



**APRA
AMCOS**

Code of Conduct for Copyright Collecting Societies

Public report to Code Reviewer

1 July 2018 – 30 June 2019

AUSTRALASIAN PERFORMING RIGHT ASSOCIATION LIMITED

AUSTRALASIAN MECHANICAL COPYRIGHT OWNERS SOCIETY LIMITED

CODE OF CONDUCT FOR COPYRIGHT COLLECTING SOCIETIES

REPORT TO CODE REVIEWER 1 JULY 2018 – 30 JUNE 2019

This report is made on behalf of Australasian Performing Right Association Limited (**APRA**) and Australasian Mechanical Copyright Owners Society Limited (**AMCOS**). APRA administers AMCOS under an arrangement between the two societies dated 1 July 1997.

APRA AMCOS has previously reported comprehensively in respect of earlier years and has also previously provided details of the history and constitution of each society, as well as a history and copy of each licence scheme offered by the companies. This Report relates to the period from 1 July 2018 to 30 June 2019 (**Review Period**).

If further information is required, we are of course happy to provide it. As before, we also would welcome and are happy to arrange a visit to the APRA AMCOS premises where relevant directors and managers will be able to answer questions and demonstrate the facilities.

This Report follows the structure of the Code itself, and indicates where there have been no developments since the previous Code Review.

1. Legal framework (Code of Conduct 2.1)

- 1.1 A history of both societies has been provided previously.
- 1.2 APRA has not changed any of the principal characteristics of its membership structure in the Review Period.
- 1.3 The APRA Board has six writer directors, elected by the writer membership, and six publisher directors, elected by the publisher membership. The AMCOS Board is elected by the AMCOS membership. Being directly elected by the membership, both Boards are representative and accountable. A list of the current Directors on the APRA and AMCOS Boards is available at <http://apraamcos.com.au/about-us/board-of-directors/>

- 1.4 A copy of the APRA AMCOS Year in Review (an easy to read annual summary of both organisations' performance, achievements and initiatives) for the 2017/18 financial year can be read at http://apraamcos.com.au/media/YIR/2018/APRA_AMCOS_Year_in_Review_2018.pdf
- 1.5 A copy of the APRA Statutory Accounts for the 2017/18 financial year can be read at http://apraamcos.com.au/media/YIR/2018/APRA_Statutory-Accounts_2018_AU.pdf
- 1.6 A copy of the AMCOS Statutory Accounts for the 2017/18 financial year is at http://apraamcos.com.au/media/YIR/2018/AMCOS_Statutory-Accounts_2018_AU.pdf
- 1.7 As at 30 June 2019, APRA AMCOS had 383 employees (including casual compliance staff) in Australia and an additional 39 employees in the APRA AMCOS New Zealand office.
- 1.8 On 30 June 2018, after 28 years as APRA AMCOS' Chief Executive, Brett Cottle stepped down from the role. Dean Ormston, previously Head of Member Services, was appointed Chief Executive from 1 July 2018.
- 1.9 A list of APRA AMCOS Senior Management as at 30 June 2019 is available at <http://apraamcos.com.au/about-us/organisational-structure/>
- 1.10 The Constitutions of both APRA and AMCOS are available on the APRA AMCOS website at all times and can be read at <http://apraamcos.com.au/about-us/governance-and-policy/apra-amcos-corporate-docs/>
- 1.11 Neither APRA nor AMCOS are declared societies under the *Copyright Act 1968*, and accordingly are not required to comply with the Attorney General's Guidelines for Collecting Societies. However, in practice, APRA AMCOS satisfies many of the requirements.
- 1.12 APRA AMCOS has a Privacy Policy which complies with the Australian Privacy Principles. A copy of the APRA AMCOS Privacy Policy can be read at <http://apraamcos.com.au/privacy-policy/>

2. Members (Code of Conduct 2.2)

- 2.1 As at 30 June 2019, APRA had 103,637 (Australian and New Zealand) members, comprising composers, authors and publishers. Of these, 98,905 were local writer members and 575 were local publisher members. In addition APRA had 2,291 overseas resident writer

members and 8 overseas resident publisher members. Most Australian and New Zealand composers and publishers are members.

- 2.2 As at 30 June 2019, AMCOS had 20,544 (Australian and New Zealand) members, of whom 19,339 were writers and 514 were publishers. In addition AMCOS had 432 overseas resident writer members and 6 overseas resident publisher members.
- 2.3 As at 30 June 2019, APRA AMCOS had 1,581 Aboriginal and Torres Strait Islander (ATSI) members which represented an increase of 9.6% during the Review Period. Although Indigenous membership is still low, APRA AMCOS is committed to increasing awareness through the National Indigenous membership strategy, overseen by our Aboriginal and Torres Strait Islander (ATSI) National Representative.
- 2.4 APRA and AMCOS' relationships with their members are at the core of the APRA AMCOS operations. Communications with members are frequent, and member services staff are expert in advising members on their relationship with APRA AMCOS and on the music business generally. Members interact freely with the societies, and have direct access to all levels of management.
- 2.5 Members, overseas affiliates, Board Directors and media are able to login to a secure section of the APRA AMCOS website which provides a number of online services. The website address is <http://apraamcos.com.au/>
- 2.6 APRA AMCOS produces a large amount of written material for members, which has been provided previously.
- 2.7 Royalty queries to the Membership department are logged in the department's query tracking system that uses the company's internal email to forward messages to all relevant staff. This system ensures that complaints made by members are also logged and forwarded to the Head of Member Services. Member complaints are discussed in more detail at paragraph 9.4 below.
- 2.8 During the Review Period, the Writer Services department engaged in email correspondence with writer members on some 51,512 separate occasions. The Publisher Services department sent 19,329 emails to publisher members. In addition, over 2,749,890 emails were sent to members as part of email broadcasts to the membership, which contained information including; event notices, payment advice and APRA AMCOS publications.

- 2.9 Writer Services staff log member phone calls eight weeks per year; one week for APRA distribution related calls after each APRA distribution and one week for AMCOS distribution related calls after each AMCOS distribution. During the Review Period, Writer Services staff logged 583 phone queries following distributions.
- 2.10 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Membership department.
- 2.11 During the Review Period, positive feedback was received in relation to the 'Live Chat' service provided on our website.

International relations

- 2.12 APRA AMCOS has an International department that is responsible for the reciprocal representation agreements with other societies administering performing and mechanical rights around the world. The International department also administers the non-exclusive mandates granted to APRA AMCOS in respect of certain publishers' repertoires for multi-territory digital services on a Pan Asian basis, as described in more detail in the Multi-Territory Licensing Project section below.
- 2.13 The International department monitors the use of APRA repertoire overseas. It also makes claims for missing payments and researches members' notifications and enquiries relating to overseas use and payments. The department acts as the conduit for communications between APRA AMCOS and their respective affiliated societies, the umbrella representative bodies CISAC and BIEM, as well as our dealings with WIPO. The International department undertakes overseas royalty distributions for performing rights to members.
- 2.14 In the most recently audited financial statements for the 2017-18 Financial Year, APRA collected a record amount of over AUD\$43.7m for the use of Australian and New Zealand repertoire overseas, while AMCOS collected over AUD\$1.1m. These amounts do not include revenues collected from APRA AMCOS' licensing of certain publishers' repertoires to multi-territory digital services, as that revenue is included in APRA AMCOS' digital revenue results.
- 2.15 During the Review Period, APRA distributed over \$36.5m in performing right distributions from affiliate societies to APRA members across 12 monthly distributions. This amount was comprised of 221 individual distribution records from 41 different societies. AMCOS distributed over \$1.05m in mechanical distributions from affiliate societies to AMCOS

members across 4 quarterly distributions. This amount was comprised of 82 individual distribution records from 25 different societies.

- 2.16 During the Review Period, the International department was involved in a number of regional and international activities. A list of relevant activities is included at paragraph 8.7 below.

Opt Out and Licence Back

- 2.17 APRA provides members with the opportunity to 'opt out' and request that their entire repertoire be assigned to them for all territories in respect of all or particular usages or 'licence back' specific works for specific usages in Australia and/or New Zealand. During the Review Period, APRA received and approved 14 licence back applications. No opt out applications were received. Further confidential details regarding these applications can be provided on request. Information and forms relating to opt out and licence back, including our plain English information guides, are available on the APRA AMCOS website at <http://apraamcos.com.au/about-us/alternatives-to-apra-amcos/>

- 2.18 In 2016 the AMCOS Board approved a variation to the opt out provisions in the AMCOS input Agreement, to offer increased flexibility to all its members in the way they are able to withdraw rights from AMCOS for digital music services. For digital music services that operate internationally, AMCOS members are now permitted to withdraw their digital reproduction rights specifically in relation to nominated services, rather than for all services within particular categories of usage as was previously the case. That is, members can now notify AMCOS that they wish to negotiate directly with particular international digital music services, provided the member gives AMCOS adequate prior notice.

Member Benefits Program

- 2.19 APRA AMCOS has developed an extensive benefit program for its members. The program provides full Australian APRA AMCOS members with exclusive information, advice, services and benefits. Members can take advantage of great deals that can assist with their careers as songwriters/composers. The benefits program and information can be read on our website at <http://apraamcos.com.au/about-us/apra-amcos-benefits/>

3. Licensees (Code of Conduct 2.3)

- 3.1 APRA AMCOS has large licensing departments dedicated to liaising with licensees and potential licensees. The three main areas of licensing operations are: General Licensing, Business and Events Licensing and Media Licensing. Collectively the three licensing departments administer licences for more than 145,000 businesses and events across Australia and New Zealand.
- 3.2 The fees paid to APRA AMCOS by licensees vary according to the licence scheme applicable to the particular circumstances for use.

General Licensing and Business & Events Licensing

- 3.3 The General Licensing and Business & Events Licensing departments administer the vast majority of licences, representing approximately 142,000 businesses. From 1 July 2019 APRA AMCOS' General Licensing and Business & Events Licensing departments, trading as OneMusic Australia, will license both APRA AMCOS rights and PPCA rights under a single licence.
- 3.4 As part of the ACCC's conditions of authorisation, licensees have access to 'plain English' Licence Information Guides tailored to their industry type, are able to complete licences online and submit them for processing by the APRA Licensing Department. Links to each Licence Information Guide can be found on our website, including links to the public performance licences now being administered through OneMusic Australia:
<http://apraamcos.com.au/music-customers/licence-types/>

- 3.5 During the Review Period, the General Licensing, Business & Events Licensing and Finance (Credit Management) departments engaged in more than 543,410 contacts with licensees, including; letters, emails and telephone calls.
- 3.6 During the Review Period, a number of emails of appreciation were received in relation to the service provided by the Licensing departments.

Media Licensing

- 3.7 The Media Licensing department covers three key areas of licensing: Broadcast Licensing; Digital Licensing; and Recorded Music Licensing.

- 3.8 Broadcast Licensing includes commercial and community radio, the ABC and SBS and subscription and commercial television. In total, approximately 965 licensees were administered by the department during the Review Period. The department also administers production music (AMCOS controlled Production Music is music specifically written and recorded for inclusion in all forms of audio and audiovisual productions). There were 678 Australian production music clients licensed during the Review Period.
- 3.9 Digital Licensing includes video on demand services, digital subscription music services, music downloads, ringtones and general websites. In total, approximately 419 licensees were administered during the Review Period.
- 3.10 Recorded Music Licensing includes CD sales, business to business applications, dance schools and videographers. In total, approximately 704 licensees were administered during the Review Period.
- 3.11 Media Licensing department clients are, for the most part, aware of their copyright and licensing obligations.

Information provided to Licensees

- 3.12 The information made available to licensees and potential licensees differs according to the nature of the relevant licence. For example, sophisticated national broadcasters and telecommunications companies generally require less information than small business operators with less exposure to copyright law and with limited access to specialist legal advice. The information provided by APRA AMCOS takes these factors into account.
- 3.13 APRA AMCOS' website contains a Licensee section with information in relation to our various licenses and with contact details for the relevant Licensing department. Standard information and materials given to licensees can be viewed on our website, including links to public performance licence information now being administered through OneMusic Australia at <http://apraamcos.com.au/music-customers/>

APRA AMCOS relationship with relevant trade associations

- 3.14 APRA AMCOS works hard at maintaining its relationships with various bodies representing major licensee groups, including; television and radio broadcasters, record companies, internet service providers, small businesses, hotels, restaurants, fitness centres and educational institutions.

- 3.15 During the Review Period, APRA AMCOS supported the activities of a number of trade associations (including the Australian Hotels Association, Restaurant & Catering Association and Clubs Australia) by way of sponsorships.
- 3.16 APRA AMCOS regularly consults with relevant trade associations in relation to the introduction of new licence schemes or material variations to existing licence schemes. APRA AMCOS' approach in this regard is demonstrated by the successful negotiation of new licence schemes with relevant industry bodies.

Tariff Reviews

- 3.17 We have previously provided detailed information in relation to the history and development of all significant existing APRA AMCOS licence scheme tariffs. We have detailed below tariffs that were introduced, re-negotiated or phased in during the Review Period.
- 3.18 As at the end of the Review Period, APRA AMCOS was in the process of renewing or establishing licence arrangements with a number of major media licensing services: Free TV, Foxtel, Stan and 10 All Access.

Free TV

- 3.19 Free TV (as the industry body for Australian commercial television operators) terminated its licence with APRA as at 31 December 2018.
- 3.20 Free TV and APRA referred the matter to APRA's ADR process and have agreed to a confidential dispute resolution process to be completed by 31 March 2020.
- 3.21 The parties have agreed an interim licensing arrangement in the meantime.

Foxtel

- 3.22 The AMCOS licences with Foxtel and Fox Sports both came up for renewal during the Review Period. The parties have agreed to consolidate the Foxtel and Fox Sports agreements under a single licence.
- 3.23 Foxtel terminated its licence with APRA as at 31 December 2018. The parties have agreed an interim licence arrangement as they continue to negotiate the terms of a new licence.

Stan

- 3.24 Stan terminated its licence with APRA AMCOS as at 31 March 2019.
- 3.25 APRA AMCOS and Stan have referred the matter to the Resolution Pathways, APRA AMCOS' external ADR process.
- 3.26 The parties have agreed an interim licence arrangement until 30 September 2019 as they undertake the agreed ADR process.

OneMusic Australia Licence Consultations

- 3.27 Under OneMusic Australia, APRA AMCOS and PPCA will offer a single licence to virtually all music users who require both APRA AMCOS and PPCA licences for the public performance of music. Since the last report, the consultation process for 18 of the licence proposals has been completed, with consultation for 2 licence schemes and 4 tariffs ongoing. OneMusic Australia launched on 1 July 2019 for new business licensing, with renewals of existing APRA and PPCA licences to begin from 1 September 2019. Further information on OneMusic Australia industry consultations and licence scheme development is available at <https://onemusic.com.au/consultation/>

Dramatic Context

- 3.28 The rights to license music used in a Dramatic Context (DC) sit outside of the assignment of rights given to APRA by its members. A new definition and new licence arrangements came into effect from 1 January 2018 designed to improve service levels, widen the scope of DC productions and provide for increased focus on larger productions. As part of the implementation APRA AMCOS agreed to review the new arrangements after a twelve month period. A survey of licensees and consultations held throughout the Review Period have identified a number of administrative changes that APRA AMCOS is proposing to make, including revised guides for members and licensees to continue the educational and information program. Further information is attached at **Volume 1 Tab 11**.

Multi-Territory Licensing

- 3.29 The aim of APRA AMCOS' Multi-Territory licensing (formally Pan Asia Licensing) is to co-operate with music publishing rightsholders in order to establish a simple one-stop shop for multi-territory licensing schemes for digital, online and mobile usage, covering the largest

number of territories for the largest possible repertoire of musical works. Rightsholders give APRA AMCOS non-exclusive rights in certain repertoire of its musical works. APRA AMCOS then licenses that repertoire to digital service providers in its mandated territories and undertakes the ongoing invoicing, processing, claiming and distribution for online service types.

- 3.30 APRA AMCOS' Multi Territory Licensing currently represents Universal Music Publishing, Peermusic, Hillsong Music Publishing, Concord Music Publishing, Mushroom Music Publishing, Downtown Music, Origin Music Publishing, Songtrust, Native Tongue Music Publishing, Cooking Vinyl and STIM (APRA's Swedish sister society).

OneMusic Australia

- 3.31 In 2016 APRA AMCOS began work on OneMusic Australia, a joint licensing project between APRA and the Phonographic Performing Right Association (PPCA) which aims to provide a single licensing solution for music and recordings in Australia. OneMusic Australia launched on 1 July 2019 for new business licensing, with renewals of existing APRA and PPCA licences to begin from 1 September 2019. Further information can be found on the OneMusic website at <https://onemusic.com.au/>

Disaster Relief

- 3.32 During the Review Period APRA AMCOS continued its policy regarding Disaster affected licensees, which was introduced as a response to various natural disasters that occurred back in 2010. APRA AMCOS' actions, intended to alleviate financial pressure on affected businesses, including deferring licence fees renewals for up to three months, extended payment periods and corporate donations to relief appeals.
- 3.33 APRA AMCOS staff use online, print and broadcast media sources to remain actively aware of possible areas that may be affected by disaster and monitor events closely to establish the appropriate course of action.

4. Distribution (Code of Conduct 2.4)

- 4.1 The most recently audited financial statements for the year ended 30 June 2018 show that APRA AMCOS' total combined net distributable revenue for the year was \$420.2m. Further information regarding APRA AMCOS' performance is contained in the 2017/18 APRA AMCOS

Year in Review, which can be read at

http://apraamcos.com.au/media/YIR/2018/APRA_AMCOS_Year_in_Review_2018.pdf

- 4.2 APRA and AMCOS distribute royalties quarterly, with the exception of the APRA Performance Returns distribution, which is performed annually.

Distribution Rules and Practices

- 4.3 APRA and AMCOS maintain, and make available on the website, comprehensive Distribution Rules and Practices. The APRA and AMCOS Distribution Rules and Practices can be read at <http://apraamcos.com.au/about-us/governance-and-policy/distribution-rules-and-practices/>
- 4.4 The APRA Distribution Rules were updated in the year ending June 2019 to:
- a) Indicate the change in research threshold from \$15 to \$100
 - b) Specify that performance credit points for streaming distributions are calculated on the basis of reported number of streams, rather than duration.
- 4.5 The APRA Distribution Practices were updated in the year ending June 2019 to:
- a) Indicate the change in research threshold from \$15 to \$100
 - b) Document a new Video on Demand distribution practice
 - c) Define the creation of a new distribution pool for background music to be distributed to a data set comprised of data copied from streaming services' usage reports
 - d) Specify the inclusion of new distribution practice to recognise the use of foreign language repertoire in restaurants
 - e) Indicate the use of DJ Monitor data collected directly from NZ nightclubs to distribute revenue in collected by APRA NZ
 - f) Specify the change in streaming data threshold from "\$2 per work" to "100 streams per report per quarter are included in direct distributions (i.e. for licence fees from the service itself) and works with over 1,000 streams are included in analogous distributions (e.g. where the data set is used as a proxy for the distribution of background music uses)."
 - g) Add the distribution policy for distributing revenue from Facebook.
- 4.6 Detailed information regarding changes to APRA's Distribution Rules and Practices during the Review Period can be provided upon request.

- 4.7 The AMCOS Distribution Practices were updated in the year ending June 2019 to:
- a) Show that money is now paid into a control account where works' ownership is not known or is not payable at the time of distribution
 - b) Document the policy for distributing revenue from Retail stores collected under the Music on Devices tariff
 - c) Add the distribution policy for distributing revenue from Facebook.
- 4.8 Detailed information regarding changes to AMCOS' Distribution Rules and Practices during the Review Period can be provided upon request.
- 4.9 APRA AMCOS has a large Membership department whose staff are trained to deal with members' (and others') enquiries, including in relation to distribution. The Boards of APRA and AMCOS both have a Membership and Distribution Committee that deals with, among other things, requests by members for distributions in relation to "unlogged performances". This committee also deals with complaints from and disputes between members. Members are strongly encouraged to resolve disputes between them using Resolution Pathways, APRA AMCOS' external Alternative Dispute Resolution facility.

Investment in Systems Development

- 4.10 APRA AMCOS commenced a core system replacement project in 2014 to ensure a best-in-industry service offering in the years ahead. APRA AMCOS engaged Accenture Avanade to design and implement the Copyright Licensing Enterprise Facility (CLEF). It is anticipated that CLEF will transform the way we deliver our services and manage our business practices, data and systems. The first release of the system, representing approximately 40% of system functionality, went live on 1 July 2019 as part of the OneMusic Australia launch. It is expected that the second release of the CLEF system will go live in 2020.
- 4.11 An improved writer member portal was implemented in 2015 to bring new functionality and streamlined processes to writer members, including: the ability to register jingles; the ability to register remixes; improved notification for publishers and co-writers for newly registered works; the ability to create a set list; one process for Performance Reports (incorporating three previous processes: LPRs, OSLPRs and Set Lists); and improved access to royalty and financial data. Further enhancements are continuing to be made.

4.12 APRA AMCOS' publisher members currently transact with APRA AMCOS via a direct connection to our current system, therefore a new interface is required in the move to CLEF. APRA AMCOS has engaged Accenture to undertake the work of creating a new web-based interface, the publisher portal, which is currently in development. The development of the publisher portal is a critical element of CLEF and the timeline has been structured to follow the implementation schedule of the second release of the CLEF project.

5. Expenses (Code of Conduct 2.5)

- 5.1 APRA's accounts show that its operating expenses are deducted from total gross revenue.
- 5.2 Commission on revenue pays AMCOS' expenses, with the commission rate depending on the source of the revenue. Details of the particular commission applicable to revenue sources are available on request.
- 5.3 APRA AMCOS achieved a group expense to revenue ratio of 13.6% for the year ended 30 June 2018. Further information is contained in the 2017/18 APRA AMCOS Year in Review, which can be read at http://apraamcos.com.au/media/YIR/2018/APRA_AMCOS_Year_in_Review_2018.pdf

6. Governance and accountability (Code of Conduct 2.6)

- 6.1 The Annual Report of each company contains the matters set out in the Code of Conduct at clause 2.6(e).
- 6.2 The relationship between APRA and AMCOS and their respective Boards of Directors is in each case governed by the company's Constitution and Charter of Corporate Governance. The Boards have both established Audit and Governance sub-Committees which meet at least 6 times a year and focus exclusively on issues related to the corporate governance of the companies.
- 6.3 APRA AMCOS Management also has an internal Corporate Governance Committee, comprising of the Chief Executive and Executive Leadership Team. The Committee meets regularly to discuss matters pertaining to the day to day operation and management of the organisations. The Committee deals with policy setting and other matters relating to Human Resources and Industrial Relations matters, risk management, infrastructure, general administration and regulatory compliance.

- 6.4 APRA AMCOS also has a Staff Code of Conduct and a Service Provider Code of Conduct, both of which complement the Code of Conduct for Copyright Collecting Societies. The Staff Code of Conduct sets out the standards by which APRA staff are expected to treat one another. The Service Provider Code of Conduct sets out our commitment to shared professional standards.
- 6.5 APRA and AMCOS maintain complete financial records, audited each year. A statement by each Company's Auditor is included in the Annual Reports.

ACCC Authorisation

- 6.6 APRA's membership, licensing, distribution and international arrangements are all the subject of an authorisation by the Australian Competition and Consumer Commission. APRA's current conditional authorisation was granted for a period of five years, expiring 28 June 2019. In granting this and past authorisations, the ACCC confirmed that the conduct and arrangements for which APRA sought re-authorisation are likely to result in a public benefit and that the public benefit will outweigh the likely public detriment. APRA successfully complied with all of the ACCC's conditions of authorisation.
- 6.7 APRA lodged its application for a new authorisation on 24 December 2018. APRA is seeking re-authorisation for a period of 5 years subject to the same conditions that apply under its existing authorisation. A copy of APRA's application for authorisation can be provided upon request.
- 6.8 On 5 June 2019, the ACCC issued a draft determination proposing to re-authorise APRA's arrangements for a period of 5 years, subject to the same conditions imposed in 2014 and some additional conditions relating primarily to issues of transparency.
- 6.9 Given that the re-authorisation assessment process is ongoing, on 27 June the ACCC granted APRA interim authorisation on the same terms as the existing authorisation until such time as the new authorisation is granted.
- 6.10 APRA considers that its authorisations by the ACCC and the conditions attached to those authorisations form an important part of APRA's governance and accountability framework.

7. Staff Training & Development (Code of Conduct 2.7)

- 7.1 APRA AMCOS staff at management level have all been comprehensively trained regarding the Code of Conduct.
- 7.2 The Executive Leadership Team meets on a weekly basis and discuss matters relating to policy and strategy development and assessment. Issues relating to service and staff performance and training are regularly tabled. In addition, the wider senior management team meets in the week following each scheduled Board meeting. These meetings provide a cross-departmental opportunity to discuss APRA AMCOS' interaction with stakeholders and wider communities and the opportunity of reviewing company policies. The Code of Conduct (including the complaints procedures and the Review process) is discussed regularly at these meetings.
- 7.3 Senior Manager, Manager and Team Leader Forums are also held during the year. The Chief Executive and Executive Leadership Team directly address the middle and frontline management teams in these forums. They are an opportunity for the frontline to escalate any concerns or initiatives directly to the senior leadership and for the Chief Executive to share information about business and membership trends and concerns and to set performance expectations. In addition, other members of the senior management team are invited to address these groups directly.
- 7.4 The General Licensing, Business and Events Licensing and Member Services departments each hold staff training conferences at least once per year. All departments in APRA AMCOS also conduct regular departmental staff meetings which provide important opportunities to discuss Code of Conduct relevant topics, including; client service, conflict management and time management and in particular the procedures for identifying and dealing with complaints.
- 7.5 APRA AMCOS also holds companywide staff briefings throughout the calendar year. The briefings focus on the respective needs and expectations of general staff, middle and senior management and also the expectations of the organisation. The focus of the training sessions has in the past covered Code of Conduct, ACCC authorisation and the CLEF Project, as well as performance within and between departments and with our external stakeholders.

- 7.6 The Code of Conduct and Staff Code of Conduct are central components of the induction program that all new staff attend when they join the company. As well as the induction sessions conducted by Human Resources, roles with a high level of client and/or member contact also receive additional training from within the relevant departments in relation to handling complaints and the complaints procedure.
- 7.7 APRA AMCOS has developed a brand blueprint, which further outlines our purpose, values and personality.
- 7.8 The APRA AMCOS website includes a “live chat” facility so we can respond to urgent enquiries in real time. The staff who respond to live chat enquiries are required to attend two 2 hour training sessions to understand the live chat service guidelines and ensure that the highest level of customer service is offered via this channel.
- 7.9 APRA AMCOS is committed to taking a proactive approach to staff development and wellbeing, such internal programs include:
- Higher Education Assistance Program
 - Leadership Development Programme
 - Mentoring & High Potentials Programme
 - Buddy Program
 - In-house Training Programs
 - BeSpoke Coaching (leadership presence and presentation skills)
 - Employee Assistance Programme
 - Purchased Leave Scheme
- 7.10 APRA AMCOS runs an Employee Wellbeing Program that includes education seminars on resilience, stress management, work-life balance and dealing with change. Further information is available upon request.
- 7.11 Pursuant to the *Workplace Gender Equality Act 2012*, APRA AMCOS submits its annual report to the Workplace Gender Equality Agency (**WGEA**) outlining its performance against a set of standardised gender equality indicators. A copy of the filed report can be read at <http://apraamcos.com.au/about-us/governance-and-policy/annual-reports/>. As required by the Act, we notified staff and members of our report in June 2019.

7.12 APRA AMCOS operates a 'Wiki' facility. This resource forms the basis of staff training and is a key information source for all APRA AMCOS staff. All new APRA AMCOS staff are trained in accessing and using the Wiki, which houses policies relating to Client Service, Human Resources, Work, Health and Safety and Departmental Organisation Charts.

8. Education and Awareness (Code of Conduct 2.8)

8.1 APRA AMCOS devotes considerable resources to the education of members, licensees, industry associations and members of the public, regarding the matters set out at clause 2.8(a) of the Code of Conduct.

8.2 As Australia's oldest and largest collecting society (incorporated 1926), APRA in particular is in a position to have developed extensive materials and expertise in such matters. APRA AMCOS participates and contributes to various education and awareness initiatives including:

- Various Grant Programs, Sponsorships, Competitions and Promotions
- Indigenous Member Strategy
- Aboriginal and Torres Strait Islander (ATSI) Music Office
- Ambassador Program
- Events
- Member Advisory Group Development
- SongHubs and SongMakers programs
- Sounds Australia & Live Music Office; and
- Various industry related organisations and programs

Member Education

8.3 Representatives of APRA AMCOS regularly participate in seminars and public forums with a view to increasing members' knowledge and skills. APRA AMCOS conducts regular members' forums, at which APRA AMCOS staff and others speak to the membership about industry issues such as contract negotiation. APRA AMCOS staff also regularly speak at seminars, giving specialised advice to members of the music industry and to users of music. The Member Services staff hosted 356 events during the Review Period which were attended by 8,774 members at APRA AMCOS' head office, state based offices and in the US and UK. The events included information sessions, workshops, and subject specific presentations.

8.4 During the Review Period, Member Services hosted Publisher Portal Reference Groups and Publisher Pulse seminars. Every few months the reference group and seminars are held at APRA AMCOS Head Office in Sydney and Melbourne to discuss various issues in Australia and overseas which affect Australian publishers. The purpose of these sessions is to provide publishers with information on the new system, education on general topics that are relevant for their business, seek their feedback and improve internal reporting processes. APRA AMCOS is committed to providing the best customer service to publisher members and the Publisher Portal Reference Groups & Publisher Pulse seminars are proving to be an effective way of achieving this goal.

Licensee Education

8.5 General Licensing and Business & Events Licensing staff attended a number of industry association functions and events nationally.

8.6 APRA AMCOS produces a large amount of written material for licensees, which is available on the APRA AMCOS website and the OneMusic website.

International Relations

8.7 During the Review Period, the International department was involved in a number of regional and international activities, including APRA hosting the Director of International from SOCAN in September 2018 and the CEO of KOMCA in April 2019. Further, APRA AMCOS' Director of International Relations attending various meetings and events, including:

- WIPO meetings in Taipei in October 2018
- Asia Pacific regional meetings in Jakarta in Nov 2018
- CISAC meetings in Tokyo in May 2019.

Government Relations

8.8 APRA AMCOS continues to further develop its profile with State and Federal governments, oppositions and departmental staff. The objective is to both increase the general awareness of APRA AMCOS' breadth of operation and lobby on specific relevant issues.

APRA AMCOS Website & Social Media

- 8.9 The APRA AMCOS website (<http://apraamcos.com.au/>) provides the broad information repost for the organisation's diverse member and licensee services. The website is at the heart of the organisation's digital communications strategy and also provides information of interest to the wider public. The site contains a vast amount of information about copyright in general, and the activities of the two societies in particular. Among other things, members of the public can search the website to check composer details of particular works within the APRA repertoire.
- 8.10 The OneMusic Australia website (<https://www.onemusic.com.au/>) launched on 1 July 2019. The website contains general information about OneMusic, an FAQ section, plain English guides to each of the licence schemes, downloadable PDFs of OneMusic licence agreements and the opportunity for licensees to get a quote for many of the licence schemes online. The website also links to the OneMusic eCommerce portal, which will enable all licensees to pay their licence fees online and some licensees (according to their industry) to obtain their licence through the portal at a time of their convenience.
- 8.11 The Communications department is responsible for the maintenance and ongoing development of the APRA AMCOS and OneMusic websites. A demonstration can be arranged on request.
- 8.12 Increasing importance has been placed on social media as an effective means of communication, and enabler of connection within communities. As such social media is a key component of APRA AMCOS' communications strategy. Social media utilised includes Facebook, Twitter, Instagram, YouTube and LinkedIn. APRA AMCOS social media presence allows greater and more time sensitive means of communications, especially with members. Again, in this review period, we've seen excellent growth in acquiring followers on Facebook, Twitter and Instagram; and increased engagement.

Complaints and Disputes (Code of Conduct 3)

- 8.13 For the purposes of this review, APRA AMCOS has applied the distinction between Complaints and Disputes endorsed by the Code Reviewer in his most recent report upon a Review of the Operation of the Code of Conduct.
- 8.14 The APRA AMCOS Complaints Policy and Procedure is available at <http://apraamcos.com.au/feedback-centre/compliment-and-complaint-details/>
- 8.15 APRA AMCOS has provided all documents and correspondence that have been dealt with as complaints during the Review Period to the Code Reviewer on a confidential basis. The complaints can be addressed in further detail during meetings with the Code Reviewer if required. APRA AMCOS acknowledges that a number of stakeholders have made submissions regarding APRA to the ACCC as part of its re-authorisation process during the Review Period. APRA has responded to these submissions in that forum and not included them here again.
- 8.16 APRA AMCOS is pleased to report that it received no new member code complaints during the Review Period. There was one (1) complaint carried over from the previous Review Period.
- 8.17 There were eight (8) new licensee code complaints received during the Review Period. There were no complaints carried over from the previous Review Period.
- 8.18 A high level summary of complaints has been provided as an annexure to this report (**Annexure A**) and detailed confidential summaries of the complaints provided to the Code Reviewer.
- 8.19 For the purpose of the review, and internally, APRA AMCOS has adopted a broad approach to the definition of complaint. That said, where APRA AMCOS is unsuccessful in its attempts to license a user of music and the matter is referred to APRA AMCOS' external solicitors, these matters are not characterised as complaints unless a complaint regarding the actual conduct of an APRA AMCOS' employee or APRA AMCOS' external solicitors is received.
- 8.20 As at 30 June 2019, there were 43 ongoing general infringement matters under the management of APRA AMCOS' licensing departments, with 20 of these matters under the management of APRA AMCOS' external solicitors. More information regarding the activities

of external solicitors (including litigation commenced during the Review Period) is available on request.

- 8.21 Where a licensee refuses to pay invoices issued by APRA AMCOS, the matter is pursued by the Finance department and then referred to APRA AMCOS' external mercantile agent to manage and, if necessary, pursue through debt recovery proceedings. As at 30 June 2019, 817 clients were under the management of APRA AMCOS' Australian external mercantile agent and 235 were under the management of APRA AMCOS' New Zealand external mercantile agent. These matters are not characterised as complaints unless a complaint regarding the conduct of the Finance department or the debt collectors has been made. There were no such complaints during the Review Period. More information regarding the activities of APRA AMCOS' external mercantile agent is available on request.

Copyright Tribunal of Australia

Jon Sainken/White Dee - APRA and PPCA Licence Fees

- 8.22 On 13 December 2018, PPCA received a notification of an application by Dr Jon Sainken requesting that the Tribunal review the rate applicable under the societies separate schemes applicable to Music for Dancing (also referred to as the 'Nightclub Tariff'). At a directions hearing before the President of the Tribunal on 19 December, orders were made requiring the parties to attend a mediation during March 2019, and return for further directions on 2 April 2019.
- 8.23 On 15 March 2019 the parties (Dr Sainken, and representatives of both APRA and AMCOS and their legal representatives) participated in a mediation facilitated by a Registrar of the Federal Court. The mediation process was successful, and the application ultimately withdrawn.

Alternate Dispute Resolution

- 8.24 As reported previously, APRA AMCOS funds an independent ADR facility called "Resolution Pathways". Details regarding APRA AMCOS' independent ADR facility for licensees and members can be found at <http://www.resolutionpathways.com.au/>

- 8.25 APRA AMCOS' independent ADR facility assists with the resolution of disputes between APRA AMCOS and its licensees (or potential licensees), between APRA AMCOS and its members and also disputes between APRA AMCOS members.
- 8.26 APRA appointed Shirli Kirschner of Resolve Advisors as the Independent Dispute Facilitator to administer its ADR scheme. Ms Kirschner worked with APRA's management and the ACCC to establish a prescribed governance framework for the independent ADR facility, with the fundamental feature of this framework being the appointment of a Consultative Committee, made up of an equal number of Member and Licensee representatives, with whom the Independent Dispute Facilitator must consult on matters such as monitoring the operation of the Scheme, including the costs of the Scheme; receiving feedback on the Scheme; and in consultation with the Facilitator, making a recommendation about budget for operation of the Scheme.
- 8.27 The ADR facility is publicised on the APRA AMCOS website and the OneMusic website, in materials released to the public and in legal correspondence. APRA AMCOS' external solicitors also have a standing instruction to make the existence of the facility known to parties prior to commencing legal proceedings and negotiations.
- 8.28 APRA AMCOS strongly encourage its members to resolve disputes among themselves by way of ADR. Where APRA AMCOS is notified of a dispute among members, or involving members of an affiliated society, as to the allocation of shares in a work administered by it, APRA AMCOS may, at its discretion, if it is satisfied that it is appropriate to do so in all the circumstances, place all or any of the performance credits relating to the work in suspense until the dispute is settled by agreement between the parties or resolved by a Court or alternative dispute resolution. APRA AMCOS' policy in this regard is set out at Rule 13 and Rule 7 of APRA and AMCOS' respective Distribution Rules.
- 8.29 Under the terms of its authorisation from the ACCC, the ADR facility's independent Resolution Facilitator is obliged to submit an annual report to the ACCC detailing those disputes notified to her under the ADR facility.

9. Publicity and Reporting of Code (Code of Conduct 4)

- 9.1 APRA AMCOS has kept its members and licensees updated with information regarding the Code of Conduct, in particular by maintaining relevant information including a copy of the Code on the website, available at <http://apraamcos.com.au/about-us/governance-and-policy/code-of-conduct/>
- 9.2 Australian collecting societies APRA AMCOS, ASDACS, AWGACS, The Copyright Agency, PPCA and Screenrights have launched a new standalone website for the Code of Conduct for Copyright Collecting Societies (<https://www.copyrightcodeofconduct.org.au/>).
- 9.3 The new site and amendments to the Code are both initiatives undertaken in response to a review of the Code undertaken by the Department of Communications and the Arts which recommended:
- increased clarity around the role of the Code;
 - improved transparency around collecting societies' operations; and
 - strengthened governance arrangements for collecting societies and the Code.
- 9.4 Prior to this Review Period, compliance reports were provided to the Code Reviewer on a confidential basis. As a result of the review, societies are now publishing their compliance reports, with any confidential material (such as correspondence between a society and a complainant) redacted. Compliance reports are available at <https://www.copyrightcodeofconduct.org.au/annual-compliance>
- 9.5 APRA AMCOS publishes the invitation for any interested party to make submissions to the Code Reviewer on its website each year. A copy of that notice is available at <http://apraamcos.com.au/news/2019/june/code-of-conduct-for-collecting-societies/>

**Complaints Summary
1 July 2018 – 30 June 2019**

Ref	Date	Issue	Status
C1	16/02/2018; re-submitted on 05/01/19	Writer member contacted APRA regarding APRA's licensing practice for tribute shows and other live performances by cover bands in Australia.	22/04/2019: This matter is carried-over from the previous reporting period. APRA AMCOS's CEO met with the Writer Member and provided a detail written response.
C2	31/07/2018	Complainant wrote directly to the Code Reviewer on 31 July 2018 regarding concerns with APRA's consultation process in connection with the OneMusic Australia joint licensing project.	APRA has responded to all of the Complainant's concerns in the context of the ACCC re-authorisation process. APRA AMCOS remains in ongoing dialogue with the Complainant.
C3	27/11/2018	Customer displeased with alleged patronising and condescending tone of an APRA AMCOS staff member.	Closed 31/12/2018 after customer did not respond to a request for further information to facilitate investigating the compliant.
C4	19/09/2018	Customer contacted by mercantile agents seeking payment of an invoice issued in error by APRA AMCOS.	Resolved 24/09/2018 after billing status remedied and customer advised of outcome and apologised to.
C5	30/04/2019	Customer offended after dealings with APRA AMCOS staff.	Resolved 20/05/2019 – investigation conducted and customer advised in writing by APRA AMCOS Senior Management re internal steps taken to address the complaint.
C6	16/05/2019	Customer complained about an upcoming event suspected of being unlicensed by its promoters.	Resolved 28/05/2019 – Customer thanked for report and advised that the reported event had been noted for licensing later in 2019.
C7	26/01/2019	Customer's solicitor alleged conduct by APRA AMCOS staff in breach of Code of Conduct for Collecting Societies.	Ongoing – response provided to solicitor regarding the allegations. APRA's and customer's solicitors in ongoing correspondence.
C8	27/07/2018	Complainant wrote to the Code Reviewer on 27 July 2018 regarding concerns with OneMusic Australia and APRA's dealings with Background Music Suppliers.	APRA has responded to all of the Complainant's concerns in the context of the ACCC re-authorisation process and the House of Representatives Standing Committee on Communications and the Arts in connection with its Inquiry into the Australian music industry. APRA is aware that the Complainant does not agree with its position but does not consider that the concerns constitute a valid complaint under the Code.
C9	21/10/2018	Customer felt harassed after dealings with APRA AMCOS staff.	Resolved 31/10/2018 – investigation conducted and customer advised in writing by APRA AMCOS Senior Management re internal steps taken to address the complaint.