

PPCA DISTRIBUTION INFORMATION GUIDE

This guide provides a simple overview of PPCA's distributions process. For further detail, please see the [PPCA Distribution Policy](#).

When Licensors register with PPCA, they give PPCA permission to license certain rights on their behalf. PPCA collects licence fees, which it then distributes to Registered Artists and Licensors as part of its annual distribution.

Artist Direct Distribution Scheme (ADDS)

The ADDS enables Australian artists featured on sound recordings and music videos to obtain direct payment of a share of the income collected by PPCA for each recording and video licensed. Under the scheme, PPCA will pay 50% of the net distribution value for the recording/video to the featured Registered Artist/s, with the remaining 50% paid to the PPCA Licensor (often the record label). If an eligible artist doesn't register, the amount that would otherwise have been available for payment to them under the ADDS is paid to the licensor, to be dealt with in accordance with the relevant recording agreement.

To see if you are eligible for the ADDS, please review PPCA's Distribution Policy or contact the Distribution Team at distribution.mail@ppca.com.au and (02) 8569 1133.

The Distribution Process

Step One: Over the financial year, PPCA collects its total revenue from licence fees and other sources (e.g. interest). Music usage data is also collected from a variety of sources, including radio logs (commercial, public and community), data from third parties such as APRA AMCOS, ARIA Club Chart reports, data gathered through music recognition technology and licensees' self-reporting.

Step Two: PPCA operating costs are deducted from total revenue. The remaining net revenue is called the Distributable Amount: the amount available for allocation and payment to Registered Artists and Licensors.

Step Three: The Distributable Amount is split into several distribution pools based on the source of the revenue (i.e. the type of licence) and the information we have about how the music was used.

Each distribution pool is categorised as one of the following revenue types:

broadcast and public performance pool	all radio, TV and public performance licences
communication pool	online, music on hold or ancillary reproduction licences
music video pool	all music video licences

🎵 Examples:

*If you run a gym and have a PPCA licence to play sound recordings in classes, your licence fees will go into a **broadcast and public performance pool**.*

*If you have a PPCA webcasting licence for your internet radio station, your licence fees will go into a **communication pool**.*

The current data sources are set out in the table below.

REVENUE TYPE	DATA SOURCE						
	Broadcast Radio	Broadcast Music Videos	ARIA Club Chart	MRT Data	MRT Specific Events	ABC RAGE	Specific
<u>BROADCAST</u>							
ABC Radio	✓						
ABC TV	✓					✓	
SBS Radio & TV	✓						
Commercial Radio	✓						
Community Radio	✓						
Narrowcast	✓						
Satellite Radio							✓
Other Radio							✓
Commercial TV	✓			✓			
Satellite TV	✓						
Subscription TV	✓						
Retransmission	✓						
Other TV	✓						
<u>PUBLIC PERFORMANCE</u>							
Ancillary reproduction	✓						
Public Performance Fees	✓	✓			✓		✓
Nightclubs + Music Events	✓		✓	✓	✓		✓
<u>COMMUNICATION</u>							
Music On Hold	✓						
Linear Streaming							✓
Interactive Streaming							✓
Simulcast Radio							✓

Step Four: Registered Artists and Licensors are allocated a percentage of each of the distribution pools in accordance with the music usage data available. Where direct music usage data is not available, a variety of sources are used to create the best approximation. This proxy reporting is used to reduce the burden and costs of reporting on individual and small business licensees.

During the allocation of the distribution pools, a distinction is made between payments relating to Australian repertoire and foreign repertoire. From this distinction two sub-pools within each of the distribution pools are created:

Local Repertoire Pool	this is made up of net revenues for sound recordings created by Australian Artists and Licensors
International Repertoire Pool	this is made up of net revenues for sound recordings created by Licensors based overseas

Step Five: Further deductions are made from the two types of Repertoire pools:

- From the International Repertoire Pools, 90% of the cost of PPCA's IFPI Subscription is deducted.
- From the Local Repertoire Pools, 10% of the cost of PPCA's IFPI Subscription is deducted. An additional 2.5% of these pools is also deducted to be used for charitable and educational grants. These grants support Australian recording artists through the provision of support for musical education, assistance in producing and recording albums, and the promotion and encouragement of the performing arts generally.

What is the IFPI Subscription?

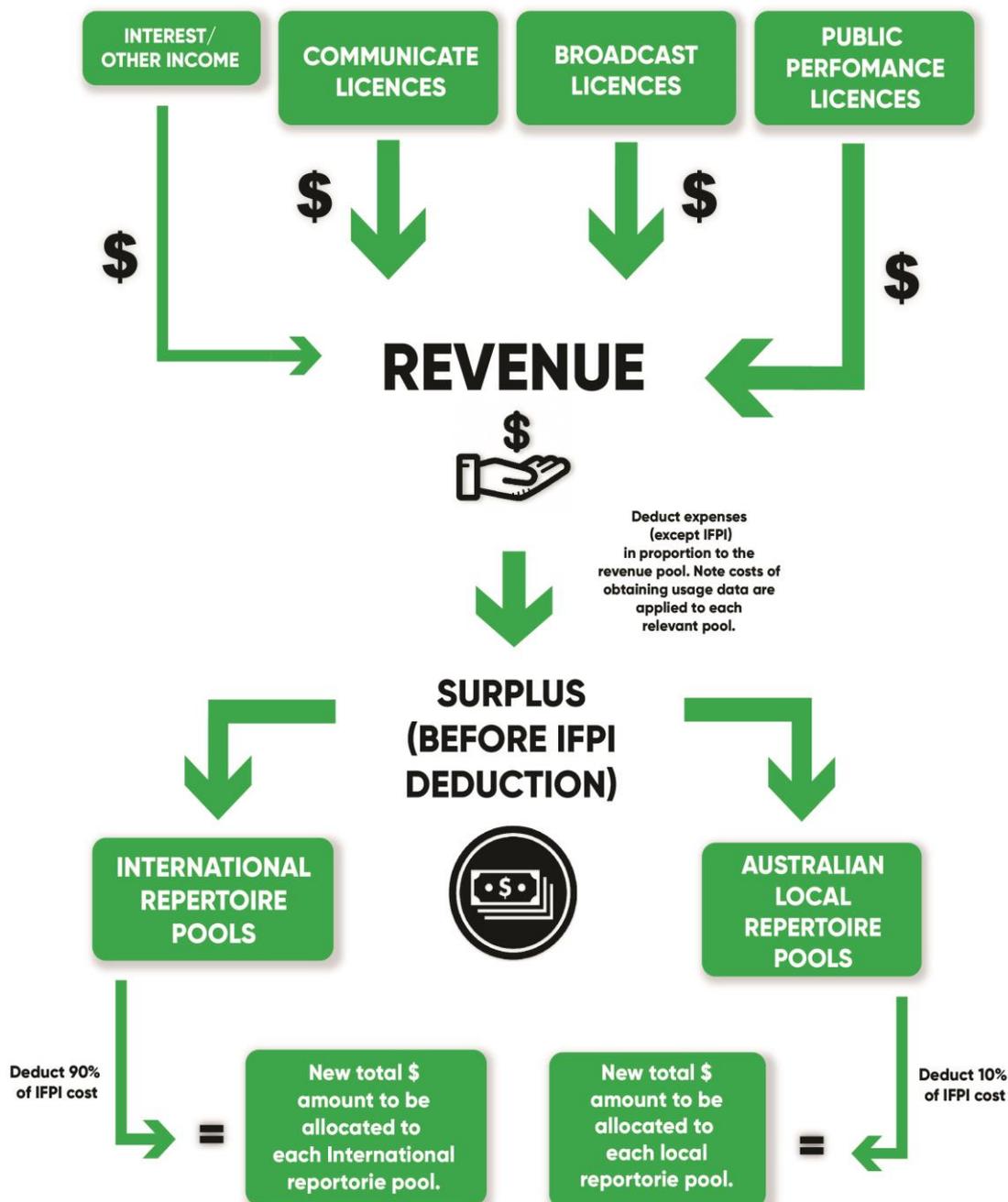
This is an annual amount paid for PPCA's membership to the International Federation of the Phonographic Industry (IFPI), a non-for-profit international organisation representing the recording music industry.

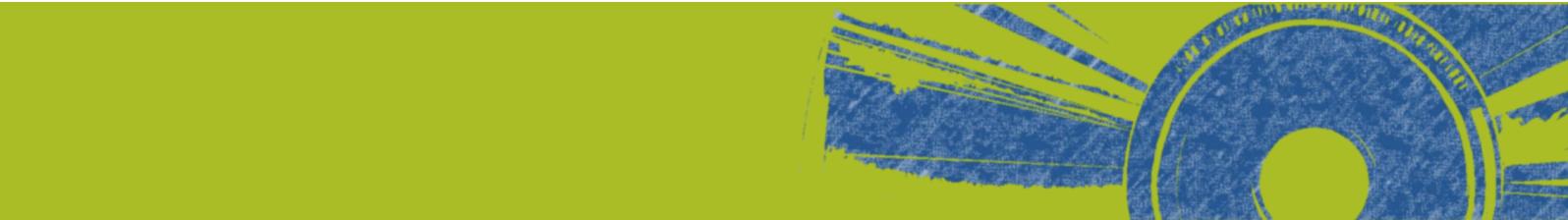
Step Six: Distributions are made to Registered Artists and Licensors. For each Financial Year ending 30th June, PPCA makes a distribution in the following December. To be eligible to receive payment, all Licensors, Registered Artists and sound recordings must be registered with PPCA by **31st August**, following the end of each Financial Year.

Where PPCA is unable to contact the Artist or Licensor to make a payment, their payment is held. Similarly amounts allocated to recordings where control of the recording is in dispute are also held, pending resolution of the dispute between the parties. See the ***Undistributed Funds*** guide for further information.



HOW THE DISTRIBUTION POOL AMOUNTS ARE DETERMINED





OneMusic Australia

OneMusic Australia does not affect PPCA distributions. While OneMusic Australia will be administered by APRA, the amounts paid to PPCA by OneMusic Australia will continue to be dealt with in accordance with PPCA's Distribution Policy.

Queries and Feedback

If you have a question about where licence fees go or how payments are made or have any other feedback, we want to hear from you. Contact us at distribution.mail@ppca.com.au.

We try to provide great service, but if we get something wrong and you want to raise that with us, we have a complaints procedure to ensure that issues are handled efficiently and fairly.

You can see PPCA's [Complaints and Dispute Resolution Policy](#) for an in-depth guide on how complaints can be made, how they will be handled, and how PPCA will attempt to resolve disputes. Complaints can be directed to complaints.mail@ppca.com.au.