

AIRLINES

OUR CONSULTATION PROCESS WITH YOU

OneMusic Australia is consulting with you and would like to hear what you think.

If you use or authorise the use of music in your aircraft, airport lounges or corporate offices, you're likely to be paying a licence fee to organisations like APRA AMCOS and PPCA, who are the caretakers of the copyright of the music you use. That way, you know the correct legal permission, according to the Copyright Act 1968, has been granted to use that music.

We realise it can be confusing to have to pay music licence fees to two organisations. Starting from mid-2019, OneMusic Australia will be the one organisation for all your music licensing needs, and you'll be able to pay for your licence online.

Because APRA AMCOS and PPCA have been operating separately for a long time, existing music licences have different fees and terms. It's not an easy job to build a single licence scheme that suits everyone, so we've come up with a proposal for you to look at and then provide us with your feedback. Remember, this is just a proposal, and may not be the final scheme.

The basics of the proposal

- The licence will cover [Australian Airlines](#) for all their music use on-board and in their airport lounges;
- **Take off and landing music:** we are keeping the current APRA AMCOS structure of a per passenger rate for domestic and international flights and adjusting for the inclusion of sound recording rights;
- **In-flight Entertainment:** we are keeping the current APRA AMCOS structure of a per passenger rate for domestic and international flights and adjusting to include sound recording rights;
- **Partial rights:** licence fees will be adjusted where either APRA AMCOS' or PPCA's rights do not need to be covered by a OneMusic licence (for example, if alternative or direct licensing has been sourced for a particular right).

Overseas International Airlines using music within their airport lounges will be covered by the OneMusic Australia Retail and Services provider licence, details of which can be found [here](#).

Rates¹ (inclusive of GST at 10% from July 2019)

The proposed annual fees for background music are as follows and over the page:

AUSTRALIAN AIRLINES	DOMESTIC	INTERNATIONAL
Take off and landing, in-flight entertainment (including movie and television program soundtracks) and airport lounges	\$0.0192 per passenger (plus CPI adjustment each year)	\$0.1920 per passenger (plus CPI adjustment each year)

Where your airline has sought direct or alternative licensing for either the musical work or the sound recording rights a partial rights fee reduction will be applied.

OneMusic Australia will also consider applying a load factor adjustment to total passenger numbers in certain circumstances, for example where a plane uses take and landing music but has no in-flight entertainment.

All fees under this scheme will be adjusted annually in line with the weighted average of eight capital cities Consumer Price Index.

¹Rates have been calculated by valuing PPCA's sound recording right the same as APRA AMCOS's FY2019 musical work right and then increasing by the December Quarter CPI increase. We note that the current APRA AMCOS rate increases by CPI each year by reference to movement in the March quarter, which is not currently available.

To see how the proposed OneMusic Australia scheme will apply to your specific circumstances, check:

- Your relevant domestic and international passenger numbers.
- Whether you have alternative licensing arrangements for the performance of musical works or sound recordings.

Note that many airline companies may have other licences with APRA AMCOS or PPCA including for Music On Hold, Music in the Workplace or events and will require coverage under OneMusic. Details on these rates are available [here](#).

If you have any questions about OneMusic Australia during this consultation, feel free to ask them at questions@onemusic.com.au

If you'd like to take part in the consultation process and provide some feedback, we'd love to hear your thoughts at consultations@onemusic.com.au

³ Assessed on availability. For example if the only content available is via screens provided by you then it is the number of screens. If however all passengers can access your content via wi-fi or similar connectivity, then it is all passengers.

⁴ Discounted by 48.25% if all rights for sound recordings in the filmed content have been directly licensed for public performance.

DATE: 12 March 2019

AIRLINES

FIRST CONSULTATION PAPER

OneMusic Australia is a joint venture initiative of APRA AMCOS and PPCA.

APRA AMCOS is the trading name of the Australasian Performing Right Association and the Australasian Mechanical Copyright Owners Society. APRA AMCOS grants licences for the live performance, broadcast, communication, public playing or reproduction of its members' and affiliates' musical works. APRA AMCOS then distributes the licence fees collected to its 95,000 songwriter, composer and music publisher members, and affiliated societies worldwide.

PPCA is the Phonographic Performance Company of Australia Ltd. PPCA grants licences for the broadcast, communication or public playing of recorded music (such as CDs, records and digital downloads or streams) and music videos. PPCA then distributes the net licence fees collected to its licensors (generally record labels) and registered Australian recording artists.

In mid-2019, APRA AMCOS and PPCA intend to launch the OneMusic Australia partnership to provide a one-stop shop to meet the music licence needs of airlines and remove the requirement to obtain multiple licences separately from APRA AMCOS and PPCA.

OneMusic Australia aims to harmonise rates, simplify music licensing, reduce administrative burden for our customers and counter market confusion around the difference between APRA AMCOS and PPCA. An eCommerce facility for the purchase and maintenance of music licences will ensure that venues have access to the correct licences, allowing easy account management with OneMusic Australia.

APRA AMCOS and PPCA, trading as OneMusic Australia, are parties to the Code of Conduct for Collecting Societies and have a policy to consult, where appropriate, with relevant industry bodies or licensees when developing and implementing new or revised licence schemes for the use of music. We believe that receiving input from music users allows us to better understand how music is used across different industries. Consultation also ensures that our clients have a better understanding of how royalty payments flow and the purpose of such licences, which in turn leads to improved ongoing relationships.

This document serves as notification that OneMusic Australia intends to review the way in which airlines are licensed under a joint offering covering current APRA AMCOS and PPCA rights.

Please note also that this paper is not for the purpose of consultation on the individual distribution processes to members, licensors and affiliates undertaken by APRA AMCOS and PPCA, which are a matter for those organisations' respective Boards.

Further information about OneMusic Australia can be found [here](#).

CONSULTATION TIMELINE

OneMusic Australia expects that the consultation on the proposed scheme will progress as follows:

- a) Circulation of this first consultation paper for public response;
- b) Consolidation of responses;
- c) Depending on the initial feedback, the circulation of a second consultation paper if required, taking into account submissions made at part b) above;
- d) Final submissions accepted and integrated where appropriate; and
- e) Written documentation provided to businesses serving as at least three months' notification of the commencement of the new scheme.

THE PROPOSED SCHEME

The proposed OneMusic Australia scheme detailed below, in conjunction with the development of an eCommerce portal enabling licensees to pay online and to consolidate the existing APRA AMCOS and PPCA licences into one simple to administer scheme, which covers the majority of music use across the sector.

CONSIDERATIONS

This paper proposes a licence scheme that covers music use by airlines in their planes and airport lounges, noting that from time to time these businesses may need other music licences - for example using music at special events and corporate functions – which will also be available from OneMusic.

OneMusic's proposed rates for the use of music in airlines are based on the existing APRA AMCOS rates and provides for partial rights reductions when only one right, either musical works or sound recording rights is used.

RIGHTS

The intention of the proposed scheme is to license the use of music as required by airlines in their planes and airport lounges. Below are some examples of music use which would fall within the scope of the proposed scheme.

- Playing films, television programs, music or music videos as part of in-flight entertainment;
- Take off and landing music;
- Playing music in the airport passenger lounges.

Separate cover will be required for other uses, for example music on hold, music used on the company's website and music in the workplace.

STRUCTURE

OneMusic Australia proposes to apply a per passenger rate for Australian Airlines for their domestic and international passengers.

Weighting of those per person rates will be considered if an airline uses music in certain ways, for example if an airline only uses music in its passenger lounges or only uses take off and landing music.

The rates also cover the use of background music in the airline's passenger lounge.

REPORTING

It is proposed that music use coverage under this scheme will be reviewed annually as is the current procedure for most APRA AMCOS customers. Businesses will be able to confirm and declare their usage and obtain the correct coverage easily through our eCommerce facility. Those businesses that enter into direct debit arrangements will be able to select annual or quarterly payment options.

At any time where you intend to use music not covered by this licence you must contact OneMusic directly to enter into appropriate additional licence arrangements with us.



SUBMITTING YOUR FEEDBACK

OneMusic Australia is committed to developing music licensing schemes that are fair, equitable and relevant to Australian industries. Your feedback on the above proposal is integral to this process.

Please provide your feedback in the form of a submission to consultation@onemusic.com.au by close of business 19 March 2019. All submissions must be in a Microsoft Word or PDF format.

FURTHER QUESTIONS

If you have any questions or would like to discuss the proposal further, please email questions@onemusic.com.au and we will be in touch as soon as possible.