain English brochures explaining the role and functions of PPCA, as well as the rights and obligations attached to the usage of protected music
- Letters to various trade groups explaining the role and functions of PPCA which are then passed onto their members
- Public speaking engagements by PPCA representatives before industry groups and other interested parties
- Publication of advertisements and articles in trade and industry publications
- The publication of notices encouraging copyright holders to register with PPCA. These notices are placed in the street press and in other locations where they can be seen by the greatest number of recording artists including unsigned artists
- Development and encouraged usage of PPCA's website as an effective information and education resource.

The period covered by this annual report was not just a period of great activity by PPCA in response to issues that arose, but also a period of great proactivity. PPCA took the lead on a number of issues with PPCA management serving on several committees and dealing with the Federal Government on a wide range of issues. The Senior Managers' Report examines this in further detail.

PPCA's success over the past year is due primarily to the unyielding efforts of the management and staff. Gratitude must be extended to the Executive Director of PPCA, Emmanuel Candi and his team.

PPCA is as much about the people who serve it and the expertise they display, as it is about the valuable services the organisation provides. With the continued development of our resources we look forward to a successful and prosperous 2001 for the right holders we represent.

**Peter Bond**  
Chairman  
November 2000

# Company Information



Peter Bond (Chairman, PPCA), Michael McMartin (Artist/Manager Representative), Lindy Morrison (Artist Representative), Emmanuel Candi (Executive Director, PPCA) and John Kane (Artist Representative).

## DIRECTORS

### **Peter Bond (Chairman)**

President, Universal Music Australia Pty Ltd

### **Belinda Morrison**

Artist

### **Louis Calleja**

Business Affairs Director, EMI Music Australia

### **John Kane**

Artist/Record Producer

### **Denis Handlin**

Chairman/CEO, Sony Music (Entertainment) Australia Ltd

### **Shaun James**

Chairman, Warner Music Australia

### **Michael McMartin**

Artist Manager

### **Timothy Prescott**

Managing Director, BMG Australia Limited

### **Roger Grierson**

CEO, Festival Records Pty Ltd

## AUDITORS

**Deloitte Touche Tohmatsu**

## BANKERS

**Colonial State Bank**

## SOLICITORS

**Gilbert & Tobin**

## REGISTERED OFFICE

### **PPCA**

Level 9, 263 Clarence Street  
Sydney NSW 2000

A.C.N. 000 680 704

A.B.N. 43 000 680 704

## EXECUTIVE SECRETARIAT



### **Emmanuel Candi**

Executive Director



### **Lynne Small**

General Manager, Operations & Public  
Performance Licensing



### **Cathy O'Brien**

Legal & Business Affairs Manager



### **Marcella McAdam**

Public Relations Manager



### **Maxine Chisholm**

Licensing Manager



### **Linda Courtney**

Distribution Manager



# Senior Manager's Report

## 1999-2000 Operations

### FINANCIAL PERFORMANCE

We are happy to advise that, once again, we are able to report record achievements in the areas of revenue, distributable surplus, and licence coverage.

The surplus increased by 3.5% over the previous year, resulting in a distribution of over \$4.2 million in December 2000. Total income increased by 4.5% to \$6.6 million.

The number of public performance licenses held also increased, with a record number of 32,691 licences active as at the end of the financial year. This growth (7.9%) highlights the high volume of activity undertaken by PPCA licensing staff over the year and the increasing awareness of PPCA via our public communication programme.

The trends outlined above are illustrated in the series of graphs displayed on page 7.

### COMMUNICATIONS

Since 1996 PPCA has been proactive in establishing and expanding a programme of advertising and communications. This programme was undertaken for a number of reasons:

- to educate public and commercial users of sound recordings of their legal obligations,
- to increase awareness of the value of sound recordings and music videos; and
- to promote the need to equitably remunerate their originators for the use of these valuable products.

In support of these goals, over the previous year PPCA has participated in a number of industry events and education based programmes either by attending or via the provision of explanatory literature or editorial copy. Further details of activities in this area can be found in the Communications section of this report.

The PPCA website ([www.pcca.com.au](http://www.pcca.com.au)) continues to provide a cost effective method of bringing relevant information to members, artists, licence holders, students and other interested parties.

### DISTRIBUTION

In December 2000 PPCA made its distribution to registered artists and member labels for the financial year ending June 2000. Both the *number of registered artists* and the *overall distribution to artists* under the Direct Artist Distribution Scheme increased this year, highlighting the heightened awareness of the advantages of participating in the scheme. PPCA continues to work to increase its profile in this area, encouraging artists to register for direct payment and regularly update their claims. A number of artists still choose to obtain these funds via payment from their record company. This is, of course, a business decision for each artist to make.

The distribution process, one of PPCA's primary functions, is both complex and time consuming. The efficiency and cost effectiveness of the process is significantly assisted by the access granted to PPCA by the Australian Record Industry Association (ARIA) of its extensive repertoire database. This valuable resource aids the essential task of matching distribution logs with artist registrations, a critical step in the correct apportionment of the annual surplus.

### SUPPORT ACT LIMITED (SAL)

PPCA is a proud supporter and founding member of SAL – the national benevolent fund established to provide assistance to Australian musicians, composers and associated workers. PPCA is represented on the Board of SAL, and supports SAL's 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 "The White Night" raising much needed funds to aid the organisations ongoing charitable activities.

# 1999-2000 Operations

## GST

The distribution made in December 2000 (for the year ending June 2000) is the last that will be made under pre-GST conditions. To simplify record keeping for artist and record company members PPCA has applied to the Australian Taxation Office (ATO) for permission to produce Recipient Created Tax Invoices (RCTIs) in relation to future distributions. The process has been a slow one, and we continue to liaise with the ATO and our tax consultants, Deloitte Touche Tohmatsu, to finalise this matter.

As soon as the ATO finalises its determination PPCA will contact all artist and record company members to detail the necessary changes to the distribution and registration processes.

## STAFFING

Over the last twelve months there has been a change in two key positions at PPCA. Mr Jim White, who held the position of General Manager, retired in July 2000 after over ten years with the organisation. Jim was a significant contributor to the steady growth of PPCA over the last decade. Jim continues to assist the organisation in a consulting role from time to time.

Our former Distribution Manager, Ross Sharp, left the organisation after finalising the annual distribution in December 2000. Ross leaves to pursue other interests, and has been replaced by Linda Courtney. Linda brings to the role many years of related experience gained in her previous positions with both record and publishing companies.

## THE YEAR AHEAD

The year ahead will be another challenging one for PPCA as we negotiate licence agreements with community broadcasters and subscription telecasters, and webcasters.

We hope to successfully conclude arrangements with commercial telecasters – an issue which has involved significant attention over the last five years and required applications to the Copyright Tribunal, Federal Court and High Court.

We intend to continue our policy of steady public performance licence growth. The established public relations and communications programme supports this endeavour by increasing awareness of the rights PPCA administers on behalf of all its members.

In regard to broadcast income, PPCA will continue to lobby the Federal Government to address the inequitable situation of artificial price cappings on broadcast fees. Since the introduction of the Copyright Act 1968 (the Act) sound recording copyright owners have been forced to subsidise the Australian broadcast industry as the maximum fee is 'capped' by virtue of the Act.

This applies to certain free-to-air broadcasters, the ABC and SBS. The ceilings are significantly below comparable market rates for such licences and are inconsistent with competition and broadcasting policies espoused by the Federal Government and the Federal opposition. These are the only areas price capped. All new broadcasting or webcasting is properly required to pay going fees.

As the broadcasters continue to refuse to pay proper commercial rates for the use of sound recordings it is up to the government to remove the distortion by removing the provisions of the Act causing this inequitable situation. Column 2 of Table 1 illustrates the impact of such price capping on the income of PPCA's artists and record label members, and highlights the importance of this very longstanding issue.

As a matter of policy PPCA remains committed to ensuring all artists and record company members obtain equitable recompense for the exploitation of their sound recordings and music videos, through PPCA's simple licence schemes and reasonable fees.



**Emmanuel Candi**  
Executive Director



**Lynne Small**  
General Manager, Operations & Public Performance Licensing



# 1999-2000 Operations



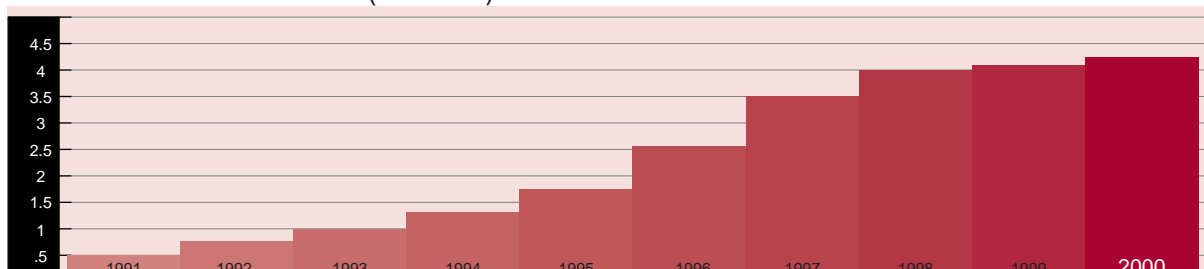
**TABLE 1 PPCA REVENUES, EXPENSES AND DISTRIBUTION**

	<b>COLUMN 1</b>	<b>COLUMN 2</b>
GROSS REVENUE	\$6,618,267	\$26,386,974
AGENCY EXPENSES	\$2,403,078	\$2,703,078
AMOUNT AVAILABLE FOR DISTRIBUTION	\$4,215,189	\$23,683,896
DISTRIBUTION TO PPCA PERFORMERS' TRUST	\$62,139	\$256,124
DISTRIBUTION TO ARTISTS AND RECORD COMPANIES	\$4,153,050	\$23,427,772

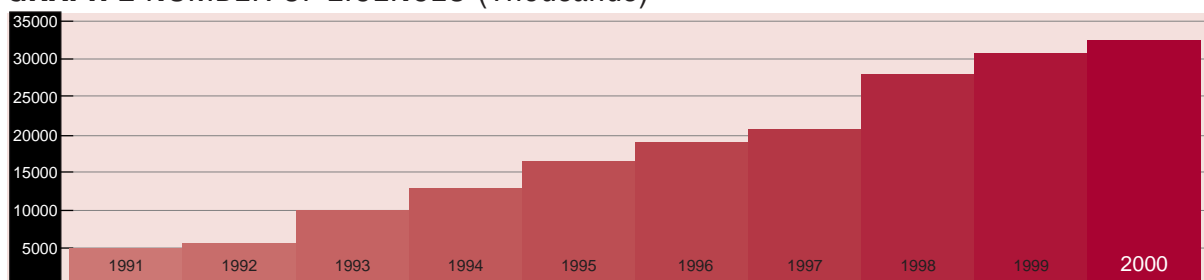
COLUMN 1: 1999/2000 PPCA figures.

COLUMN 2: Estimated 1999/2000 figures if 'price cap anomalies' were removed.

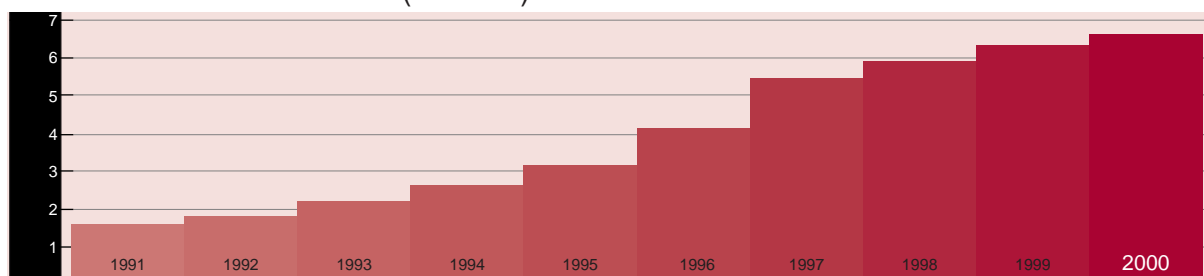
**GRAPH 1 DISTRIBUTION (Millions)**



**GRAPH 2 NUMBER OF LICENCES (Thousands)**



**GRAPH 3 GROSS REVENUE (Millions)**



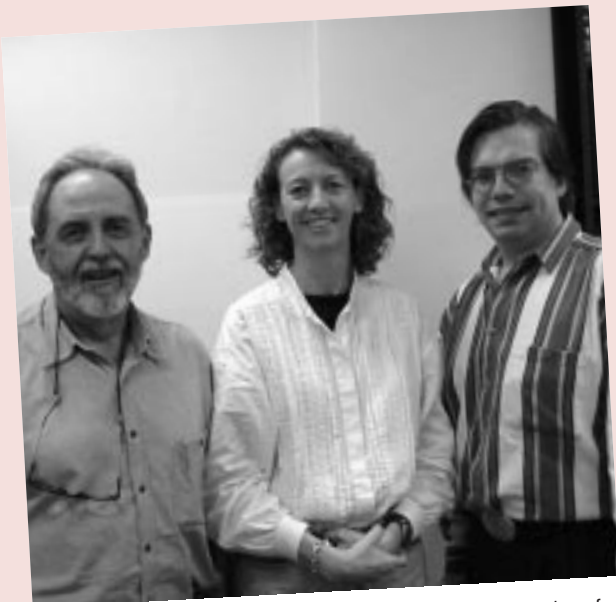
# PPCA Communications



**Peter Bond & Emmanuel Candi** pictured at the 'White Night' fundraiser for Support Act Limited. Both Universal Music and Sony Music donated \$5000 each to SAL.



PPCA joined with ARIA to participate in the Pacific Circle Music Expo held at Fox Studios in October providing an opportunity to profile the work of PPCA to both the music industry and general public.



Pictured with the representative of the Linedancing Association of Australia **Mr David Bowers** is **Jim White** (former GM, PPCA) and **Cathy O'Brien** (Legal & Business Affairs PPCA).



PPCA presented **Bachelor Girl** and **BMG** with the Most Broadcast Australia Recording Artist Award (1999) prior to their performance on The House Of Hits. Pictured left-right is **David Hughes** (Manager), **Tania Doko**, **Tim Prescott** (Managing Director, BMG), **James Roche** and **Emmanuel Candi** (PPCA).



**John Kane** and **Lindy Morrison** (PPCA Artist Directors) pictured with **Glenn A. Baker** at the farewell dinner for Jim White, again raising funds for Support Act Limited, of which PPCA is a founding member.

# PPCA Communications



**Jim White & Jimmy Little** pictured after his performance at the 'White Night' fundraiser for SAL.



PPCA again supported Music Business Adelaide 2000 with staff participating in the industry workshops with young musicians. Pictured is **Jim White** and **Cathy O'Brien** with local SA artist at the business workshops.



**Lee Kernaghan** and ABC Contemporary Music were the recipients of the Most Broadcast Australian Country Music Recording Artist Award for 1999 and were presented with this Award at the CMMMA Annual Awards Ceremony. Pictured is **John Kane** (PPCA Board), **Jeff Chandler** (Manager), **Marianna Annas** (PPCA Board/BMG), **Lee Kernaghan**, Rex Barry (ABC Contemporary Music) and **Emmanuel Candi** (PPCA).



**Michael Chugg** and **Lindy Morrison** at the Melbourne Cup lunch to raise funds for Support Act Limited.

# PPCA Communications

## Top 100

### Most-played songs on radio

**THE HIT LIST**

**THE HIT LIST**

1. ...  
2. ...  
3. ...  
4. ...  
5. ...  
6. ...  
7. ...  
8. ...  
9. ...  
10. ...

## PPCA's Australian Radio Top Talent

In what was yet another successful year for Australian recording artists, the Phonographic Performance Company of Australia (PPCA) recently announced its annual Top 20 Most Broadcast Australian Country Music Recording Artists and Top 100 Broadcast Recordings and more as popular as ever in listening audiences across Australia. What is significant about this annual list, is the many quality music artists that appear to have successfully impressed both radio and record sales.

Over the past 12 months, the PPCA has collected extensive "airplay data" of tens of thousands of commercial and local recordings Australia wide. At the end of this period, final results are compiled by PPCA into the Top 100 Broadcast Recordings for that year and being such have far exceeded data, these year results are being awarded by artists and record companies, radio stations, print media and music enthusiasts.

The Most Broadcast Recording award was for 1999 was from DJ group The Lightning Family (Sydney), whose worldwide hit "High" took #1 position. The commercially friendly debut single "Duff" by Jennifer Lopez (Newk) received top rotation at #2 followed by the Gee Gees Debs (Sydney) with "Star" at #3.

In the PPCA Top 20 Most Broadcast Australian Country Music Recording Artists, Lee Brice at #2 and Gina Jeffries at #3 Star full country label.

Noted international artists featured strongly at the top of the Top 100 list" comments Executive Director of PPCA, Australian Vice President GUY SMAG with their best-selling single "Buses and Trains" arrived #1 position. This was, ahead of established recording artists such as Cher and Shania Twain, in all twenty seven positions on the Top 100 list with multiple entries.

"As these artists' success Mr. Candi, "attributed to Australian broadcasting and music culture in a significant way".

In 1999, to collectively license, enforce and administer public performance and broadcast rights in sound recordings and music videos, PPCA plays a vital role in the Australian music industry providing protection for the public performance and broadcasting copyright for thousands of artists and their record labels" explains Mr Candi, "PPCA has over 30,000 licensed listening businesses such as hotels, restaurants, clubs, centres, dance groups, nightclubs and retail stores, as well as radio and TV broadcasters. They are licensed for the use of protected recorded music and music videos in public with certain limited distribution strictly to record sales and to recording artists for re-investment in their careers".

Further information on PPCA can be sought from: Emmanuel Candi, Executive Director PPCA on 02 9267 7817  
 Mercedes Moleken, Public Relations Manager PPCA on 02 9267 7817  
 PPCA Top 20 Most Broadcast Australian Country Music Recording Artists: Lee Brice, Adam Brand, Lee Jeffries, Adam Holmes, Shirley Doherty, Olivia Newton John, Mitchell Skaife, Lynette Hawwood, Tania Kermaghan, Michael O'Rourke, The Carter-Burns, Damon Cooper, The Country Storm, The Yankinners, John Handberg, Eddy Chamberlin, Rick Price.

## ARE YOU PLAYING AWARD WINNING MUSIC?

If your business plays CDs, tapes or music videos in public you need a PPCA licence.

### WHAT is PPCA?

PPCA is a national, non-profit, non-government organisation representing record companies and recording artists. Established in 1969, PPCA provides non-exclusive "one stop" licences to anyone publicly playing protected sound recordings or music videos.

### WHO do we Licence?

PPCA licences in excess of 30,000 venues Australia wide. Examples include clubs, hotels, bars, shops, cafes, fitness and entertainment centres, jukeboxes and public facilities. PPCA also licenses radio and TV stations.

### WHERE does the money go?

Licence fees are distributed to registered Australian recording artists, record companies and to a trust fund which provides grants for the encouragement of music and the performing arts.

If you play protected sound recordings or music videos in public, a licence must be obtained from PPCA or the relevant copyright owners - contact us for details. Remember; licence fees are a tax deductible business expense.

"PPCA represents bands like us for the public performance of our records and music videos."

*Backbeat Girl / BMG Australia*

# PPCA

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Support Act London PPCA IS A FOUNDRY MEMBER OF SUPPORT ACT (AUSTRALIA'S MUSIC INDUSTRY BENEVOLENT FUND)

[www.ppca.com.au](http://www.ppca.com.au) PPCA links Australian businesses to record & music video makers

# PPCA Communications



Photo from Monday's Radio Raw launch. Left to right Chris Flintoff, Teletex: CM Murphy, Digital One: Senator Natasha Stott Despoja, Frank Arrigo, Microsoft: Emmanuel Condi, ARIA

At the official launch of DigitalOne's online station, RadioRaw, Democrat Senator Natasha Stott-Despoja announced a "revolutionary collaboration" between DigitalOne and two major players in the online world, Microsoft and Teletex, which will support a unique "pay for play" arrangement where every time a song is played on DigitalOne's radioRAW that artist is paid a royalty, a world's first in the online world. This will be achieved by the creation of a "royalty pool" to which both Microsoft and Teletex have contributed equally. The Phonographic Performance Company of Australia (PPCA) will administer these royalty payments.

## Music Videos Becoming BIG BUSINESS

There is regular discussion in the business community about the public performance of protected sound recordings and what your legal requirements are. Everyone music, be it CDs, cassettes or music videos, is played for the benefit of consumers or the general public, those responsible for playing the music need to have a licence and pay the associated licence fee. Simply owning a CD does not mean it can automatically be played in public or broadcast.

Background recorded music and music videos, along with content, lighting, events and excellent service, are all important marketing tools for commercial venues like nightclubs, hotels, department stores, restaurants and fitness centres. Music video jukeboxes especially, are becoming a popular avenue to entice people, as all businesses continue to look for interesting and diverse ways of attracting and influencing their customers, as well as promoting their particular goods and services.

When a public performance of a protected sound recording takes place, via a CD or music video, it may be necessary for the person or business who authorised the playing of that sound recording to hold a licence from two key music copyright collection bodies - PPCA and APRA.

The Phonographic Performance Company of Australia Ltd (PPCA) is a non-profit organisation established by Australian record companies to act as their agent for the purpose of providing 'one-stop' non-exclusive licences to any business publicly playing protected sound recordings under the Copyright Act 1968. The Australian Performing Right

Association (APRA) represents composers, lyricists and songwriters collecting royalties for their members for the public performance of their copyrighted works.



The popular use of music in TV soundtracks such as Ally McBeal is reflective of an upward worldwide trend

Be it country, rock, dance or R&B, PPCA has seen a notable increase in the use of music videos by businesses across Australia for entertaining, exercising, motivating or just being utilized to create a mood, theme or ambience. This has been particularly evident with the popular use of movie and TV soundtracks like 'Priscilla - Queen of the Desert', 'Songs from Ally McBeal' and more recently, 'Austin Powers - The Spy Who Shagged Me'.

Warner Music Australia is one of the largest distributors of music videos and is represented by PPCA for the public performance of their entire recorded music catalogue. Mr Gary Smerdon, Financial Director for Warner Music and PPCA Board member, highlights the growing use and popularity of the music video

medium. "Warner Music", explains Mr. Smerdon, "releases up to 30-40 music video titles annually. Currently we have titles in the marketplace including - Bee Gees 'One Night Only', Janet Jackson's 'Victory Tour' and The Corrs 'Live at the Royal Albert Hall' plus artists like Cold Chisel, Regentina and U2. Clavis has music video compilations by Fleetwood Mac and Madonna are also in popular demand and that is why organisations like PPCA are so important, as they protect the commercial use of music on behalf of these artists and their labels".

Music copyright, once undervalued, should be regarded as a necessary part of business. It is interesting to note that businesses pay for all other costs, such as water and electricity, but sometimes people assume music copyright comes free. "PPCA", continues Mr. Smerdon, "makes it very simple for all businesses to link with the artist, record and music video makers it represents, like Warner Music, via PPCA's simple 'one-stop' licence agreement and fees".

A PPCA licence for a hotel or nightclub utilising a music video jukebox commences at \$106.11 per annum and CD/jukebox jukebox at \$76.99.

Remember, all licence fees are a tax deductible business expense and PPCA licensing staff are on hand to provide you with tariff figures and to answer any questions you may have on (02) 9267 7877. Or check out our website - HYPERLINK <http://www.pcca.com.au>

# 1999-2000 Arbitration / Court Cases / Legislation Update

## **CASE 1 FAIR FITNESS MUSIC ASSOCIATION (FFMA)**

As advised in earlier Reports, Mr Evangelos Rizos created the Fair Fitness Music Association (FFMA) and under this name applied to the Copyright Tribunal in 1998 to have the Tribunal determine an appropriate licence fee to be applicable to gyms and fitness centres playing protected sound recordings.

We can now advise that Mr Rizos has discontinued his Copyright Tribunal case to have a fee set for the use of protected sound recordings in fitness centres.

In the course of those proceedings, Mr Rizos sent out letters to his members which contained a number of incorrect and misrepresentative statements regarding the PPCA, and the need to be licensed to cause recordings to be performed in public. Mr Rizos initially refused to correct these statements but, following Federal Court action, agreed to retract and correct them.

## **CASE 2 FEDERATION OF AUSTRALIAN COMMERCIAL TELEVISION STATIONS (FACTS) VS PPCA**

You will all recall PPCA's success in the High Court in 1998 in the 'FACTS' case, when it was determined that sound recordings dubbed into a sound track of a movie or television programme did not lose its identity. We outlined in last years report that as a result of the successful High Court case, the Copyright Tribunal was able to recommence hearing the original application to have the appropriate rate determined that should be paid by commercial television stations for the broadcast use of sound recordings.

We believed at the time of last years publication that it was likely the case would be set for hearing sometime in the year 2000. Unfortunately, that did not eventuate. The PPCA and FACTS case is currently tied up in technical arguments regarding such things as relevant and applicable evidence and survey periods.

We now anticipate that the case will now be set for hearing in the second half of 2001.

## **SOCOG – SPOC BODY**

PPCA also continued to be very successful in its licensing activities, including the licensing of protected sound recordings publicly performed during the Olympic and Paralympic Games, without the need to resort to costly and time consuming legal proceedings.

After lengthy negotiations, PPCA entered an equitable agreement with SOCOG (also representing SPOC, the Sydney Paralympics organising committee) for the extensive use of protected sound recordings played at all venues and related events during both Olympic Periods. You would all have to agree that the extensive use of sound recordings throughout the various venues only helped to add to the atmosphere of this very exciting time.

The SOCOG licence is relevant to the 2000-2001 year but we mention it in this report given the prominence the Olympics had last year.

## **LAW REFORM**

### **Amendments To The Copyright Act Including The Digital Agenda Bill**

On August 17 2000 the Federal Government passed a number of amendments to the Copyright Act including the "Digital Agenda Bill". These amendments are due to come into effect in March 2001.

The purpose of these amendments is to take into account the ways in which new technologies, such as the internet, allow copyright material to be used. In broad terms, the amendments extend copyright law into the electronic environment so that the same use of copyright material may be made with new technologies in that environment, as is currently made outside of that environment.

These amendments were passed after continued efforts by PPCA (together with ARIA) to lead the debate on the Bill. In the time leading up to the passing of these amendments, PPCA continued to work diligently and professionally with the Government and other groups, preparing numerous submissions, attending round table sessions and meeting with relevant Ministers and Committees.

# 1999-2000 Arbitration / Court Cases / Legislation Update



The major changes to the Act include the introduction of the following:

- 1** A right of communication to the public. This replaces and is more extensive than the old right to “broadcast” which was limited to broadcasting either by wireless means, or (for musical works and films) by cable transmissions to subscribers. The right will apply to material communicated from Australia even if it is only accessible overseas. As the current artificial price capping on the amounts payable for the broadcast of Sound Recordings only applies to broadcasts, there will be no price capping applicable with respect to communication. The communication right covers both transmissions through broadcasting and cable transmission, and delivery/sales service through the making of material available to be viewed or downloaded, on for example, a net site. Net activity or webcasting is not broadcasting. It is a separate activity and subject to specific licence. PPCA will licence certain webcasts for some members non-exclusively;
- 2** Criminal penalties and civil remedies for the making, importing or commercial dealing in devices and services which circumvent technological copyright protection measures such as decryption software; and
- 3** Sanctions against tampering with rights electronic management information, being information attached to or embodied in digital material that identifies the material, and its author or copyright owner, or relates to the terms and conditions of its use.

## **PRICE CAPPINGS ON FEES PAYABLE BY RADIO BROADCASTERS**

PPCA continued to argue for the repeal of price cappings on the fees payable by non-Government and Government radio broadcasters for the use of Sound Recordings. Regrettably, the repeal of these price cappings was not included in the Copyright Amendment (Digital Agenda) Bill 1999, which introduced the proposed Digital Agenda amendments to the Copyright Act (with the government informing us that it will be dealt with separately).

In the interim report by the Intellectual Property & Competition Review Committee (“the Ergas Committee”) on “Competition & Copyright” issues, the Committee accepted PPCA’s submission that the capping on the fees payable by broadcasters to sound recording copyright owners/PPCA should be repealed. The government must now respond.

## **OTHER ENQUIRIES AND CASES WHERE THE PPCA HAS BEEN CONSULTED OR HAVE COMPLETED SUBMISSIONS INCLUDE:**

### **Copyright Law Review Committee**

This examined the jurisdiction and procedures of the Copyright Tribunal including its:

- Role;
- Scope for expansion of jurisdiction;
- Structure and Constitution of Tribunal; and
- Alternative Dispute Resolutions

# PPCA Trust

## 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 1999 – 30 June 2000 were Peter Bond, Emmanuel Candi, Patricia Amphlett and John McAuliffe.

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 \$1,335,023 (up to 30 June 2000).

In the 1999-2000 year, four Trust meetings were held and 32 applications were put to the Trustees. Of these, 24 were approved totaling \$92,460. Of the successful applications 17 related to further education and research; and 7 to festivals, live music and local artists.

The names of the recipients are as follows:

Tom Carrig  
Australian Society of Music Education  
Musician's Union of Australia  
Tom Ward  
Adelaide Institute Connection  
Andrew Firth  
Peter Whitford  
Stix N Tones  
ARIA Awards  
Media Entertainment & Arts Alliance  
Samantha Hennessy  
Andrea Reiniets

Recitals Australia  
Association for Music Community  
Arts & Development  
Barrier Industrial Unions Band  
Julian Bain  
National Band Council of  
Australia Inc  
Jonathan Webb  
Moirá Casanova  
The Innocents  
Launceston Jazz Club  
Symphony Orchestra Musicians  
Assoc (SOMA)

*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:

*The Military Tattoo, being the first ever held in our city, sold out of tickets. This is very encouraging for the future. Many congratulations have been received on the organisation of the whole weekend program, and of this we can be very proud.*

*We take this opportunity to thank the Board of Trustees for their generous Sponsorship, enabling us to procure the services of our Adjudicator, Doug Trotman OAM whom, we believe, helped to make the Festival such an outstanding success.*

**Pauline Rauert, Broken Hill NSW**

*I am writing in regards to the PPCA Grant for the Australian National Band Championships 2000 and have enclosed relevant press coverage and report. Public acknowledgement was afforded to the PPCA Performers Trust Fund at the Official Welcome and Opening and on behalf of both the Hobart and Launceston Branch Committee's of the Musician's Union, I thank the Trustees for their assistance.*

**Denis Shelverton, Hobart TAS**

*Please convey to the Trustees our sincere appreciation of their generosity in providing a grant. Although we have received grants on previous occasions, we do not in any way take receipt of it for granted. That the Trustees have again seen fit to assist with the promotion and conduct of the National Band Championships in Tasmania is both welcomed and appreciated.*

**Sue Peters, Launceston TAS**



# 2000 Most Broadcast



## 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 1999 to June 2000).

## MOST BROADCAST RECORDINGS

The Most Broadcast Recording over all for 2000 was from legendary performer **Santana** with his worldwide, multi-award winning hit *Smooth* taking #1 position; this was followed by local band **Taxiride** with *Everywhere you Go* placed at #2 and **Tal Bachman's** debut single *She's so High* at #3.

Australian music continued to have a strong presence in the PPCA Top 50 for the given period with many artists, some of them debuting onto the list, achieving multiple entries including **Savage Garden**, **Vanessa Amorosi**, **Bachelor Girl**, **Killing Heidi** and **Taxiride**. 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 **S2S**, **Leah Haywood**, **Deadstar** and **Mark Lizotte**.

Overall, sixteen (16) positions in the Top 50 Recordings for 2000 were by Australian artists - a substantially marked increase on previous year's results.

## MOST BROADCAST ARTISTS

The Top 50 MOST BROADCAST ARTISTS saw an outstanding result for local music with Brisbane pop duo **Savage Garden** taking the coveted #1 position. This position was mainly achieved by having three (3) of their recordings 'airplayed' into the Top 50 - *I Knew I Loved You*, *Affirmation* and *The Animal Song* - pushing the band ahead of longtime favourites **The Beatles** at #2, **Madonna** at #3 and **Elton John** ranking #4. Also encouraging for Australian music was the positioning at the top of the list of other local talents **Taxiride** #5 and **Vanessa Amorosi** at #6.

In the history of compiling the PPCA playlist charts, this is the first time 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 (2000)**.

Other Australians in the Top 50 Most Broadcast Artists list include **Killing Heidi** (9), **Bachelor Girl** (13), **Crowded House** (15), **INXS** (19), **Human Nature** (21), **Cold Chisel** (28), **Jimmy Barnes** (34) and **John Farnham** (37), 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 1997, 1998, 1999 and 2000 on the following pages. Being hard factual data, these results are always eagerly awaited by artists and record companies, radio stations and music enthusiasts.

# 2000 Most Broadcast

## TOP 50 ARTISTS



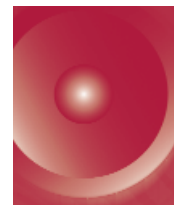
Taxiride/Warner Music

<b>1</b>	<b>Savage Garden *</b>	<b>26</b>	Five
<b>2</b>	The Beatles	<b>27</b>	Elvis Presley
<b>3</b>	Madonna	<b>28</b>	<b>Cold Chisel *</b>
<b>4</b>	Elton John	<b>29</b>	Neil Diamond
<b>5</b>	<b>Taxiride *</b>	<b>30</b>	Diana Ross
<b>6</b>	<b>Vanessa Amorosi *</b>	<b>31</b>	Pearl Jam
<b>7</b>	Bryan Adams	<b>32</b>	Macy Gray
<b>8</b>	Shania Twain	<b>33</b>	Tom Jones
<b>9</b>	<b>Killing Heidi *</b>	<b>34</b>	<b>Jimmy Barnes *</b>
<b>10</b>	U2	<b>35</b>	Creedence Clearwater Revival
<b>11</b>	Backstreet Boys	<b>36</b>	R.E.M.
<b>12</b>	Smash Mouth	<b>37</b>	<b>John Farnham *</b>
<b>13</b>	<b>Bachelor Girl *</b>	<b>38</b>	Sixpence None The Richer
<b>14</b>	Santana	<b>39</b>	Shawn Mullins
<b>15</b>	<b>Crowded House *</b>	<b>40</b>	Phil Collins
<b>16</b>	The Beach Boys	<b>41</b>	Queen
<b>17</b>	Fleetwood Mac	<b>42</b>	Matchbox Twenty
<b>18</b>	Red Hot Chili Peppers	<b>43</b>	Lenny Kravitz
<b>19</b>	<b>INXS *</b>	<b>44</b>	Tal Bachman
<b>20</b>	Billy Joel	<b>45</b>	Eurythmics
<b>21</b>	<b>Human Nature *</b>	<b>46</b>	Sugar Ray
<b>22</b>	The Eagles	<b>47</b>	Britney Spears
<b>23</b>	Rolling Stones	<b>48</b>	Fastball
<b>24</b>	John Mellencamp	<b>49</b>	The Police
<b>25</b>	Jennifer Lopez	<b>50</b>	Alanis Morissette

The following charts are 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.**

# 2000 Most Broadcast



## TOP 100 RECORDINGS

1	SMOOTH	Santana			
2	<b>EVERYWHERE YOU GO</b>	<b>Taxiride *</b>			
3	SHE'S SO HIGH	Tal Bachman			
4	I TRY	Macy Gray			
5	ALL STAR	Smash Mouth			
6	<b>I KNEW I LOVED YOU</b>	<b>Savage Garden *</b>			
7	<b>AFFIRMATION</b>	<b>Savage Garden *</b>			
8	WHEN YOU SAY NOTHING AT ALL	Ronan Keating			
9	HEY LEONARDO (SHE LIKES ME FOR ME)	Blessid Union of Souls			
10	<b>WEIR</b>	<b>Killing Heidi *</b>			
11	STEAL MY SUNSHINE	Len			
12	<b>HAVE A LOOK</b>	<b>Vanessa Amorosi *</b>			
13	<b>ABSOLUTELY EVERYBODY</b>	<b>Vanessa Amorosi *</b>			
14	<b>MASCARA</b>	<b>Killing Heidi *</b>			
15	LAST KISS	Pearl Jam			
16	SCAR TISSUE	Red Hot Chili Peppers			
17	<b>GET SET</b>	<b>Taxiride *</b>			
18	BABY DID A BAD BAD THING	Chris Isaak			
19	BEAUTIFUL STRANGER	Madonna			
20	KISS ME	Sixpence None The Richer			
21	BURNING DOWN THE HOUSE	Tom Jones			
22	PURE SHORES	All Saints			
23	IF YOU HAD MY LOVE	Jennifer Lopez			
24	<b>PERMISSION TO SHINE</b>	<b>Bachelor Girl *</b>			
25	LARGER THAN LIFE	Backstreet Boys			
26	OUT OF MY HEAD	Fastball			
27	KEEP ON MOVIN'	Five			
28	BLUE (DA BA DEE)	Eiffel 65			
29	YOU GET WHAT YOU GIVE	New Radicals			
30	<b>DON'T CRY</b>	<b>Human Nature *</b>			
31	EVERY MORNING	Sugar Ray			
32	<b>THE ANIMAL SONG</b>	<b>Savage Garden *</b>			
33	SAVE TONIGHT	Eagle Eye Cherry			
34	LEARN TO FLY	Foo Fighters			
35	<b>DEEPER WATER</b>	<b>Deadstar *</b>			
36	BAILAMOS	Enrique Iglesias			
37	<b>WE THINK IT'S LOVE</b>	<b>Leah Haywood *</b>			
38	I LOVE YOU	Martina McBride			
39	LIVIN' LA VIDA LOCA	Ricky Martin			
40	MAMBO NO. 5	Lou Bega			
41	I WANT IT THAT WAY	Backstreet Boys			
42	<b>DIG</b>	<b>Mark Lizotte *</b>			
43	ALL THE SMALL THINGS	Blink 182			
44	<b>SISTER</b>	<b>S2S *</b>			
45	SAY IT ONCE	Ultra			
46	THERE SHE GOES	Sixpence None The Richer			
47	<b>LUCKY ME</b>	<b>Bachelor Girl *</b>			
48	MAN! I FEEL LIKE A WOMAN!	Shania Twain			
49	SLIDE	Goo Goo Dolls			
50	CANDY	Mandy Moore			
51	SHIMMER	Shawn Mullins			
52	UNPRETTY	TLC			
53	LULLABY	Shawn Mullins			
54	WHAT A GIRL WANTS	Christine Aguilera			
55	THE DOLPHIN'S CRY	Live			
56	<b>SHINE</b>	<b>Vanessa Amorosi *</b>			
57	<b>DON'T CALL ME BABY</b>	<b>Madison Avenue *</b>			
58	IT'S ALL BEEN DONE	Barenaked Ladies			
59	WAITING FOR TONIGHT	Jennifer Lopez			
60	DON'T BE STUPID (YOU KNOW I LOVE YOU)	Shania Twain			
61	THIS KISS	Faith Hill			
62	FLY AWAY	Lenny Kravitz			
63	I DON'T WANT TO WAIT	Paula Cole			
64	THAT DON'T IMPRESS ME MUCH	Shania Twain			
65	WHY DOES IT ALWAYS RAIN ON ME?	Travis			
66	AMERICAN WOMAN	Lenny Kravitz			
67	GREAT BEYOND, THE	R.E.M.			
68	FOREVER	Tina Cousins			
69	TAKE A PICTURE	Filter			
70	SHIMMER	Fuel			
71	<b>PASSENGER</b>	<b>Powderfinger *</b>			
72	SOMETIMES	Britney Spears			
73	SHOW ME THE MEANING OF BEING LONELY	Backstreet Boys			
74	EX-GIRLFRIEND	No Doubt			
75	PRAY	Tina Cousins			
76	(YOU DRIVE ME) CRAZY	Britney Spears			
77	IF YA GETTING' DOWN	Five			
78	<b>WHAT'S A GIRL TO DO</b>	<b>S2S *</b>			
79	BAD TOUCH, THE	Bloodhound Gang			
80	GENIE IN A BOTTLE	Christine Aguilera			
81	CRUSH	Jennifer Paige			
82	<b>CRASH &amp; BURN</b>	<b>Savage Garden *</b>			
83	SWEETEST THING	U2			
84	DON'T SAY YOU LOVE ME	M2M			
85	<b>TORN</b>	<b>Natalie Imbruglia *</b>			
86	I NEED TO KNOW	Marc Anthony			
87	SWEET LIKE CHOCOLATE	Shanks and Bigfoot			
88	IF YOU COULD READ MY MIND	Stars on 54			
89	<b>ETERNAL FLAME</b>	<b>Human Nature *</b>			
90	THAT'S THE WAY IT IS	Celine Dion			
91	WHAT IS LIFE	Shawn Mullins			
92	WAY, THE	Fastball			
93	EVERY BREATH YOU TAKE	Police, The			
94	BENT	Matchbox 20			
95	<b>BLOWN AWAY</b>	<b>Bachelor Girl *</b>			
96	STRONG ENOUGH	Cher			
97	CAN'T GET ENOUGH OF YOU BABY	Smash Mouth			
98	BELIEVE	Cher			
99	NEVER LET YOU GO	Third Eye Blind			
100	CRAZY LITTLE THING CALLED LOVE	Queen			



s2s/Standard Records



Leah Haywood/  
Sony Music Entertainment

# 1997-2000 Most Broadcast



Killing Heidi/Roadshow Music

## ARTISTS

	1997		1998		1999		2000
1	The Beatles	1	Elton John	1	Shania Twain	1	<b>Savage Garden</b>
2	<b>John Farnham</b>	2	<b>John Farnham</b>	2	The Beatles	2	The Beatles
3	Elton John	3	<b>Savage Garden</b>	3	Madonna	3	Madonna
4	<b>Crowded House</b>	4	The Beatles	4	Elton John	4	Elton John
5	Bryan Adams	5	Billy Joel	5	<b>Bachelor Girl</b>	5	<b>Taxiride</b>
6	Billy Joel	6	John Mellencamp	6	<b>Natalie Imbruglia</b>	6	<b>Vanessa Amorosi</b>
7	Rolling Stones	7	Mariah Carey	7	<b>John Farnham</b>	7	Bryan Adams
8	John Mellencamp	8	<b>Tina Arena</b>	8	Goo Goo Dolls	8	Shania Twain
9	Alanis Morissette	9	Spice Girls	9	Alanis Morissette	9	<b>Killing Heidi</b>
10	Celine Dion	10	Madonna	10	Elvis Presley	10	U2
11	Phil Collins	11	Rolling Stones	11	<b>Savage Garden</b>	11	Backstreet Boys
12	Madonna	12	<b>INXS</b>	12	U2	12	Smash Mouth
13	U2	13	<b>Crowded House</b>	13	Phil Collins	13	<b>Bachelor Girl</b>
14	Eagles	14	Fleetwood Mac	14	Billy Joel	14	Santana
15	<b>Cold Chisel</b>	15	Eagles	15	Spice Girls	15	<b>Crowded House</b>
16	Elvis Presley	16	Bryan Adams	16	<b>Human Nature</b>	16	The Beach Boys
17	Fleetwood Mac	17	The Corrs	17	Mariah Carey	17	Fleetwood Mac
18	<b>INXS</b>	18	Hanson	18	John Mellencamp	18	Red Hot Chili Peppers
19	The Corrs	19	Celine Dion	19	Lighthouse Family	19	<b>INXS</b>
20	Queen	20	Phil Collins	20	Cher	20	Billy Joel
21	Mariah Carey	21	U2	21	All Saints	21	<b>Human Nature</b>
22	<b>Tina Arena</b>	22	Eric Clapton	22	Bryan Adams	22	The Eagles
23	<b>Midnight Oil</b>	23	The Beach Boys	23	Jewel	23	Rolling Stones
24	Simply Red	24	Jewel	24	Sheryl Crow	24	John Mellencamp
25	Eric Clapton	25	Rod Stewart	25	Neil Diamond	25	Jennifer Lopez

\* **Bold denotes Australian Artist.**

# 1997-2000

## Most Broadcast



Powderfinger/Universal Music Australia



### RECORDINGS

	1997		1998		1999		2000
1	<i>Change the World</i> Eric Clapton	1	<b>Torn</b> Natalie Imbruglia	1	<i>High</i> Lighthouse Family	1	<i>Smooth</i> Santana
2	<i>Because You Loved Me</i> Celine Dion	2	<b>Every Time You Cry</b> John Farnham/ Human Nature	2	<i>Crush</i> Jennifer Paige	2	<b>Everywhere you go</b> Taxiride
3	<b>A Simple Life</b> John Farnham	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
4	<i>You Learn</i> Alanis Morissette	4	<i>I Wanna Be The Only One</i> Eternal	4	<b>Buses and Trains</b> Bachelor Girl	4	<i>I Try</i> Macy Gray
5	<i>I Love You Always Forever</i> Donna Lewis	5	<i>Back To You</i> Bryan Adams	5	<i>Believe</i> Cher	5	<i>All Star</i> Smash Mouth
6	<i>Runaway</i> The Corrs	6	<i>Together Again</i> Janet Jackson	6	<i>One Week</i> Barenaked Ladies	6	<b>I Knew I Loved You</b> Savage Garden
7	<i>Let's Make A Night To Remember</i> Bryan Adams	7	<i>Semi-Charmed Life</i> Third Eye Blind	7	<i>The Way</i> Fastball	7	<b>Affirmation</b> Savage Garden
8	<i>In Too Deep</i> Belinda Carlisle	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
9	<b>I Want You</b> Savage Garden	9	<i>If You Could Only See</i> Tonic	9	<i>When You're Gone</i> Bryan Adams	9	<i>Hey Leonardo</i> (She likes me for me) Blessid Union of Souls
10	<i>I'll Be There For You</i> (Theme From "Friends") The Rembrandts	10	<i>Sunny Came Home</i> Shawn Colvin	10	<i>From This Moment On</i> Shania Twain	10	<b>Weir</b> Killing Heidi
11	<i>Nobody Knew</i> Tony Rich Project	11	<b>Pash</b> Kate Ceberano	11	<i>Thank U</i> Alanis Morissette	11	<i>Steal My Sunshine</i> Len
12	<i>Forgiven, Not Forgotten</i> The Corrs	12	<i>Only When I Sleep</i> The Corrs	12	<b>Wishing I Was There</b> Natalie Imbruglia	12	<b>Have a look</b> Vanessa Amorosi
13	<b>Lover Lover</b> Jimmy Barnes	13	<i>As Long As you Love Me</i> Backstreet Boys	13	<i>Sweetest Thing</i> U2	13	<b>Absolutely Everybody</b> Vanessa Amorosi
14	<i>I Live For You</i> Chynna Phillips	14	<i>Never Ever</i> All Saints	14	<i>Sway</i> Bic Runga	14	<b>Mascara</b> Killing Heidi
15	<i>It's All Coming Back To Me Now</i> Celine Dion	15	<i>Bitch</i> Meredith Brooks	15	<i>Lullaby</i> Shawn Mullins	15	<i>Last Kiss</i> Pearl Jam
16	<i>Give Me One Reason</i> Tracy Chapman	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
17	<i>Many Rivers To Cross</i> Toni Childs	17	<i>Tubthumping</i> Chumbawamba	17	<i>When the Lights Go Out</i> Five	17	<b>Get Set</b> Taxiride
18	<i>World I Know, The Fairground</i> Simply Red	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
19	<b>Everything Is Good For You</b> Crowded House	19	<i>The Way You Look Tonight</i> Elton John	19	<i>Time Of Your Life (Good Riddance)</i> Green Day	19	<i>Beautiful Stranger</i> Madonna
20	<i>Missing</i> Everything But The Girl	20	<i>Walkin' On The Sun</i> Smash Mouth	20	<i>Hands</i> Jewel	20	<i>Kiss Me</i> Sixpence None The Richer
21	<i>The Only Thing That Look Good On Me Is You</i> Bryan Adams	21	<b>Burn</b> Tina Arena	21	<i>Can't Get Enough Of You Baby</i> Smash Mouth	21	<i>Burning Down the House</i> Tom Jones
22	<b>That's The Way A Woman Feels</b> Tina Arena	22	<i>Foolish Games</i> Jewel	22	<b>The Day You Come</b> Powderfinger	22	<i>Pure Shores</i> All Saints
23	<i>Closer To Free</i> Bodeans	23	<i>You Were Meant For Me</i> Jewel	23	<i>This Kiss</i> Faith Hill	23	<i>If You Had My Love</i> Jennifer Lopez
24	<i>If It Makes You Happy</i> Sheryl Crow	24	<i>I Say A Little Prayer</i> Diana King	24	<i>Music Sounds Better With You (Radio Edit)</i> Stardust	24	<b>Permission to Shine</b> Bachelor Girl
25		25	<b>Truly, Madly, Deeply</b> Savage Garden	25	<i>Iris</i> Goo Goo Dolls	25	<i>Larger than Life</i> Backstreet Boys
			<b>Next Time</b> Marie Wilson				

\* Bold denotes Australian Artist.

# Appendix A

## Compliance with the Australian Music Performance Code 1999/2000

### NEW MUSIC CODES INTRODUCED

Revised codes for Australian content, introduced on 21 October 1999, combined with an increase in releases from new talent, have led to a significant increase in "new releases" on Australian commercial radio during the 12 months under review.

Broadcasters have adopted a Code which they see as a major step forward in the promotion and exposure of Australian music, particularly music by emerging artists. The revised Code has three major components - for the first time, a minimum percentage requirement for "new" Australian music; the inclusion of a new 20% category to cater for the increased diversity of station program formats since introduction of the Codes in 1993; and the categorising of smaller regional stations to the same quotas as for metropolitan stations (up to 25% from the previous flat 10% minimum, regardless of format).

The main element of the Australian Content component is the inclusion of a minimum percentage for "new" music - by new and established artists - defined as being up to 12 months from the date of release. The Code requires that in Category "A" stations (required to play a minimum 25% total Australian Content) a minimum 25% of overall Australian content has to be "new". In Category "B" stations (minimum 20% Australian content) the "new" requirement is a minimum 20%, while in Category "C" (minimum 15% Australian content) the "new" requirement is a minimum 15%.

The proposal was developed in conjunction with the Australian Record Industry Association, which agreed that the commitment by the radio industry be linked to the release of "new" music by the record industry, to suit radio station formats, at substantially the same levels as those in 1997/98. In the event of a substantial decrease, broadcasters have retained the option to review the minimum "new" release levels.

### CODE OF PRACTICE 4-AUSTRALIAN MUSIC:

#### Purpose

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.

4.1 For the purposes of 4.1, the applicable proportion shall be in accordance with the following scale:

4.2 For the purpose of 4.1, where more than one performer is involved in a musical performance, that performance shall be predominantly by Australians.

### METROPOLITAN AND REGIONAL STATIONS:

Category	Format	Proportions
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 OTHER STATIONS:

All formats-other than Niche not less than 10%



# Appendix A

## 2000 Compliance with the Australian Music Performance Code

Overall, Australian content continues to be measured on a weekly basis during the Australian Performance Period (6.00am to midnight). Stations also endeavour to meet their “new” music requirement on a weekly basis, however, due to the seasonality of releases a station’s compliance with the Code will be averaged over a twelve month period. It is recognised by all parties that there is not a consistent release of Australian product throughout the year thereby inhibiting the ability of radio stations to meet such a quota obligation on a weekly basis.

Examination of the figures show that the “new” music quota of some category “A” stations is as high as 70%, exhibiting a strong commitment to the playing of new music, thereby meeting a principle objective of the new codes.

### STATIONS ACHIEVING CONSISTENTLY HIGH FIGURES DURING THE YEAR INCLUDED:

Metropolitan	Major Regional	Regional
2DAY Sydney	2ONE Sydney	2EEE Bega
2WFM (MIX) Sydney	2WIN Wollongong	2ZOO Dubbo
3FOX Melbourne	2CFM Gosford	2GZF Orange
3TTT Melbourne	2WSK Nowra	2TTT Tamworth
4BBB Brisbane	2ROC	3CCS Colac
5SSA Adelaide	1CBR Canberra	3WWM Horsham
5ADD Adelaide	2CSF Coffs Harbour	3GG Gippsland
6NOW Perth	2AAY Albury	3SUN Shepparton
6PPM Perth	3BBA Ballarat	4CCC Charleville
	3CAT Geelong	4CEE Fraser Coast
	4HOT Cairns	4ROM Roma
	4SEA Gold Coast	5MU Murray Bridge
	4SEE Sunshine Coast	6GGG Geraldton
	4RAM Townsville	6CAR Carnarvon
	7TTT Hobart	6CST Mandurah
		7LA Launceston
		8SUN Alice Springs

**For a full report on the Australian Music Performance Code 1999-2000 and content return, please go to [www.pca.com.au](http://www.pca.com.au)**

Phonographic Performance Company of Australia Limited

# Special Purpose Financial Statements

For the Financial Year Ended 30 June 2000

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# Directors' Report

The directors of Phonographic Performance Company of Australia Limited, submit herewith the annual financial report for the financial year ended 30 June 2000. In accordance with the provisions of the Corporations Law the directors report as follows:

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

<b>Peter Bond</b>	
<b>Louis Calleja</b>	
<b>Roger Grierson</b>	
<b>Denis Anthony Handlin</b>	
<b>Shaun James</b>	
<b>John Kane</b>	
<b>Michael McMartin</b>	
<b>Belinda Morrison</b>	
<b>Timothy Edward Prescott</b>	
<b>Marianna Annas</b>	Alternate for Timothy Prescott
<b>Jeremy Fabinyi</b>	Alternate for Roger Grierson
<b>Graham Harris</b>	Alternate for Louis Calleja
<b>William Hoey</b>	Alternate for Roger Grierson
<b>Paul Krige</b>	Alternate for Peter Bond
<b>Gary Lloyd Smerdon</b>	Alternate for Shaun James

# Directors' Report

## PRINCIPAL ACTIVITY

The principal activity of the company in the course of the financial year was acting as agent 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 those activities.

## 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

In the opinion of the directors, disclosure of information regarding likely developments in the company's operations in financial years after the financial year would prejudice the company's interests. Accordingly, this information has not been included in this report.

# Directors' 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 Law.

On behalf of the Directors

**P. BOND**  
Director

**S. JAMES**  
Director

Sydney, 10 November 2000

# 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 2000 as set out on pages 4 to 16. 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 are appropriate to meet the requirements of the Corporations Law 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 Law. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements 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 statements 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.**

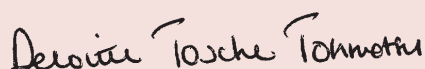
## AUDIT OPINION

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

**(a) the Corporations Law, including:**

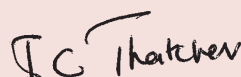
- (i) giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the year then ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with AASB 1025 "Application of the Reporting Entity Concept and Other Amendments", AASB 1034 "Information to be Disclosed in Financial Reports", other 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**

Sydney, 20 November 2000



**I C THATCHER**

Partner  
Chartered Accountants, Sydney.

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

for the financial year ended 30 June 2000



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 Law.

**The directors declare that:**

- (a) The attached financial statements and notes thereto comply with accounting standards;
- (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 Law; and
- (d) In the director's 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 Law.

On behalf of the Directors

**P. BOND**  
Director

**S. JAMES**  
Director

Sydney, 10 November 2000

# Profit & Loss Statement

for the financial year ended 30 June 2000

	<i>Note</i>	<b>2000</b>	<b>1999</b>
		\$	\$
<b>Operating profit</b>	2	Nil	Nil
<b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>		Nil	Nil
Notes to the financial statements are included on pages 28 to 36.			

# Balance Sheet

as as 30 June 2000



	Note	2000	1999
		\$	\$
<b>CURRENT ASSETS</b>			
Cash		257,688	287,893
Receivables	6	1,264,280	1,224,364
Investments	7	5,422,905	4,833,528
<b>TOTAL CURRENT ASSETS</b>		<b>6,944,873</b>	<b>6,345,785</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	166,050	201,583
<b>TOTAL NON-CURRENT ASSETS</b>		<b>166,050</b>	<b>201,583</b>
<b>TOTAL ASSETS</b>		<b>7,110,923</b>	<b>6,547,368</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	9	2,459,616	2,306,402
Borrowings	10	8,372	38,692
Provisions	11	4,508,845	4,146,820
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,976,833</b>	<b>6,491,914</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	67,551	-
Provisions	13	66,521	55,436
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>134,072</b>	<b>55,436</b>
<b>TOTAL LIABILITIES</b>		<b>7,110,905</b>	<b>6,547,350</b>
<b>NET ASSETS</b>		<b>18</b>	<b>18</b>
<b>EQUITY</b>			
Issued capital	14	18	18
<b>TOTAL EQUITY</b>		<b>18</b>	<b>18</b>

Notes to the financial statements are included on pages 28 to 36.

# Statement of Cash Flows

for the financial year ended 30 June 2000

	<i>Note</i>	<b>2000</b>	<b>1999</b>
		\$	\$
Cash flows from operating activities			
Receipts from operations		6,729,640	5,973,166
Payments to suppliers (including employees)		(2,288,967)	(2,121,086)
Interest received		222,425	294,102
Interest paid		(8,982)	(9,369)
Distribution to members		<u>(4,072,962)</u>	<u>(4,012,520)</u>
Net cash provided by operating activities	<i>18(b)</i>	<u>581,154</u>	<u>124,293</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(3,698)	(71,901)
Proceeds from sale of property, plant and equipment		<u>21,000</u>	<u>-</u>
Net cash used in investing activities		17,302	(71,901)
Cash flows from financing activities			
Repayment of borrowings		<u>(39,284)</u>	<u>(12,975)</u>
Net cash used in financing activities		<u>(39,284)</u>	<u>(12,975)</u>
Net increase in cash held		<u>559,172</u>	<u>39,417</u>
Cash at beginning of financial year		<u>5,121,421</u>	<u>5,082,004</u>
Cash at the end of the financial year	<i>18(a)</i>	<u>5,680,593</u>	<u>5,121,421</u>

Notes to the financial statements are included on pages 28 to 36.



# Notes to the Financial Statements

for the financial year ended 30 June 2000



## 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 Law.

The financial report has been prepared on the basis of historical cost and except where stated, do 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 Law, the basis of accounting specified by all applicable Accounting Standards and UIG Consensus Views, except the disclosure requirements of AASB1017 "Related Party Disclosures" and AASB1033 "Presentation and Disclosure of Financial Instruments".

### Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resultant 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 on fixed assets is calculated on a straight-line basis so as to write off the net cost of each asset during 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
Staff Amenities	3 years
Motor Vehicles	5 years
Leasehold improvements	3-4 years

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*

## **(b) Income Tax**

The company prepared 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) Unearned Revenue**

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.
- (ii) Broadcast licences are issued for various terms - income is brought to account on a monthly basis.

## **(d) Leased Assets**

Leased assets classified as finance leases are capitalised as fixed assets. The amount initially brought to account is the present value of minimum lease payments. 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.

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 recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

## **(e) Recoverable Amount of Non-Current Assets**

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceeds recoverable amount. Recoverable amount is determined as the amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the non-current asset. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*



## **(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.

## **(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**

Where necessary to facilitate comparison, comparative figures have been adjusted to conform with changes in presentation in the current year.

## **(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.

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*

	2000	1999
	\$	\$
<b>2. AGENCY INCOME AND EXPENDITURE</b>		
<b>Agency Revenues</b>		
Licence fees	6,316,553	6,089,628
<b>Other Agency Revenues</b>		
Interest - other persons	284,439	246,617
Profit on disposals of plant & equipment	17,275	-
<b>TOTAL AGENCY REVENUE</b>	<u>6,618,267</u>	<u>6,336,245</u>
Less:		
<b>Agency Expenses</b>		
Provision for doubtful debts (Note 3)	(17,637)	38,981
Depreciation of plant and equipment	93,538	103,980
<b>Transfer to Provisions</b>		
Long-service leave	11,085	7,896
Annual leave	23,550	71,381
<b>Finance Leases</b>		
Amortisation of leased assets	18,484	18,141
Finance lease finance charges	8,982	9,369
<b>Auditors' Remuneration</b>		
Auditing the financial report	10,900	10,000
Other services	2,400	7,789
<b>Other</b>		
Operating lease payments	176,878	168,919
Other agency expense	2,074,898	1,826,827
<b>TOTAL AGENCY EXPENSE (NOTE 19)</b>	<u>2,403,078</u>	<u>2,263,283</u>
<b>PROVISION FOR DISTRIBUTION TO PRINCIPALS</b>	<u>4,215,189</u>	<u>4,072,962</u>
<b>3. SALES OF ASSETS</b>		
Sales of assets in the ordinary course of business have been given rise to the following profits:		
Property, plant and equipment	<u>17,275</u>	<u>-</u>

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*



	2000	1999
	\$	\$
<b>4. BAD AND DOUBTFUL DEBTS</b>		
(a) Bad debts written off against provision for doubtful debtors - trade debtors	37,019	10,721
(b) Amount set aside to provision for doubtful debtors - trade debtors	(17,637)	38,981
<b>5. REMUNERATION OF DIRECTORS</b>		
Payments to artist representative directors: (Member company representatives are ineligible for fees)	<u>2,484</u>	<u>1,196</u>
<b>6. CURRENT RECEIVABLES</b>		
Trade receivables	670,088	611,770
Less: Provision for doubtful debts	<u>(68,264)</u>	<u>(122,916)</u>
	601,824	488,854
Prepaid expenses	19,332	12,260
Other receivables	<u>643,124</u>	<u>723,250</u>
	<u>1,264,280</u>	<u>1,224,364</u>
<b>7. CURRENT INVESTMENTS</b>		
Cash on deposit	<u>5,422,905</u>	<u>4,833,528</u>

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*

	2000	1999
	\$	\$
<b>8. PROPERTY PLANT AND EQUIPMENT</b>		
Office furniture (at cost)	122,412	175,549
Less: Accumulated depreciation	<u>(83,197)</u>	<u>(127,086)</u>
	<u>39,215</u>	<u>48,463</u>
Office equipment (at cost)	74,063	88,689
Less: Accumulated depreciation	<u>(61,786)</u>	<u>(68,921)</u>
	<u>12,277</u>	<u>19,768</u>
Computer equipment (at cost)	267,285	293,138
Less: Accumulated depreciation	<u>(234,352)</u>	<u>(199,064)</u>
	<u>32,933</u>	<u>94,074</u>
Staff amenities (at cost)	12,441	12,441
Less: Accumulated depreciation	<u>(12,441)</u>	<u>(12,441)</u>
	<u>-</u>	<u>-</u>
Motor vehicles under finance lease	111,336	90,706
Less: Accumulated amortisation	<u>(29,711)</u>	<u>(63,387)</u>
	<u>81,625</u>	<u>27,319</u>
Leasehold improvements	50,530	50,530
Less: Accumulated amortisation	<u>(50,530)</u>	<u>(38,571)</u>
	<u>-</u>	<u>11,959</u>
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<b><u>166,050</u></b>	<b><u>201,583</u></b>
<b>9. CURRENT ACCOUNTS PAYABLE</b>		
Trade payables	339,113	309,092
Unearned income	<u>2,120,503</u>	<u>1,997,310</u>
	<u>2,459,616</u>	<u>2,306,402</u>
<b>10. CURRENT BORROWINGS</b>		
Secured: Finance lease liability (Note 15) (i)	<u>8,372</u>	<u>38,692</u>
(i) Effectively secured over the leased asset		

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*



	2000	1999
	\$	\$
<b>11. CURRENT PROVISIONS</b>		
Distributions to principals	4,215,189	4,072,962
Employee entitlements - annual leave	87,584	73,858
GST	<u>206,072</u>	<u>-</u>
	<u>4,508,845</u>	<u>4,146,820</u>
<b>12. NON-CURRENT BORROWINGS</b>		
Finance lease liabilities (Note 15) (i)	<u>67,551</u>	<u>-</u>
(i) Effectively secured over the leased asset		
<b>13. NON-CURRENT PROVISIONS</b>		
Employee entitlements - long service leave	<u>66,521</u>	<u>55,436</u>
<b>14. ISSUED CAPITAL</b>		
Issued Capital - 18 ordinary shares fully paid	<u>18</u>	<u>18</u>
<b>15. FINANCE LEASE LIABILITY</b>		
Finance lease commitments:		
Not later than one year	16,392	40,872
Later than one year and not later than five years	<u>76,995</u>	<u>-</u>
Minimum finance lease payments	93,387	40,872
Less: Future finance charges	<u>(17,464)</u>	<u>(2,180)</u>
Finance lease liability	<u>75,923</u>	<u>38,692</u>
Included in financial statements as:		
Current borrowings (Note 10)	8,372	38,692
Non-current borrowings (Note 12)	<u>67,551</u>	<u>-</u>
	<u>75,923</u>	<u>38,692</u>

# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*

	2000	1999
	\$	\$
<b>16. LEASES</b>		
<u>Non-cancellable operating leases</u>		
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	207,456	-
Longer than 1 year and not longer than 5 years	400,004	-
	<u>607,460</u>	<u>-</u>
<b>17. FINANCIAL REPORTING BY SEGMENT</b>		
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.		
<b>18. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of Cash</b>		
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 balance sheet as follows:		
Cash	257,688	287,893
Cash on deposit	5,422,905	4,833,528
	<u>5,680,593</u>	<u>5,121,421</u>
<b>(b) Reconciliation of operating profit to net cash flows from operating activities</b>		
Operating profit	Nil	Nil
Profit on sale of non-current assets	(17,276)	-
Depreciation and amortisation of non current assets	112,022	122,121
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(39,916)	(131,927)
Increase/(decrease) in liabilities:		
Current accounts payable	153,214	62,260
Current provisions	362,025	63,943
Non current provisions	11,085	7,896
	<u>581,154</u>	<u>124,293</u>
Net cash provided by operating activities		



# Notes to the Financial Statements

for the financial year ended 30 June 2000 *continued*



	2000	1999
	\$	\$
<b>19. SCHEDULE OF AGENCY EXPENSES</b>		
Salaries and associated costs	897,664	776,491
Agents commission and expenses	1,271	2,150
Travel and entertainment	34,074	36,037
Motor vehicle costs	29,722	25,890
Computer costs (depreciation, maintenance, programming and supplies)	251,633	278,247
Legal expenses	184,068	5,657
Cost of airplay logs	55,000	54,616
Debt collection expenses	38,617	42,031
Printing, stationery, postage and couriers	145,607	172,352
Audit, accounting, bank charges, lobbying, recruitment, training, advertising, sundry office expenses and subscriptions	203,005	192,618
IFPI subscriptions	389,588	456,194
Cost of premises (rent, cleaning, electricity, repairs depreciation and insurance)	172,547	164,868
Telephone and fax	17,919	17,151
Provision for bad debts	(17,637)	38,981
	<hr/>	<hr/>
<b>TOTAL AGENCY EXPENSES</b>	<b><u>2,403,078</u></b>	<b><u>2,263,283</u></b>

# PPCA Trust Balance Sheet

as at 30 June 2000

	2000	1999
	\$	\$
<b>FUNDS RETAINED IN THE TRUST</b>	<b><u>324,302</u></b>	<b><u>317,324</u></b>
Represented by:		
<b>CURRENT ASSETS</b>		
Cash at bank	39,511	9,434
Accrued income	5,174	7,128
Deposits - at call	11,922	31,593
Term Deposits	<u>450,119</u>	<u>465,119</u>
<b>TOTAL CURRENT ASSETS</b>	<u>506,726</u>	<u>513,274</u>
<b>TOTAL ASSETS</b>	<u>506,726</u>	<u>513,274</u>
Less:		
<b>CURRENT LIABILITIES</b>		
Creditors 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	100,437	108,874
Media Entertainment & Arts Alliance	<u>79,587</u>	<u>84,676</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>182,424</u>	<u>195,950</u>
<b>TOTAL LIABILITIES</b>	<u>182,424</u>	<u>195,950</u>
<b>NET ASSETS</b>	<b><u>324,302</u></b>	<b><u>317,324</u></b>

# Appendix B 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 \_\_\_\_\_

## Appendix B 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

# Appendix C Tariff Categories

PPCA licences are available to cover the use by public performance of protected sound recordings and/or public exhibition of music video clips in:

<b>A</b>	General Licences – public address services and open air events, school or church concerts (single event licences are available).
<b>B</b>	Arts/film/music events, exhibitions, fashion shows and similar festivals.
<b>C</b>	Cinemas and theatres.
<b>D</b>	Dance studios, dance instructors, line dance instructors.
<b>DD</b>	Live performance groups, dance companies (including promoters of large events).
<b>E</b>	Nightclubs, discotheques, discotheque promoters and foreground music in bars.
<b>F</b>	Mobile discotheque operators.
<b>FW</b>	Mobile video discotheque operators.
<b>H</b>	Public halls, church halls, school and council halls and institutes.
<b>I</b>	Factories, industrial premises and associated offices.
<b>J</b>	Jukeboxes.
<b>JO</b>	Jukebox operators.
<b>JW</b>	Video jukebox operators.
<b>K</b>	Amusement centres, pool rooms, squash courts, swimming pools, ten pin bowling centres.
<b>M</b>	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.
<b>N</b>	Shopping centres, plazas and concourses.
<b>P</b>	Public vehicles (eg hire cars, taxis, aircraft, buses, charter boats, coaches, ferries, light rail, monorail, ships, trains, trams).
<b>R</b>	Restaurants, cafes, coffee lounges and road houses.
<b>S</b>	Sports arenas, race tracks, showgrounds, outdoor amusement parks.
<b>SS</b>	Community service recreational areas (eg beaches, parks).
<b>U</b>	Skating rinks.
<b>V</b>	Fitness centres, gymnasiums, health clubs, spas, solariums.
<b>W</b>	Music video clips.
<b>W-E</b>	Music video clips in nightclubs, fixed discotheques and discotheque operators.
<b>X</b>	Concert venues.
<b>Y</b>	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).



Phonographic Performance Company of Australia Ltd

ACN 000 680 704 ABN 43 000 680 704

9th Floor, 263 Clarence Street, Sydney NSW 2000

**Phone:** 02 9267 7877 **Facsimile:** 02 9264 5589 **Email:** [ppca@ppca.com.au](mailto:ppca@ppca.com.au) **Web:** [www.ppca.com.au](http://www.ppca.com.au)