

DATE: 20 February 2019

FUNCTION, CONVENTION AND CONFERENCE CENTRES

FINAL POSITION PAPER

OneMusic Australia is an initiative of APRA AMCOS and PPCA. On 15 December 2017 OneMusic Australia released a consultation paper seeking feedback on a proposed music licensing scheme for function, conference and convention centres (hereafter referred to as 'venues for hire'). Feedback from industry associations and stakeholders was received, leading to a second consultation paper being released on 13 September 2018. [here](#).

Feedback received by OneMusic Australia has been helpful in determining if the proposed scheme is practical and accepted by the sector. This document serves as further notification that OneMusic Australia has reviewed the way in which venues for hire will be licensed to use music in order to implement a new, wide-ranging and simplified music licensing scheme. This paper is not for the purpose of consultation on the individual distribution processes undertaken by APRA AMCOS and PPCA.

The proposed scheme set out below is expected to commence from mid-2019 and OneMusic Australia will provide due notice to venues for hire to migrate their existing licences where relevant.

YOUR NEW ONEMUSIC LICENCE FEES

The fee structure for the use of music by venues for hire (inclusive of GST) is illustrated in the tables below. The rest of this paper contains relevant definitions, notes about the most recent amendments to the scheme, and information aiming to clarify certain aspects of the scheme.

The day rate proposed in the second consultation paper has been reduced for the first three years to assist venues with the transition to a OneMusic licence, and we have now given venues the option to pay either a daily rate or a flat annual rate, depending on which best suits their circumstances.

Some centres, particularly larger centres, commented during the consultation process that the amount of administrative data-gathering and record-keeping required to report accurately under the daily rate is too onerous. Accordingly, for centres who prefer a flat fee over itemised reporting, we are offering the option of an annual rate based on the daily fee for the centre's full capacity (capped at 2,500 to keep fees manageable) and calculated at two events using music per week (104 days per annum).

OneMusic also met with the Exhibition & Event Association of Australasia and representatives of a number of larger centres to discuss possible alternative rate structures, including linking the fee to the centre's gross revenue, but in the end these proved unsuccessful.

Table 1: Daily Rate

| YEAR | DAY RATE | |
|------|---|---|
| | MINIMUM ANNUAL FEE PER SPACE (FOR VENUES WITH MULTIPLE AREAS) | DAY RATE PER 100 PERSONS OR PART THEREOF OF THE CAPACITY OF THE VENUE |
| 1 | \$65.00 | \$7.00 |
| 2 | \$71.50 | \$9.00 |
| 3 | \$78.00 | \$11.00 |
| 4 | \$84.50 | \$13.00 |

*Different rooms or areas with different capacities can be reported separately. Days where no music is used do not need to be reported.

OR

Table 2: Flat annual rate

| YEAR | FLAT ANNUAL RATE | | |
|------|--|------------------|---|
| | DAY RATE | MAXIMUM DAY RATE | ANNUAL FEE (CALCULATED AT 2 EVENTS PER WEEK/104 PER YEAR) |
| 1 | \$7 per 100 persons (or part thereof) of venue capacity | \$175.00 | x 104 |
| 2 | \$9 per 100 persons (or part thereof) of venue capacity | \$225.00 | |
| 3 | \$11 per 100 persons (or part thereof) of venue capacity | \$275.00 | |
| 4 | \$13 per 100 persons (or part thereof) of venue capacity | \$325.00 | |

Of those venues choosing the flat annual rate, only venues with a capacity over 2,400 will pay the maximum day rate. Smaller venues can calculate their rate depending on their capacity. For example, a venue with a capacity of 500 would have a day rate in the first year of \$35 (being \$7 for every 100 persons of venue capacity), so their total flat annual rate would be \$3,640 (\$35 x 104).

Under both the daily rate and the flat annual rate options all music use at the venue will be included except for exercise and fitness classes, dance classes, nightclub or dance party events, events held by national event promoters, and events where expenditure on performing artists exceeds \$4,000. Centres that are usually and primarily used as music venues will not be licensed under this scheme. For uses of music that are not covered by this licence, we refer centres to other applicable OneMusic licences, descriptions of which are available [here](#).

DEFINITIONS

“Capacity” means the number of patrons licensed by the Local Government, Liquor Licensing body or Fire Department (as applicable to that venue). Where official sources are not available, or in cases where a venue operates at a lower capacity than the capacity stated on official sources, (for example where a nightclub area is partitioned to make it smaller during slow periods, or if areas of the nightclub are regularly closed to patrons on particular nights), OneMusic may agree to a variation to the reported capacity provided supporting documentation is supplied. Where a layout plan of the premises is supplied delineating the operating nightclub area, OneMusic Australia will calculate capacity at 1 person per 0.75 square metres of space accessible by patrons.

“Relevant Capacity” is the capacity of the venue or area of the venue as hired, for example, a space with an official capacity of 500 may be made available for hire in different configurations with different capacities for cocktail, theatrical, convention, expo, or sit-down dinner events, with those capacities set and advertised to potential hirers.

IMPORTANT INFORMATION ABOUT THE LICENCE SCHEME

EXCLUDED EVENTS

This licence includes coverage for events where artist expenditure is \$4,000 or less. In circumstances where artist expenditure on an event is greater than \$4,000 venues or hirers will need to obtain a separate licence for the event from OneMusic. It is the responsibility of the venue and the hirer to establish if the appropriate licences are in place, and assumptions should not be made by either party.

REVENUE-BASED RATE

At the request of a group of large convention centres after the release of the second consultation paper, we investigated the possibility of a rate based on a percentage of a venue’s revenue. Centres were unfortunately unable to provide revenue data which would have enabled us to test and model this metric, so we were unable to explore further. That issue during the investigation phase also indicated that accessing the data on an ongoing basis for licence fee calculation purposes would be impractical.

REPORTING

For venues licensed under the daily rate, licensees will be invoiced through a provisional annual invoice in advance and then asked to provide the necessary updated information through retrospective annual reporting to enable an adjustment that would reflect actual usage.

Venues licensed under the flat annual rate will not be able to adjust their rate retrospectively, but will have the opportunity at the end of each licence period to choose to be licensed under the daily rate for the following licence period if they wish.

RELEVANT CAPACITY

For venues licensed under the daily rate, OneMusic Australia will allow function, convention and conference centres to report each event according to its relevant capacity, where it differs to the centre's *official* capacity, provided that the *relevant* capacity is listed on the centre's website or in literature provided to potential hirers.

Venues licensed under the flat annual rate should report using the total capacity of their hireable spaces.

CALCULATOR

To see how the proposed OneMusic Australia scheme will apply to your specific circumstances, you can use the calculator found [here](#).

NEXT STEPS

Implementation of the new Function, Convention and Conference Centre licence scheme is scheduled to begin in mid-2019. OneMusic Australia intends to publish the main terms of the licence scheme shortly in order to provide advance notice to businesses of the new structure and rates. The timing of that publication will depend on the finalised start date for OneMusic Australia, but we will endeavour to provide as much notice as possible.

Businesses may object to some of the proposals set out above. Licensees and associations have recourse to expert processes under APRA's existing alternative dispute resolution service, Resolution Pathways.

If there is a reference to Resolution Pathways and the parties are unable to agree on an outcome, then either party may make a reference to the Copyright Tribunal.

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.