

PUBLIC VEHICLES AND VEHICLES FOR HIRE

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 public vehicle or vehicle for hire, 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 in your vehicle.

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.

This proposed licensing scheme is not for taxis or rideshare vehicles. These vehicles will continue to be licensed separately by APRA AMCOS and PPCA.

The basics of the proposal

- **Background music:** we are keeping the current PPCA structure where background music licence fees are tiered to the capacity of each vehicle. You will no longer have to count the number of music/screen devices as you do under your current APRA AMCOS agreement.
- **Music video:** we are again proposing to keep with the current PPCA structure but with a simplified two-tier rate based on capacity.
- **In-seat Entertainment:** for providing on-demand access to films and TV shows (via screens or wi-fi access), we're proposing to apply the existing APRA AMCOS rates that apply for in-flight entertainment on airplanes (adjusted to include rights for sound recordings).
- **Featured music:** for businesses that use vehicles to provide featured entertainment (e.g. live music, DJ sets, recorded music for dancing), we propose to apply the same rates as have been proposed for other venues offering the same music use under OneMusic.
- **Partial rights:** licence fees will be reduced by 48.25% where either APRA AMCOS' or PPCA's rights do not need to be covered by a OneMusic licence (for example, if you only play terrestrial broadcast radio, which does not require a sound recording licence).
- **Copying music and Website use:** single flat annual rates for ease of administration.

Rates

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

	SEATING CAPACITY ¹	ANNUAL RATE ²
Vehicles for Hire, Buses, Coaches, Ferries, Sightseeing Vessels, Trains, Party Boats & Other Vehicles/Vessels	Up to 10 seats	\$130 per vehicle
	11 to 20 seats	\$160 per vehicle
	21-50 seats	\$245 per vehicle
	51-120 seats	\$370 per vehicle
	121+ seats	\$555 per vehicle

¹For vehicles or vessels where the number of seats is not constant or fixed, maximum passenger capacity will be used instead of seating capacity.

²Discounted by 48.25% if only playing traditional terrestrial radio or television stations that are received directly from a broadcast signal to the vehicle.

Copying Music for Public Performance	\$400 per annum per vehicle
Incidental Website Music	\$550 per annum

Music Videos	Up to 50 seats	\$340 per annum
(in addition to background music)	51+ seats	\$680 per annum

In Seat Personal Entertainment	\$0.18502 per passenger ³ (plus CPI increase) ⁴
--------------------------------	---

The proposed annual fees for the three types of featured music use covered under this agreement are as follows:

TYPE OF USE	DAILY RATE*
Featured Music and Live Music Performance (including sound recording use)	\$0.28 per passenger
Live Music Performance (no sound recording use)	\$0.14 per passenger
Recorded Music For Dance Use	\$2.52 per passenger

*only charged on days of operation where featured music is used

The above fees for Featured Music and Live Music Performance apply for days of operation where expenditure on artists is under \$4,000. For those where expenditure is over \$4,000 you will need to obtain a separate licence for the event from OneMusic. Fees for Recorded Music For Dance Use apply regardless of artist expenditure.

“Vehicle” refers to any mode of transport (including vessels) but excludes:

- airplanes, and cruise ships that offer multi-day pleasure cruises and provide sleeping berths and cabins, for which separate OneMusic licences will be available; and
- taxis and rideshare vehicles, which will continue to be licensed separately by APRA AMCOS and PPCA.

“Background music” means music played in a vehicle that is not used as a prominent feature and/or characteristic part of the entertainment provided or otherwise advertised to the general public or passengers as forming part of the entertainment provided.

“Featured Music” means music (recorded or otherwise) used in a vehicle that is given prominence as a feature of the service offered with that vehicle or any part of that vehicle. The factors which can contribute to music use being given such prominence include but are not limited to:

- Performances, including Live Music Performances and patron karaoke performances, which have been advertised to the public as having music as a feature such as ‘Live Music Every Friday’, ‘Karaoke Thursday’, or where music is advertised as part of a specific event or series of events; or
- Days of operation where the music has been compiled with a particular or recognisable theme such as ‘Retro Night’, ‘Friday Night Beats’ or ‘Sunday Jazz’.

“Live Music Performance” means music that is performed by a Live Artist Performer and includes, but is not limited to, the use of music during days/nights of operation or events where the music is compiled, presented or performed by a Live Artist Performer who is engaged for the principal purpose of compiling, presenting or performing music to patrons.

“Live Artist Performer” means any performer participating in the performance of music including featured and associated singers, musicians, DJs, dancers, models and conductors.

“Recorded Music for Dance Use” means the playing of sound recordings for the purpose of dancing.

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.

To see how the proposed OneMusic Australia scheme will apply to your specific circumstances, you can use the calculator found here: <https://form.jotform.co/90027377300853>. To use the calculator, review:

- The seating or other capacity of your vehicle(s).
- Whether you show music videos in your vehicle(s).
- How many days you provide Featured Music for patrons (featured meaning live performance, DJs and/or Karaoke) and the number of passengers on those days.
- Whether you need a partial rights licence (see later section).
- Which licences you currently have for your vehicle or operation – remember that cost comparisons will only be valid if you are currently correctly licensed with both APRA AMCOS and PPCA as applicable.

Note that many transport and transport/entertainment companies will have other licences with APRA AMCOS or PPCA including for Music On Hold or Corporate & Workplace use and those uses will also 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

DATE: 9 January 2019

PUBLIC VEHICLES AND VEHICLES FOR HIRE **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 transport and vehicle hire operators and businesses (including party boat companies and similar services) 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 transport and vehicle hire operators and businesses are licensed to use music with a view to implementing a new, wide-ranging and simplified music licensing scheme. This paper does not cover multi-day cruise operators and a separate paper for such operations can be found [here](#). This paper also does not cover music use on airplanes, and a further separate paper for that scheme will be available soon.

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 the tailoring of music licences according to each businesses needs and music use, is structured as far as possible 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 in vehicles, noting that the businesses operating such vehicles will often require other music licences - for example the playing of background music at a station concourse, telephone hold music and workplace music use – which will also be available from OneMusic. We anticipate that a single online licence application process will give you access to all this coverage under the one licence from OneMusic, further simplifying music licensing.

PPCA currently defines a “public vehicle” as a vehicle licensed or designed to convey passengers, including: (a) hire cars and taxis; and (b) aircraft, buses, charter boats, coaches, ferries, light rail, monorail, ships, trains and trams, whereas the APRA AMCOS licence covering vehicles, being the broad-based general business licence, does not provide a specific definition for public vehicles or vehicles for hire. As mentioned, APRA AMCOS however does have existing separate schemes for aircraft and cruise ships, which are the subject of separate consultation papers, and will not include taxis and rideshare vehicles in the proposed OneMusic Transport licensing scheme.

The current licensing approach for transport differs between PPCA and APRA AMCOS. For background music uses, PPCA has a specific scheme tiered according to seating capacity, whereas APRA AMCOS applies its general business licence scheme based on ‘premise’ size as measured by square metres. While seating numbers often correlate with ‘premise’ size, actual numbers are more precise. PPCA also applies a music video rate under its public vehicles tariff, where those vehicles play recorded music videos.

Both organisations also apply, as required, their relevant standard rates for featured music use – for example as may occur on a party boat – if they host a live performance or DJs.

In addition to background and featured music use, in certain forms of land transport (for example trains) technological advances now permit the provision of in-seat personal entertainment. OneMusic is of the view that the nature of such user-controlled content is of a higher value than background music and it is appropriate that a different rate applies to such music public performances.

As a business, additional coverage from OneMusic is required when you access or copy music that is only authorised for personal use. That includes if you make a reproduction of a CD or other physical format (including by transferring to your PC or device), or when you play music from a personal digital music or digital download service. OneMusic (as APRA AMCOS and PPCA currently do) can authorise your use of such music in a business setting. However, for digital music services and digital download services your use will almost certainly be in breach of the Terms and Conditions of your End User Agreement. Because these are permissions not controlled by us all we can do is suggest you contact your streaming service provider to discuss with them the use of the service in your business.

OneMusic’s proposed rates for the use of music in public vehicles and vehicles for hire are based on the existing PPCA rates or the existing APRA AMCOS rates, depending on which rate provides the simplest calculation and easiest compliance.

RIGHTS

The intention of the proposed scheme is to license the use of music as required by transport and transport/entertainment business in their vehicles, and on their websites. Below are some examples of music use which would fall within the scope of the proposed scheme.

- Playing DVDs or music videos on a coach.
- Exhibiting a film on a train or coach.
- Advertising screens (with audio) on light rail carriages.
- In-seat video entertainment on a long-distance train.
- Background music playing on a sightseeing cruise ship.
- Playing music (from radio or recorded source) in a hire vehicle such as a limousine.
- DJ playing music on a party boat.
- Live artist performing cover songs on a charter boat.
- Incidental website music use from the businesses website.

STRUCTURE

OneMusic Australia proposes to apply a series of rates for transport and transport/entertainment businesses according to the way music is played in vehicle(s) on a user-pays basis.

Background Music

For the purposes of this scheme, background music means music played on a vehicle that is not used as a prominent feature and/or characteristic part of the entertainment provided or otherwise advertised to the general public or passengers as forming part of the entertainment provided.

The proposed OneMusic rate for background music is based on the existing PPCA structure and rate, but increased to take account of the additional APRA AMCOS rights. Taking into account likely CPI movement, in all cases the new rates are just under double the existing rate.

CAPACITY TIER (RATES ARE PER VEHICLE PER YEAR, INCL GST)	EXISTING PPCA ANNUAL RATE (FY19)	ESTIMATED PPCA ANNUAL RATE (FY20) ⁵	PROPOSED ONEMUSIC ANNUAL RATE (COVERING BOTH PPCA AND APRA AMCOS) ⁶
Up to 10 seats	\$64.04	\$65.32	\$130
11 to 20 seats	\$80.75	\$82.37	\$160
21-50 seats	\$121.30	\$123.73	\$245
51-120 seats	\$182.41	\$186.06	\$370
121+ seats	\$274.37	\$279.85	\$555

OneMusic believes that in most cases businesses will see a decrease in their background music licence fees when compared to current. For example:

- A coach with a seating capacity of 50 playing CDs would currently pay \$253.73 per annum to APRA AMCOS and PPCA at existing rates compared with \$245 to OneMusic under the proposal.
- A limousine hire car playing just the radio would currently pay \$79.46 per annum at existing rates to APRA AMCOS and PPCA compared with \$67.28 to OneMusic under the proposal.

Copying Music for Public Performance and Incidental Website Music Use

The proposed rates for these two types of music use are the standard rates proposed by OneMusic across all general businesses. These uses are subject to certain limitations.

For copying music you may only keep up to 2,000 tracks at any one time **per vehicle** but within that limit you are able to remove and add tracks to keep the music fresh, so long as you keep within the 2,000 cap.

With incidental website music we can only cover your use of music under this rate for music that is streamed from your business' official website (excluding any third party platforms and websites such as but not limited to Facebook and Instagram) and:

- where the music is audio-only content;
- where the music use is incidental and the primary purpose of the website is not the streaming or sharing of musical content;
- provided the music is limited to no fewer than 5 and no more than 15 tracks playing in a random linear, non-interactive loop; and
- where no revenue is derived from the playing of music.

⁵ Assumes CPI of 2%.

⁶ Playing of the radio or TV only will be discounted by 48.25% from these rates.

Music Videos

The public performance of a music video requires clearance of an additional right in the music video film itself. Consistent with PPCA's current treatment we propose a continuation of this rate although on a more simple structure. Licence fees are payable in addition to the background music rate.

CAPACITY TIER (RATES ARE PER VEHICLE PER YEAR, INCL GST)	EXISTING PPCA ANNUAL RATE (FY19)	ESTIMATED PPCA ANNUAL RATE (FY20) ⁷	PROPOSED ONEMUSIC ANNUAL RATE (COVERING BOTH PPCA AND APRA AMCOS) ⁸
Up to 20 seats	\$211.74	\$215.97	\$340
21-50 seats	\$317.96	\$324.32	
51-120 seats	\$476.88	\$486.42	\$680
121+ seats	\$715.83	\$730.15	

In-seat Personal Entertainment

While this form of entertainment used to be restricted just to aircraft, other types of vehicles are now providing personalised on-demand content. This may be achieved by the provision of fitted 'seat-back' screens or wi-fi enabled personal access to a film/TV programme library of content. Where content is only available on screens provided by you, the rate will be applied per screen. Where content provided by you is accessible via wi-fi, the rate will be applied per passenger.

APRA AMCOS has an existing scheme for airlines and OneMusic proposes that these rates are extended to other vehicle use, subject to an uplift for the corresponding right in the sound recording plus next year's annual CPI adjustment. Where you can show that all rights for sound recordings in the filmed content have been directly licensed for public performance, a discount of 48.25% will be applied.

Featured Music Uses

Where music is a prominent feature and/or characteristic part of the entertainment provided or otherwise advertised to the general public or passengers as a feature, then additional coverage is required for that use. OneMusic considers that the rates it has proposed for such uses in other businesses should also be applied to passenger vehicles. OneMusic assumes that operators have the means to keep accurate relevant passenger numbers and so long as they agree to provide an annual statement of attendance and nights of operation with a written declaration by an authorised person warranting the veracity of those figures, OneMusic proposes to apply a per passenger rate.

Feedback is sought on whether the above assumption is correct.

For clarity, if for example a vessel undertook one trip each day of the year, and from each Sunday to Thursday only provided background music but on each Friday and Saturday provided featured music, then the relevant passenger numbers for assessing the appropriate featured music fee would only be those from the Friday and Saturday trips.

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, quarterly or monthly 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.

⁷ Assumes CPI of 2%.

⁸ Playing of the radio or TV only will be discounted by 48.25% from these rates.

TRANSITIONAL ARRANGEMENTS.

Our analysis shows that there are a number of transport and transport/entertainment businesses that are currently licensed only by APRA AMCOS or PPCA but actually require licences for both organisations' rights. APRA AMCOS and PPCA recommend that you revisit your licensing status now, rather than waiting for OneMusic Australia to commence, in order to ensure you are fully covered and not unwittingly infringing.



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 20 February 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.