



## Commercial Radio and Audio

### Submission to the Inquiry into the *Copyright Legislation Amendment (Fair Pay for Radio Play) Bill 2023*

November 2023

Commercial Radio and Audio (**CRA**) is the industry body representing the interests of commercial radio broadcasters throughout Australia. CRA represents the entire Australian commercial radio industry and has 260 member stations, 220 of which are in regional and remote areas.

CRA welcomes the opportunity to respond to the Senate Legal and Constitutional Affairs Committee's Inquiry (**Inquiry**) into the *Copyright Legislation Amendment (Fair Pay for Radio Play) Bill 2023 (Bill)*.

The Australian commercial radio industry is a vital part of Australian culture. It informs, entertains and gives local communities a voice, especially in regional and remote areas. It contributed \$1 billion to the GDP in 2022. It supports 6,600 fulltime equivalent jobs, and 38% of jobs in the industry are located in regional areas. Commercial radio is a vital, accessible and trusted source of news, particularly during emergencies and natural disasters. Commercial radio is a critical tool for communication when politicians need to speak to their constituents. It is in the public interest that Australia has a sustainable commercial radio industry.

The Bill seeks to remove the fairness afforded to the Australian radio industry under sections 152(8) to 152(11) of the *Copyright Act 1968* (Cth). These provisions prevent the Copyright Tribunal from making an order that a broadcaster pays more than 1% of its gross earnings for the broadcast of sound recordings (**1% Cap**).

The 1% Cap was introduced to balance the legislative obligation on radio stations to play Australian music. It prevents the multinational record labels from charging radio stations excessive amounts for music they are legally required to play as part of their Australian music quota obligations<sup>1</sup>. The Australian music quotas mean that Australian radio stations are not able to save money by playing only free music (US music is free for radio to play). **If the 1% Cap is lifted, the Australian music quotas also must be removed.**

The sound recording fees are collected by the Phonographic Performance Company of Australia (**PPCA**). PPCA's sole shareholders are the major record labels – Sony, Universal and Warner – who hold the majority of the voting rights in PPCA.<sup>2</sup> These multinational labels determine how the PPCA fees are distributed. It appears that only a very small proportion of fees collected by PPCA goes to the

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<sup>1</sup> The Australian music quotas are legislated under section 123 *Broadcasting Services Act 1992* (Cth) and the Commercial Radio Code of Practice.

<sup>2</sup> <https://www.pcca.com.au/artists/faqs>. The constitution for PPCA (<https://aria.azureedge.net/documents/ppca-amended-constitution---november-2021.pdf>) gives one vote to each of the 5 non-shareholder directors and 3 votes to each shareholder director (i.e. the 3 major labels). This means the labels will have the majority in any decision-making process

artists – around 10%. Around 90% goes to the multinational record labels. PPCA makes no distributions to session musicians (contrary to international best practice).<sup>3</sup>

CRA strongly opposes removal of the 1% Cap for the following reasons:

- i. The commercial radio industry pays around \$40 million in copyright fees. This equates to around 5% of industry revenue (and a much greater proportion of profit). Higher copyright fees are simply unsustainable.
- ii. Removal of the 1% Cap will have a devastating impact on the commercial viability of local radio stations and will erode the vital local services provided by local radio. Commercial radio plays an essential role in ensuring that Australian communities have access to local news, Australian music, emergency information, community information and entertainment. All regional radio stations must play 3 hours of daily hyper-local content, which is local to the licence area. No other platform offers such a range of live, local and Australian voices within such a diverse range of communities.
- iii. The 1% Cap creates fairness by balancing the Australian music quotas. Without the cap, the record industry could charge whatever it likes for music that the Australian music quotas force the industry to buy. If the cap goes, the Australian music quotas must also go.
- iv. Removing the 1% Cap will not help artists:
  - a. It diminishes a key promotional platform for music.
  - b. If the cap goes, the Australian music quotas must go, to the detriment of Australian artists, songwriters and composers.
  - c. The bulk – around 90% – of the fees collected by PPCA go to the multinational record labels and not to artists.
  - d. None of the fees go to session musicians, as PPCA chooses not to distribute to them. This is at odds with international best practice.
  - e. Making music more expensive is likely to force format changes so that stations play less Australian music.
- v. There is a better way to achieve the objectives of the Bill without harming the viability of radio stations around the country:
  - a. The 1% Cap needs to remain in place to balance the Australian music quotas – as it has for 50 years – to ensure the ongoing stability of the radio industry and support for local music content.
  - b. The multinational record labels should be compelled to open up their PPCA distribution process to proper scrutiny. The distribution of copyright fees by multinational labels to Australian artists must be subject to external regulatory oversight.
  - c. PPCA administration fees (currently around 16%) must be reduced.
  - d. Reform PPCA's structures to provide transparency and give a greater voice to artists.

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<sup>3</sup> Australia is one of few countries that doesn't pay session musicians ongoing royalties. Our music industry suffers as a result (theconversation.com)

**1. The 1% Cap creates fairness by balancing the Australian music quotas. If the cap goes, the Australian music quotas must also be removed**

Inextricably linked to the 1% Cap is the legislative obligation on the commercial radio industry to play required amounts of Australian music. Were it not for the Australian music quotas, stations would be able to play predominantly US music, which is free.

Through the Australian music quotas, the legislation has set up a situation where Australian music is promoted on commercial radio. The 1% Cap prevents the record industry from charging excessive amounts for the broadcast of their songs, particularly when it already obtains a substantial commercial benefit from radio airplay, which promotes the profile and discoverability of Australian artists across the country.

The commercial radio broadcasters' obligation to play required amounts of Australian music are set out at section 5 of the Commercial Radio Code of Practice, pursuant to section 123 of the *Broadcasting Services Act 1992* (Cth). As commercial radio is under a legislative obligation to buy Australian music, it is only fair that the record industry is under a corresponding legislative obligation regarding the amount that it can charge.

The Committee Inquiry webpage states that the Bill '*would allow the relevant copyright collecting society to participate in free market negotiations with radio broadcasters for licences that reflect the value of the works being licenced*'.<sup>4</sup> This tells only half the story – 'free market negotiations' can only take place if the Australian music quotas are also removed along with the 1% Cap. Without the Cap, the market power of the three multinational recording labels, combined with the obligatory music quotas on radio broadcasters, would destroy any market equilibrium. To remove the 1% Cap and not the Australian music quotas would create an unbalanced regulatory framework and unfair negotiating position.

Without the 1% Cap, the commercial radio industry would be forced by the Australian music quota legislation to play up to 25% (or 1 in 4) songs by Australian artists, yet there would be no limit on the amount that the record industry could charge the stations for the broadcast of such songs. Stations would be obliged to play the music, whatever the price. If the 1% Cap is removed, the Australian music quotas also must go.

It is open to parties to make a referral to the Copyright Tribunal to set the licence fee. However, the costs of doing this are prohibitive (typically multi-millions of dollars) and the process takes several years. Even if the process were to be streamlined, it is not good policy to have a regulatory framework that is so unbalanced that it relies on expensive and time-consuming intervention by a judicial body. The regulatory framework must support fair commercial negotiation. This means that the Australian music quotas must be balanced by the 1% Cap.

**2. The 1% Cap supports the sustainability of the commercial radio industry**

It is vital to the sustainability of the Australian commercial radio industry that the 1% Cap is retained. It has never been more important to preserve a diversity of local Australian media and voices, particularly in regional and remote areas of Australia.

Commercial radio already pays around \$40 million in music copyright fees. This equates to approximately 5% of industry revenue (and represents a much greater portion of industry profit). Any

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<sup>4</sup> [Copyright Legislation Amendment \(Fair Pay for Radio Play\) Bill 2023 – Parliament of Australia \(aph.gov.au\)](#)

increase beyond this already substantial level inevitably threatens the sustainability of sections of the commercial radio industry.

PPCA has recently pointed to fee increases of 900% as appropriate.<sup>5</sup> An increase of this magnitude would result in radio stations paying around 8-9% of total revenue (and a much higher proportion of profit) for music broadcast rights – an unprecedented level.

The 1% Cap enables local radio to continue to operate across regional and rural Australia as well as in metropolitan centres. The 1% Cap has never been needed more than now, as radio faces challenges from all fronts:

- *Revenue decreases.* Commercial radio advertising revenue is trending downwards and is currently 16% below 2019 figures.
- *Shift in advertising channels:* With the rise of digital platforms and streaming services, advertisers have increasingly shifted their focus and budgets towards online advertising, social media, and video streaming platforms. This change in advertising trends has impacted the revenue of commercial radio, as advertisers diversify their channels.
- *Competition from streaming services:* Streaming services, such as Spotify and Apple Music, have gained popularity and provided listeners with personalised and ad-free music experiences. This increased competition for listeners' attention has posed challenges for commercial radio, making it harder for them to attract and retain audiences. Unlike radio, there are no Australian music quotas on streaming services.
- *Changing consumer behaviour:* The pandemic has brought about significant changes in consumer behaviour, including increased reliance on digital media and online shopping. Advertisers have had to adapt to these changes by focusing more on digital advertising channels, which has reduced their investment in traditional mediums like commercial radio.
- *Slow recovery and uncertainty:* The slow recovery of certain industries and the overall uncertain economic climate have hindered advertiser confidence and revenue recovery for commercial radio.

### **3. Removal of the 1% Cap threatens the vital services and local content offered by commercial radio stations, particularly in regional and remote areas of Australia**

Commercial radio plays an essential role in ensuring that Australian communities have access to local news, Australian music, emergency information, community information and entertainment.

**All regional radio stations have a legislated obligation to play 3 hours of daily hyper-local content, which is local to the licence area.** This content must be broadcast at peak listening times (5am to 8pm).<sup>6</sup> No other platform offers such a range of live, local and Australian voices within such a diverse range of communities.

The Deloitte Access Economics 2023 Connecting Communities Report<sup>7</sup> highlights the important economic and social contribution that commercial radio stations make to Australia, through the

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<sup>5</sup>"If you look at comparable markets in North America and in the UK, sound recordings earn royalty payments somewhere between 2.5 and 5 per cent. That's where we should be." Annabelle Herd, CEO of PPCA (The Australian, 4 June 2023).

<sup>6</sup> *Broadcasting (Hours of Local Content) Declaration No 1 of 2017 and Broadcasting Services (Regional Commercial Radio – Material of Local Significance) Licence Condition 2014*

<sup>7</sup> Available here: <https://www.commercialradio.com.au/RA/media/General/Documents/CRA-Deloitte-Connecting-Communities-2023-Report.pdf?ext=.pdf>

provision of radio and audio services. CRA's member stations deliver trusted, local content to Australians all over the country.

As highlighted in the 2023 Connecting Communities Report, every year, commercial radio stations:

- contribute \$1 billion to GDP;
- provide a \$320 million boost to regional Australia;
- produce 1.1 million hours of local content, across broadcast, streaming and podcasts;
- play 160,000 hours of Australian music, or 2.7 million Australian songs – providing an unrivalled platform for the promotion of Australian musicians;
- broadcast 42,000 hours of news and 2,200 hours of emergency service content; and
- provide 251,000 hours of locally significant content in regional communities.

CRA's member stations support 6,600 full time jobs – 38% of those roles are in regional Australia.

As set out in the 2023 Connecting Communities Report:

- 74% of Australians believe commercial radio and audio build a sense of community; and
- 59% of Australians believe radio is a trusted source of news and current affairs.

If copyright fees (which currently stand at around 5% of the commercial radio industry's revenue) are increased, the vital contribution offered by commercial radio stations to local communities will be eroded, and, if stations become unsustainable, may be removed entirely.

#### **4. The Bill is not the best way of advancing the interests of Australian artists**

##### ***(i) Removal of the 1% Cap would simply send more money from the Australian radio industry into the hands of the multinational record labels. Very little is distributed directly to artists.***

Removal of the 1% Cap would only further enrich the multinational labels at the expense of the domestic radio industry.

PPCA's public reports do not reveal the actual amount paid to artists alone. To ensure full transparency, in the context of this Bill and previous inquiries, there is a strong public interest case in compelling PPCA to disclose where the fees it collects go.

On the data available, it appears that **around 90% of PPCA's fees go to multinational record labels, with only about 10% of fees being paid directly to artists.**

PPCA's distribution policy states that up to 50% of PPCA's fees could be distributed to artists. However, as international artists receive nothing, the real figure is far less than that. As around 20% of music on commercial radio is Australian music, only 20% of the potential 50% (i.e. 10% of total fees) would go to artists. The remaining 90% would go back to the multinational record labels.

This analysis is supported by a recent Citibank study, which showed that in the US artists only get 12% of revenue from all sources.<sup>8</sup>

We have modelled figures in the annexed case study which shows that only 8.2% goes directly to artists.

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<https://ir.citi.com/NhxmHW7xb0tkWiqOOG0NuPDM3pVGJpVzXMw7n%2BZg4AxFFX%2BeFqDYNfND%2B0hUxxXA>

If any action needs to be taken right now, it is scrutiny of how much of PPCA's money is making its way to Australian artists. If the record industry is serious about helping artists, paying more directly to artists must be its first step – and would have a greater impact than an increase in the rate applicable to radio. For example:

- The total revenue received by PPCA from all sources (not just commercial radio) for the FY 21/22 was \$47.2 million. Clearly, reform aimed at achieving a fair distribution of fees across multiple industries has the potential substantially to improve the amounts payable to Australian artists. This will generate far greater benefits for artists than focussing only on radio.
- **If PPCA increases its current distribution to artists by 10 percentage points across all industries, this would generate \$4.7 million in additional payments for artists. Distributing an extra 20 percentage points would generate an additional \$9.4 million and so on. This benefit comes at no cost to Australian radio or any other Australian industry.**
- **Similarly, a reduction of PPCA's administration fees from the current 16 percentage points to a more reasonable 5 percentage points will generate an additional \$5.2 million for artists at no cost to any industry (assuming that the entire saving is directly distributed to artists).**

***(ii) PPCA does not pay session musicians and has faced international criticism for this stance***

Unlike in the UK, US and most of Europe, PPCA only pays featured artists, and not session musicians (non-featured artists). PPCA does not help the struggling artists who need it most.

The UK has removed royalty distributions for Australian session musicians in the UK as a result of PPCA's approach in Australia.<sup>9</sup>

PPCA has publicly claimed that it is unable to pay royalties to session musicians. This is untrue. There is nothing in the *Copyright Act* that expressly excludes them nor prevents distributions to them. PPCA has chosen not to do so. In refusing to pay session musicians – contrary to international norms – PPCA shows its focus is on increasing revenue for multinationals, rather than helping artists.

***(iii) Pushing copyright fees to an unsustainable level will damage a key promotional platform for music***

Radio remains a key platform for promoting Australian artists. Under the Commercial Radio Code of Practice, radio stations must play a mandated minimum amount of Australian music. The proportion of music that must be Australian depends on the format of the station, with top music use categories playing a minimum of 25% Australian music. A portion of this music must be new Australian music.<sup>10</sup> There is currently no other platform that has a mandated amount of Australian music.

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<sup>9</sup> <https://theconversation.com/australia-is-one-of-few-countries-that-doesnt-pay-session-musicians-ongoing-royalties-our-music-industry-suffers-as-a-result-185022>

<sup>10</sup> Commercial Radio Code of Practice, section 5.

Music played on commercial radio reaches a huge audience. Nationally, 13.3 million people listen to commercial radio each week.<sup>11</sup> This helps Australian artists, song writers and composers to reach audiences that they would otherwise be unable to access.

If copyright fees are increased to an unsustainable level, and the commercial radio industry is eroded or diminished, artists, songwriters and composers will suffer, as will Australians seeking free and easy access to Australian artists on their local radio station.

***(iv) If the 1% Cap goes, the Australian Music Quotas must also go***

As explained in section 1 above, the 1% Cap balances the Australian music quotas, and removal of one necessitates removal of the other. This would be highly detrimental to the Australian music industry, which would be deprived of a key promotional platform.

If the 1% Cap were removed, there could be no obligation to play Australian music on Australian radio. This is not a good policy outcome for Australian musicians or listeners.

**5. PPCA is owned by the powerful record labels who control the voting rights and distribution of fees. PPCA's corporate structures must be reformed as a priority to give a greater voice to artists.**

The big three record labels (Sony, Universal and Warners) control ~70% of the global industry and report annual revenues of A\$40 billion (40x the size of the entire Australian radio industry). Universal pays more in dividends to its shareholders each year than the entire Australia radio industry's revenues.

Yet, the record labels pocket almost all of the PPCA fees, passing just ~10% to artists, and nothing to the session musicians who are the backbone of the industry. Australian artists have little bargaining power against the record labels to improve their share of PPCA payments.

Those who call for a level playing field should start by looking at the relationship between the record labels and artists, and the power of those labels within the structure of PPCA:

- Sony, Universal and Warner own 100% of the shares in PPCA (PPCA collects the copyright fees from the radio industry).
- The 3 major labels control the PPCA voting rights.<sup>12</sup>
- The Simpson Review (1995) was heavily critical of PPCA – including its poor management practices, its high administrative costs and its lack of transparency. These criticisms remain valid today.
- PPCA has not ever acted on the Simpson Review's primary recommendation directed at PPCA – that it should change its corporate structure to a company limited by guarantee, to avoid the conflicts that arise from the fact that its shareholders are record companies, not Australian musicians.

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<sup>11</sup> Source: Edison Australian Infinite Dial 2023 (7 day period in February 2023)

<sup>12</sup> The constitution for PPCA (<https://aria.azureedge.net/documents/ppca-amended-constitution---november-2021.pdf>) gives one vote to each of the 5 non-shareholder directors and 3 votes to each shareholder director (i.e. the 3 major labels). This means the labels will have the majority in any decision making process.

Reform of PPCA's corporate structures to provide transparency and give a greater voice to artists should take place before any more money is taken from the Australian radio industry.

**6. PPCA keeps an unreasonable amount in administration fees and should be forced to reduce this amount before demanding more money from Australian radio broadcasters**

Administration fees consume a substantial proportion of the PPCA fees (16.1% in 2021/22).

The current PPCA system is highly inefficient, meaning artists do not receive an appropriate proportion of the royalty payments that are paid by commercial radio. Ensuring a greater share of existing payments goes to artists would be the most economically efficient way to support PPCA rightsholders (artists) and would not affect the sustainability of the Australian radio industry.

**7. There is a commercial power imbalance between artists and the labels that must be investigated**

PPCA uses the image of struggling artists to promote its proposals to remove the 1% Cap yet the record labels (PPCA's sole shareholders) are not transparent about their arrangements with artists:

Labels exploit their significant commercial power and artists struggle to address the power imbalance. For example:

- Taylor Swift has been engaged in a battle with her former label and wrote on social media: "*I feel very strongly that sharing what is happening to me could change the awareness level for other artists and potentially help them avoid a similar fate,*"
  - Other well-known artists including Prince, Moby, Little Richard, the Dixie Chicks and Tom Petty have all tangled with large record labels' practices.

The 2019 Parliamentary Review of the Australian music industry<sup>13</sup> was highly critical of international record labels:

- Artists expressed significant dissatisfaction with revenues received from record labels, including that artists receive very little of the money generated from their music recordings until the record label determines its investment has been repaid;
- the Review quoted one musician who said that deals with major labels are "*like the worst bank loan ever*".

Few Australian artists would have the resources to fight on a level playing field with the labels. Reform is needed to address the clear power imbalance in the music industry.

**8. Previous inquiries have recommended reform to PPCA's distribution policies, corporate structure and administrative inefficiencies**

The Explanatory Memorandum to the Bill states that:

*'The removal of these caps has been recommended by at least five inquiries over nearly 30 years, which have generally found that the caps serve no public policy purpose and distort the market in a way that disadvantages Australian artists and rights holders. A summary of relevant reviews is provided in the table below.'*

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<sup>13</sup> Conducted by the House of Representatives Standing Committee on Communications and the Arts.



This does not accurately characterise the various inquiries. In fact, several of the inquiries were highly critical of PPCA and recommended its reform as a priority.

- The Simpson Review (1995) was heavily critical of PPCA – including its poor management practices, its very high administrative costs and its lack of transparency. These criticisms remain valid today.
- PPCA has not ever acted on the Simpson Review’s primary recommendation directed at the PPCA – that it should change its corporate structure to avoid the conflicts that arise from the fact that its shareholders are record companies, not Australian musicians.
- The 2019 Review of the Australian music industry conducted by the House of Representatives Standing Committee on Communications and the Arts was critical of international record labels. Artists expressed significant dissatisfaction with the support and revenues received from record labels, including that artists receive very little of the money generated from their music recordings until the record label determines its investment has been repaid. The Review quoted one musician who said that deals with major labels are “like the worst bank loan ever”.
- Three of the four reviews are a decade or more old. The reasoning in those reviews is cursory and does not reflect the current reality of the environment faced by Australian musicians, the increasing dominance of a small number of record labels (power is now concentrated in the hands of 3 major players) and the challenges currently faced by the radio sector.
- The 2013 ALRC Copyright Review did not recommend repeal of the 1% cap.
- The most comprehensive review of intellectual property regulation recently undertaken in Australia, by the Productivity Commission in 2016, did not recommend repeal of the cap. Instead, it recommended reform of PPCA.
- The Attorney General consulted extensively on reforms to the Copyright Act in 2006. Despite significant reforms in other areas, the 1% cap was not repealed.

Fundamentally, there is a reason the cap has survived so many attacks – it is good policy that withstands repeated scrutiny. Challenges to the sustainability of Australian radio mean it is now needed more than ever.

## **9. There is a better way – action to help artists**

The objectives of the Bill can be achieved without hurting radio:

- The 1% Cap must remain in place to balance the Australian music quotas – as it has for 50 years.
- The multinational record labels must open up their PPCA distribution process to proper scrutiny. The distribution of copyright fees by multinational labels to Australian artists must be subject to external regulatory scrutiny. The total revenue received by PPCA from all sources (not just commercial radio) for the 2021/22 year was \$47.2 million, total expenses were \$7.6 million. That is more than the full amount paid by CRA members to PPCA for the same period. Clearly, reform in relation to those expenses has substantial potential to improve the amounts payable to Australian artists.
- PPCA administration fees (currently around 16%) must be reduced.
- If the record industry is serious about helping artists, paying more directly to artists must be its first step.
- Reform of PPCA’s structures to provide transparency and give a greater voice to artists should take place before any more money is taken from the Australian radio industry.

Instead, the Bill risks harming radio and, in the process, harming Australian music by making the Australian music quotas unsustainable and diminishing a major platform for the promotion of Australian music.

## Attachment

### PPCA's Distribution: Case Study example

**To increase the amount received by all Australian artists by \$1 million, commercial radio would have to pay an additional \$12.2 million to PPCA. Under existing structures, the multinational labels would reap at least \$10 million of that amount.**

This result shows that the PPCA distribution scheme is fundamentally flawed.

*Distribution policy (available here: <https://aria.azureedge.net/documents/ppca-distribution-policy-1-january-2022.pdf>)*

Applied in relation to FY2021/22: The practical steps for the Distribution Policy are set out in Schedule 3.

- The following assumes that \$4.4 million was paid by commercial radio stations to PPCA in FY 2021/2022.
- **Step 1:** As the first step in distribution, PPCA deducts from the revenue received its expenses (other than the IFPI subscription). This leaves the **Distributable Amount**.

The annual report states that cost to income ratio was 16.1%. Therefore \$708,400 of the amount paid by commercial radio stations (i.e. 16.1% of \$4.4 million) would be retained by PPCA and not included in the Distributable Amount. The Distributable Amount would be \$3.692 million.

*Based on this data and noting that the total revenue received by PPCA from all sources (not just commercial radio) for the FY was \$47.2 million, total expenses were \$7.6 million. **Clearly reform in relation to those expenses has substantial potential to improve the amounts payable to Australian artists.***

- **Step 2:** PPCA undertakes an allocation between local and international recordings to split the Distributable Amount between the Local Distribution Pool and International Distribution Pool. This is done on the basis of airplay logs for sound recordings (other than in the case of classical music).

Approximately 20% of the music played on commercial radio is Australian music. This would mean of the remaining \$3.692 million, \$738,320 of the amount paid by commercial radio would be allocated to the Local Distribution Pool. \$2.953 million would be allocated to the International Distribution Pool – as stated in the Distribution Policy (page 12), “*In respect of the international repertoire, where the ADDS does not apply, 100% of earnings for each track is remitted to the relevant PPCA Licensor.*” **In other words, record companies (who would typically hold the copyright for recordings) receive the International Distribution Pool. The International Distribution Pool is not available to Australian artists.**

- **Step 3:** Deduct 10% of IFPI<sup>14</sup> subscription and 2.5% of the Local Distribution Pool, which is paid to the PPCA Performers' Trust, and then distribute the remaining amount of the Local Distribution Pool to the relevant entities in respect of each track.

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<sup>14</sup> IFPI is the industry association for the international record industry.

This leaves approximately \$719,862 in the Local Distribution Pool to be distributed for Australian music. If it is assumed that all Australian artists who are entitled to a share of the Local Distribution Pool are registered, in respect of all of their music (which would seem unlikely) then this amount would be split 50/50 between recording companies and registered Australian artists, meaning \$359,931 is available to Australian artists. **This is approximately 8.2% of the amount paid by commercial radio stations to PPCA.**

### **Grants program**

PPCA also provides some individual grants directly to artists, such as its partnership program with the Australia Council for the Arts.

The program provides individual grants of \$15,000. PPCA says the program has provided a total of \$975,000 in grants to Australian musicians over the past 10 years. This is an insignificant amount compared to the hundreds of millions distributed to the multinational record labels over the same time period.