

**DATE:** 9 January 2019

## HOTELS (INCLUDING ACCOMMODATION PROVIDERS, DEDICATED MUSIC VENUES AND CASINOS) AND NIGHTCLUBS

### Notification Regarding Live, Featured, and Recorded Music for Dance Use

OneMusic has heard the ongoing concerns expressed by a number of representative groups about the proposed rates for live, featured and dance use in hotels and nightclubs. OneMusic does not believe that either the current APRA AMCOS and PPCA rates, or the proposed OneMusic rates, are too high. We believe that the existing rates and the proposed rates provide fair valuation of music used by hotels and nightclubs. We are also firmly of the view that harmonised rates and licensing will be the most efficient form of music licensing for hotels and nightclubs. We do want to continue consultation on those licence schemes, but we do not want to delay the launch of OneMusic. Accordingly, the following interim position is to be adopted, until 30 June 2020.

- We will continue our consultations on proposed rates and other terms for live, featured and dance use in hotels and nightclubs until 30 June 2020. While those consultations are ongoing, **we will continue with essentially the existing APRA AMCOS and PPCA structure and rates for live/featured/dance use** (subject only to necessary changes – see below).
- OneMusic licence schemes that have been agreed, such as background music, and live/featured use in connection with Dining, will not be affected: the new OneMusic schemes will apply from 1 July 2019.
- **OneMusic is confident that new harmonised rates for live/featured/dance use in hotels and nightclubs will be able to be agreed and to start to come into effect from 1 July 2020.**
- Please note that OneMusic will be the licensing body from 1 July 2019: existing APRA AMCOS and PPCA licences will still be terminated effective from their next anniversary date immediately following 30 June 2019, and venues will be relicensed by OneMusic. Licensees will have to report all relevant updated information to OneMusic in order to calculate licence fees. If OneMusic identifies discrepancies in reported figures, it will discuss these with the relevant licensee.

#### Recorded Music For Dance Use

- Licensees will see two lines on their OneMusic invoices: one for the PPCA fee and one for the APRA AMCOS fee. Each licence fee will be calculated by reference to the respective current scheme - capacity/nights of operation for PPCA and attendance for APRA AMCOS.
- The definition of “Recorded Music For Dance Use” set out in the second consultation paper will apply.

#### Live Music

- The APRA AMCOS live rate will continue to apply.
- No PPCA licence is required for live music where protected sound recordings are not played.
- The APRA AMCOS live rate in hotels is currently 1.65% of ‘box office’ plus 2.2% of ‘artist expenditure’. The live rate for promoters has recently been agreed at 2.2%, and so OneMusic will apply a flat rate of 2.2% to both box office and artist expenditure, to ensure consistency of treatment of live performances in relevant venues. This will have an impact on very few premises noting only 47 hotels report solely on the basis of box office.
- Licensees will be required to provide relevant capacity and nights of operation data, for compliance purposes only.
- APRA AMCOS’s current policy with respect to licensing National Concert Promoters (NCP) for performances in hotels will continue.
- The NCP list will be reviewed prior to the launch of OneMusic on 1 July 2019.

### Featured Recorded Music

- APRA AMCOS has a rate for “featured recorded music”, and PPCA has a rate for “foreground music”. The APRA AMCOS rate is based on annual attendance and the PPCA rate is based on capacity multiplied by nights of operation.
- PPCA’s “foreground music” definition captures a wider use of music, some of which is now to be licensed under OneMusic’s proposed background music scheme. OneMusic had proposed a single rate for “featured music” based on the narrower APRA AMCOS definition. The background music rates are largely supported by industry.
- Using the narrower APRA definition, licensees will see two lines on their OneMusic invoices: one for the PPCA fee and one for the APRA AMCOS fee. Each licence fee will be calculated by reference to the respective current rates - capacity/nights of operation for PPCA and attendance for APRA AMCOS.
- OneMusic also proposes to remove from the calculation of the APRA rate the current “greater of” test against ticket revenue, and to calculate the rate only on attendance. This should reduce licence fees for a relatively small number of licensees.

OneMusic will be in contact with industry representatives shortly in order to establish a timetable for continued consultations on consolidated live/featured/dance use rates, for implementation in July 2020.

### FURTHER QUESTIONS

If you have any questions or would like to discuss the proposal further, please email [questions@onemusic.com.au](mailto:questions@onemusic.com.au) and we will be in touch.