



MEDIA RELEASE

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ARTISTS AND LABELS TO LOBBY FOR FAIRER RADIO LICENCE FEES

Recording artists and labels have called on the federal government to scrap a controversial 40 year old price cap which limits music fees paid by the billion dollar a year commercial radio sector.

The Phonographic Performance Company of Australia (PPCA), representing artists and labels, says it will focus its efforts on lobbying politicians to change the legislation following a High Court ruling on a challenge which has left the price cap intact. The court ruled on a narrow constitutional point, but did not address the issue of whether the 'cap' is fair or just.

PPCA CEO Dan Rosen said, "We can see no good reason why commercial radio operators deserve ongoing protection from government – allowing them to avoid paying a fair rate for the music that is so essential to their business.

"The legislation enacted in 1968 restricts the amount of royalties paid by radio to one per cent of a broadcaster's gross income. It is simply outdated and unjust and has allowed a situation where artists and labels have, for far too long, subsidised the commercial radio industry. The existence of this anachronistic price cap has seen Australia fall well behind other countries such as New Zealand, Canada and the UK where artists and labels receive significantly more from radio broadcasters. Music is vital to driving radio industry profits and there should be fair return".

“We will now appeal to all Members of Parliament to support artists and make the necessary change to the Copyright Act. There is no economic, social or moral justification for this price cap. It was examined by two independent reviews commissioned by Government, one in 1995 (Simpson Review) and the other in 2001 (Ergas Review). Both concluded that the cap was unjustified and should be repealed, as did a review by the Attorney-General’s Department in 2005.”

The price cap affects artists whose hits from the 60s are still being played on radio such as *Friday on my Mind* and *She’s so Fine* by the Easybeats right though to current top ARIA chart leaders like Gotye’s *Somebody that I used to know*.

“If the price cap is removed an agreement can be negotiated with the radio industry that reflects the very real value that the creative work of artists and labels delivers to the sector”, Mr Rosen said.

PPCA artist representatives- country singer Graeme Connors and former Go-Betweens drummer Lindy Morrison- vowed their support in securing the repeal of the controversial legislation.

About PPCA

PPCA is a national, non-profit organisation established in 1969 to provide non-exclusive licences for the public performance and broadcasting of protected sound recordings and music videos. PPCA distributions are made directly to copyright owners and to Australian recording artists registered with PPCA under its artist direct distribution scheme.