

welcome...

to On the Record – PPCA’s newsletter for Artists and Licensors

As registered artists and licensors may be aware, PPCA always aims to increase its presence in the music and business community to ensure those entitled to royalties have the opportunity to receive them and those playing music in their business are aware of their licensing obligations.

During 2005 and early 2006, PPCA worked closely with the organizers of the inaugural Australian Music Prize, The AMP 2005. Being principal partner, PPCA provided the \$25,000 cash prize to the Drones, whose album ‘Wait Long By The River And The Bodies Of Your Enemies Will Float By’ was judged by industry professionals and peers as the most outstanding album released in 2005.

The Amp was a huge success for PPCA, with a number of Australian artists registering to share in licence fee revenue distributed each year. In 2006, The Amp will continue with PPCA’s support. Once again all artists and licensors are encouraged to enter eligible releases. More information about The Amp 2006 will be available later this year.

In this edition of On the Record you’ll find information relating to changes to PPCA’s distribution policy, along with information about The Amp 2005 and the Amp 2006. We’ve also included information relating to the Attorney General’s proposed changes to the Copyright Act that will see the removal of a price cap in relation to the licence fees payable by commercial radio broadcasters.

Once again all artists registered with PPCA are encouraged to keep us informed of new releases and changes to contact details. If you release a CD and do not register it with us, then any income that may have been earned for that release will be paid to your record label. We are also unable to pay royalties to those artists that we are consistently unable to contact. Please check the lost artists list on our website for your friends and if you’d like to check which recordings you have registered with us, please contact our Distribution department.

As always, PPCA welcomes your feedback and should you require any further information PPCA, please go to www.pcca.com.au or contact us on (02) 8569 1133.

Best regards

Stephen Peach
PPCA CEO



Music industry welcomes government moves for fairer broadcast licence fees

PPCA recently welcomed a decision by the Federal Government which will pave the way for fairer broadcast licence fees to be paid by commercial radio operators and allow for fairer returns to all those working to create and produce music in Australia.

The Government has moved to abolish the 37-year old price cap on the licence fees which commercial radio stations pay for sound recordings. The price cap, of 1 per cent of a broadcaster’s gross income, means that commercial radio stations currently pay collectively just \$2.98 million a year for all of the music played on Australian commercial radio. This figure stands in stark contrast to commercial radio revenues of over \$850 million a year.

PPCA Chief Executive, Mr Stephen Peach said, “The Government is to be congratulated on a decision which will reward all those who work hard to create and produce the music we all hear on the radio. For years now, recording artists have effectively been subsidising commercial radio, which is an \$850 million a year industry.

“We have felt strongly for some time that artists and labels were not receiving a fair return from commercial radio. Since this protective price cap was introduced in 1969, FM radio operators have built large and profitable networks based on the music that is played every hour of the day but for which very little is paid.”

The Government has proposed a legislative amendment to remove the price cap enshrined in section 152(8) of the Copyright Act. This will bring commercial radio stations into line with all other users of copyright material who negotiate a fair market rate, or have it set by the government’s independent Copyright Tribunal.

PPCA Chairman Mr John O’Donnell said, “There has been no other copyright in Australia, relating to music or other material, that has been the subject of a statutory price cap. The Attorney General has rightly recognised the unfairness in this situation by proposing to abolish this anomalous provision in the law. Two separate government reviews have endorsed the need for change.”

Dozens of leading recording artists including Powderfinger, Tim Freedman, Thirsty Merc, Missy Higgins, Olivia Newton John and Paul Kelly have spoken out against the commercial radio price cap.

The PPCA Annual Report is now available online at www.pcca.com.au

PPCA Supports Australian Artists with The AMP 2005

PPCA would like to congratulate Melbourne four piece The Drones who won the inaugural Australian Music Prize - The Amp 2005! The Drones received a \$25,000 cash prize (provided by PPCA) in recognition of their music excellence. Their album 'Wait Long By The River And The Bodies Of Your Enemies Will Float By' took out the accolade after being judged by industry professionals and peers as the most outstanding album released in 2005.

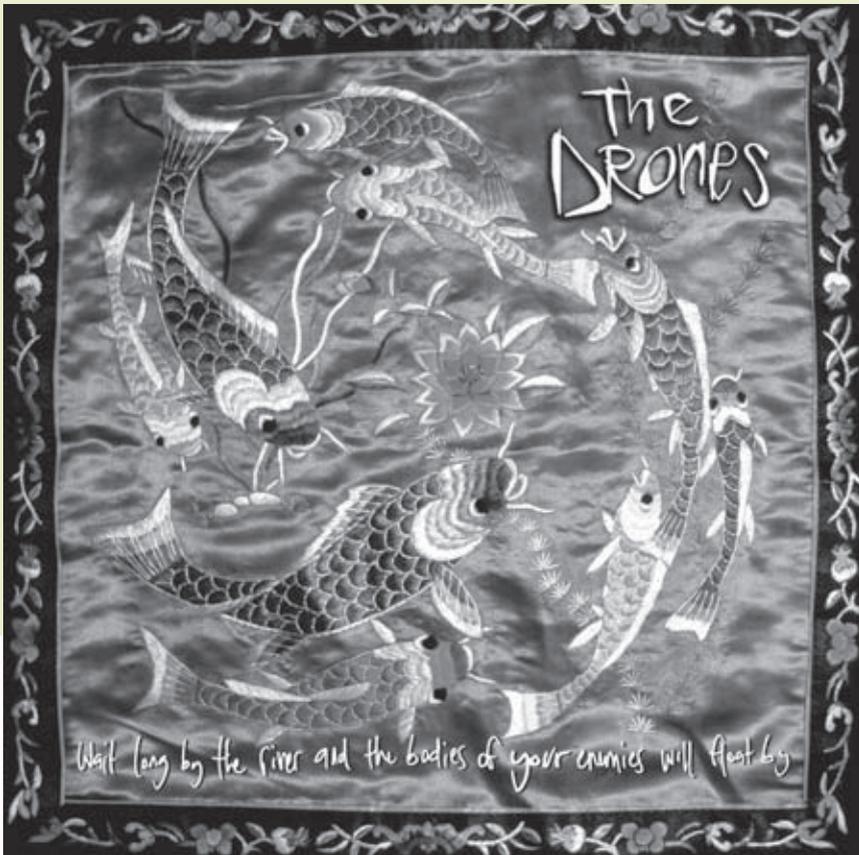
The Australian Music Prize was established in 2005 to financially reward and increase exposure for an Australian artist (or group of artists) who have produced and commercially released what specially appointed judges vote is the best contemporary music album in any one calendar year.

The Amp 2005 provided a great opportunity to promote PPCA to a broad range of Australian artists, encouraging



them to register with PPCA to be eligible to share in licence fee revenue, while also promoting the health and growth of the local industry both here and abroad. PPCA will continue its association with the Australian Music Prize in 2006, ensuring more great Australian artists are able to be rewarded for their creativity and musical excellence.

Stay tuned for more information about The Amp 2006 - entries open early September.



An important message for licensors and registered artists – changes to PPCA's Distribution Policy

We are pleased to advise that on April 13th the Board resolved to adopt a number of amendments to PPCA's distribution policy.

The policy has now been updated to reflect those changes, and can be viewed at: <http://www.pcca.com.au/documents/PPCADistributionPolicy.pdf>

The main change is that, in relation to the local repertoire pool, the allocation to the PPCA Performers' Trust (currently set at 2.5%) will be taken from overall pool earnings, with the balance then allocated equally between (i) Licensors, and (ii) featured Australian artists.

Please note that, where featured artists fail to register for relevant tracks, the amount that would have been available for direct payment will continue to be paid through to the label/ Licensor, for subsequent distribution to the artist under their recording agreement with that entity.

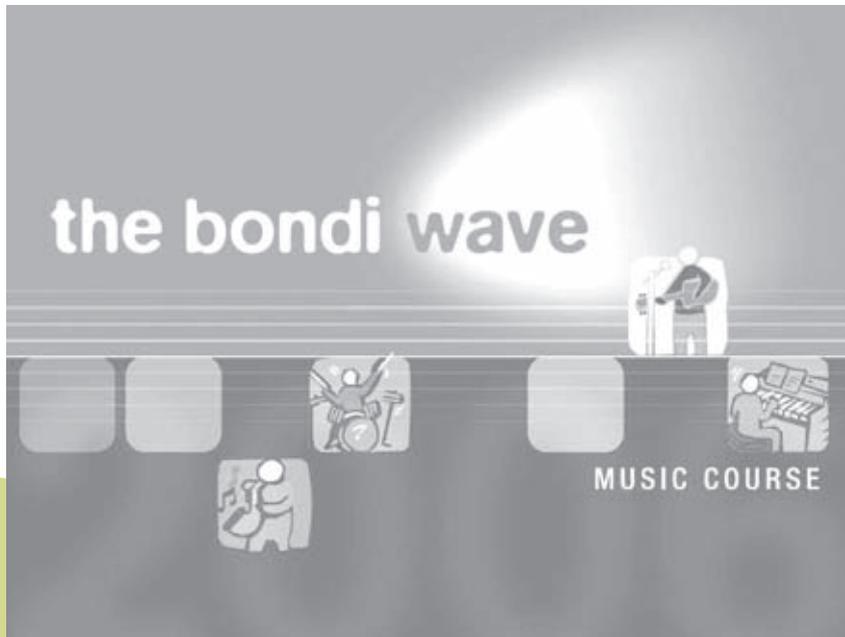
Some further amendments clarify current practices - for example, clearly setting out what recordings will be eligible under the Direct Artist Distribution Scheme.

We urge all licensors and registered artists to review a copy of the policy, and contact the Distribution team if they have any questions or concerns.

The Bondi Wave - Youth Music Course

PPCA's Head of Business and Legal Affairs, Jason McLennan, recently attended The Bondi Wave participating in a free seminar called "Music Industry Know How – Know how it works!" Over 100 participants attended the free introductory seminar to hear about all aspects of the music industry, including copyright and the role of collecting societies in the music industry.

The Bondi Wave was established over 20 years ago and offers a number of courses, workshops and seminars with top industry professionals and musicians tutoring students in all aspects of music making. The courses cover both the creative and the business side of the music industry from basic theory through to marketing, with the aim of giving young musicians the chance not only to create music, but to get it heard.



Contemporary Music Touring Program

Australian musicians and their audiences will continue to benefit from the Australian Government's Contemporary Music Touring Program, thanks to additional funding of \$1 million over four years.



An Australian Government Initiative

contemporary
MUSIC *Touring Program*

The program is designed to develop viable touring opportunities for professional Australian musicians and increase audience access to Australian contemporary music performances—from rock, pop and jazz to folk, country and Indigenous music. Over 375,000 Australians in regional and remote parts of the country have already benefited from the Contemporary Music Touring Program since 2003.

To learn more about the program or to apply for a touring grant go to www.dcita.gov.au

CODE OF CONDUCT – COMPLIANCE REVIEW

PPCA subscribes to a code of conduct for copyright collecting societies. The Code came into effect in July 2002, and was reviewed in February 2005 as a result of which some amendments were made. A copy of the Code is on PPCA's website and can be downloaded from www.pcca.com.au or, if requested, we will send a copy to you by post.

Compliance with the Code by participating collecting societies is currently the subject of an independent annual review being conducted by former Federal Court judge, Mr James Burchett QC.

Should you wish to make any submissions to Mr Burchett in relation to PPCA's compliance with the Code, please address them in writing to the following address by no later than 31 July 2006:

The Code Reviewer
Suite 704
4 Young Street
Neutral Bay NSW 2089
Australia
Email: codereviewer@screen.org

Content Christy Hayes, Lynne Small & Stephen Peach

Photos Christy Hayes, In-Fidelity Records used by permission

Previous editions of On The Record – PPCA's newsletter for artists can be viewed on our website, www.pcca.com.au

Top five FAQs

I thought APRA looked after all broadcast and performance rights. What is the difference?

There are at least two (2) copyrights in any recording:

(i) The copyright in the song being the composition and/or the lyrics (i.e. the "musical work" in copyright language). APRA grants licences for the broadcast and public performance of musical work and distributes to songwriters and their publishers.

(ii) The copyright in the recorded version of the musical work. PPCA grants licences for the broadcast, communication and public performance of recordings and distributes licence fee income to record labels and directly registered Australian recording artists.

The practical effect of this distinction is that the broadcast, communication or public performance of a recording usually requires two licences – one from APRA and one from PPCA or from each copyright owner (usually the record company). So if you are both the songwriter and featured Australian performer on a recording, then you may have to register with both APRA and PPCA.

Does PPCA collect royalties for me when I do live performances in a venue?

No. PPCA grants licences in relation to 'sound recordings' and 'music videos' only, not live performances.

I have only just registered with PPCA as a recording artist. Am I entitled to any PPCA distributions?

Each December, PPCA distributes the entire surplus achieved during the most recent financial year. If the copyright owner (usually the record label) authorised PPCA to license on their behalf and you, the artists did not lodge a direct artist registration, all of the earnings for relevant tracks would have been passed on to the controlling record label. PPCA distribution statements display all earnings on a 'track by track' basis, and clearly indicate whether or not an artist has received a direct distribution. This information is made available to allow the record companies to deal with income as required by individual artist contracts.

If you were not registered and feel there is PPCA income that has not yet been displayed on your statement, you should contact the relevant copyright owner for more information.

When I register as a recording artist, will I receive payments for previous years?

No. PPCA Distributions are made annually and no funds are held in reserve for artists who haven't registered by the cut off date each year.

Does PPCA have branches outside Sydney?

No. However, you can reach us via email at distribution.mail@ppca.com.au and staff are available to answer your questions on (02) 8569 1133.



Important notice for registered artists

If you've received this newsletter we've got your correct contact details. This isn't so with all our registered artists. Please check the "Lost Artists" list on our website for your friends. If they're on there, please ask them to contact us and update their details – there might be cheques that we haven't been able to send them.

Remember to let us know if you're moving – if we don't have your correct contact details we can't pay you.

Always remember that it is important you register all releases on which you are eligible to claim for the Artist Direct Distribution Scheme. Record companies do not notify us of artist registrations – this is the artists responsibility. If you have released a CD and have not lodged your artist registrations then any income that may be earned for that release will be paid to your record label.

If you need to change your contact details or check what artist registrations we have for you, please contact the PPCA Distribution Department - we'll be happy to help.

PPCA Distribution Ph: 02 8569 1133 Fax: 02 8569 1183 Email: distribution.mail@ppca.com.au

**PHONOGRAPHIC PERFORMANCE
COMPANY OF AUSTRALIA LTD**

ACN 000 680 704 ABN 43 000 680 704
LEVEL 4, 19 HARRIS ST, PYRMONT NSW 2009
PO BOX Q20, QUEEN VICTORIA BUILDING NSW 1230
T. 02 8569 1133 F. 02 8569 1183
distribution.mail@ppca.com.au www.ppca.com.au

