

DATE: 3 October 2018

COUNCILS FINAL POSITION PAPER

OneMusic Australia is an initiative of APRA AMCOS and PPCA. On 1 June 2017 OneMusic Australia released a consultation paper seeking feedback on a proposed music licensing scheme for Councils, or Local Government Areas (LGAs). Feedback from associations and individual councils was received, leading to a second consultation paper being released on 24 October 2017. Those papers can be found [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 local government areas 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 local government areas to migrate their existing licences where relevant.

FEEDBACK RECEIVED

OneMusic Australia received welcome feedback for both consultation papers for Local Government Areas, and continued to receive and consider feedback well after the proposed consultation period had closed.

The feedback we received was extremely valuable in further developing the final licence scheme, resulting in a number of amendments being made to the proposal put forward in the previous paper released in October 2017. The final licence scheme for Councils is expected to include the structure and rates set out below, and recent amendments are included in this paper.

YOUR NEW ONEMUSIC LICENCE FEES

The proposed fee structure for the use of music by councils (inclusive of GST and phased in over five years) is illustrated in the table below.

LICENCE YEAR (1 JULY TO 30 JUNE)	MINIMUM FEE	PER-PERSON RATE	
		RURAL LGA (INCL GST)	URBAN LGA (INCL GST)
2018##	\$350	\$0.075 (80% of LGA Population)	\$0.09 (80% of LGA population)
		\$0.06 (20% of LGA Population)	\$0.072 (20% of LGA Population)
2019	\$350	\$0.075 (80% of LGA Population)	\$0.09 (80% of LGA population)
		\$0.06 (20% of LGA Population)	\$0.072 (20% of LGA Population)
2020	\$350	\$0.08 (80% of LGA Population)	\$0.12 (80% of LGA Population)
		\$0.064 (20% of LGA Population)	\$0.096 (20% of LGA Population)
2021	\$350	\$0.12 (80% of LGA Population)	\$0.15 (80% of LGA Population)
		\$0.096 (20% of LGA Population)	\$0.12 (20% of LGA Population)
2022	\$350	\$0.15 (80% of LGA Population)	\$0.18 (80% of LGA Population)
		\$0.12 (20% of LGA Population)	\$0.144 (20% of LGA Population)
After 1 July 2022	The Minimum Fee and Per Person Rates above are current until 30 June 2022 and on 1 July each year after that date the GST-exclusive rates may be increased by CPI.		

Available on a voluntary basis for those councils that wish to take advantage of the new structure immediately.

OneMusic Australia will use the report published annually by the Australian Bureau of Statistics which sets out the number of people residing in each jurisdiction to calculate the licence fee payable by Councils each year. The relevant number of residents used will be the lowest figure over the previous three years, and a 20% discount will be applied to 20% of this figure. The licence year will be concurrent with the financial year.

Importantly, the fees above reflect the following amendments to the rates shown in the second paper:

EXTENSION OF PHASE-IN PERIOD

As indicated in the table, the phase-in period of three years proposed in the second consultation paper is now extended to four years. The first year rate will now be at 50% of the fully phased-in rate. In addition, the licence will be available for the current financial year (i.e. commencing 1 July 2018) on a voluntary basis at the year one rate. Those councils who take out the licence on a voluntary basis for FY19, will not have to execute a new OneMusic licence next year.

RELEVANT POPULATION FIGURE

In order to address issues raised in the feedback OneMusic received regarding (i) the time-lag in local government areas between population growth and the provision of additional services (particularly in growth corridors), and (ii) concerns that councils with shrinking populations should not be disadvantaged, the relevant population figure for the calculation of fees each year will be the lowest one over the last three years. Those population figures can be accessed [here](#) and [here](#).

APPLICATION OF DISCOUNT

In addition to the above amendment, the relevant full rate will be applied to the first 80% of the council's population figure, with a 20% discount applicable to the balance.

WHAT THE LICENCE COVERS

The OneMusic Australia licence for Local Government Areas includes the following uses of music:

1. **Background music in council owned & operated premises**

Playing background music (for example from radios, CD players, smartphones, tablets, television screens and other devices) at council buildings, council-run premises and libraries including in reception or front-of-office areas open to the public including workplace music use (e.g. background music at workstations, in staff recreation areas, warehouses, depots, workshops and lunchrooms etc, and corporate presentations and training sessions).

2. **Background music in council owned & operated halls, function and performing arts centres**

Playing background music at council owned and operated halls, function and art centres.

3. **Music on Hold**

Using telephone on hold music for council services, irrelevant of the caller capacity of the phone system.

4. **Music at Council Events (i.e. produced, controlled and operated by the council) or Authorised Third Party Events (i.e. by a third party hiring a council facility for activities pre-authorised by the council)**

Background music permitted under all circumstances.

Featured music permitted unless:

- the event is a nightclub (other than under 18s events)
- used in dance classes
- used in fitness classes (other than 6 below)
- events where total payment to featured artist performers is more than \$50k
- events where there is a compulsory charge or fee for admission that is more than \$40 per person
- events where there is a compulsory charge or fee for admission that is less than \$40 per person but the total payment to featured artist performers is more than \$4k

5. **Music on Websites**

Streaming music on council websites, as long as this streaming is incidental, not the primary purpose of the website and provided that (i) no revenue is generated directly as a result of the streamed music, and (ii) the use does not suggest any association with or endorsement by the artists.

6. **Community fitness centres**

Using music at council-owned and operated community concession fitness centres in classes and as background music.

7. **Community/not-for-profit child care centres**

Using music in not-for-profit council-run child care centres.

8. Cinema screenings subject to the below

Holding cinema screenings where there is no admission fee or ticket price.

9. Street performers or buskers

Authorising public performances given by street performers or buskers in the council under a council permit.

10. Music on Devices

Copying music for the purposes set out above in 1, 2, 4, 5, 6, 7 - and 3 (but only if background music and only if a Council Event).

For featured music uses including concerts, nightclubs and fitness and dance classes we have provided the table below to provide a snapshot of coverage.

TYPE OF EVENT	FREE (NO TICKET)	FREE (TICKET)	TICKETED (UP TO \$40 PER TICKET)	TICKETED (TICKET PRICE IS MORE THAN \$40)
Event where artist expenditure is \$4,000 or less	Covered	Covered	Covered	Not Covered
Event where artist expenditure is between \$4,001 and \$50,000	Covered	Covered	Not Covered	Not Covered
Event where artist expenditure is greater than \$50,000	Not Covered	Not Covered	Not Covered	Not Covered
Dance Classes	Not Covered	Not Covered	Not Covered	Not Covered
Fitness Classes (other than those permitted by 6 above.	Not Covered	Not Covered	Not Covered	Not Covered
Nightclubs (other than those permitted by 4 above)	Not Covered	Not Covered	Not Covered	Not Covered

IMPLEMENTATION

The new scheme is available on a voluntary basis for the current financial year, and will apply to all councils from 1 July 2019.

FURTHER QUESTIONS

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