

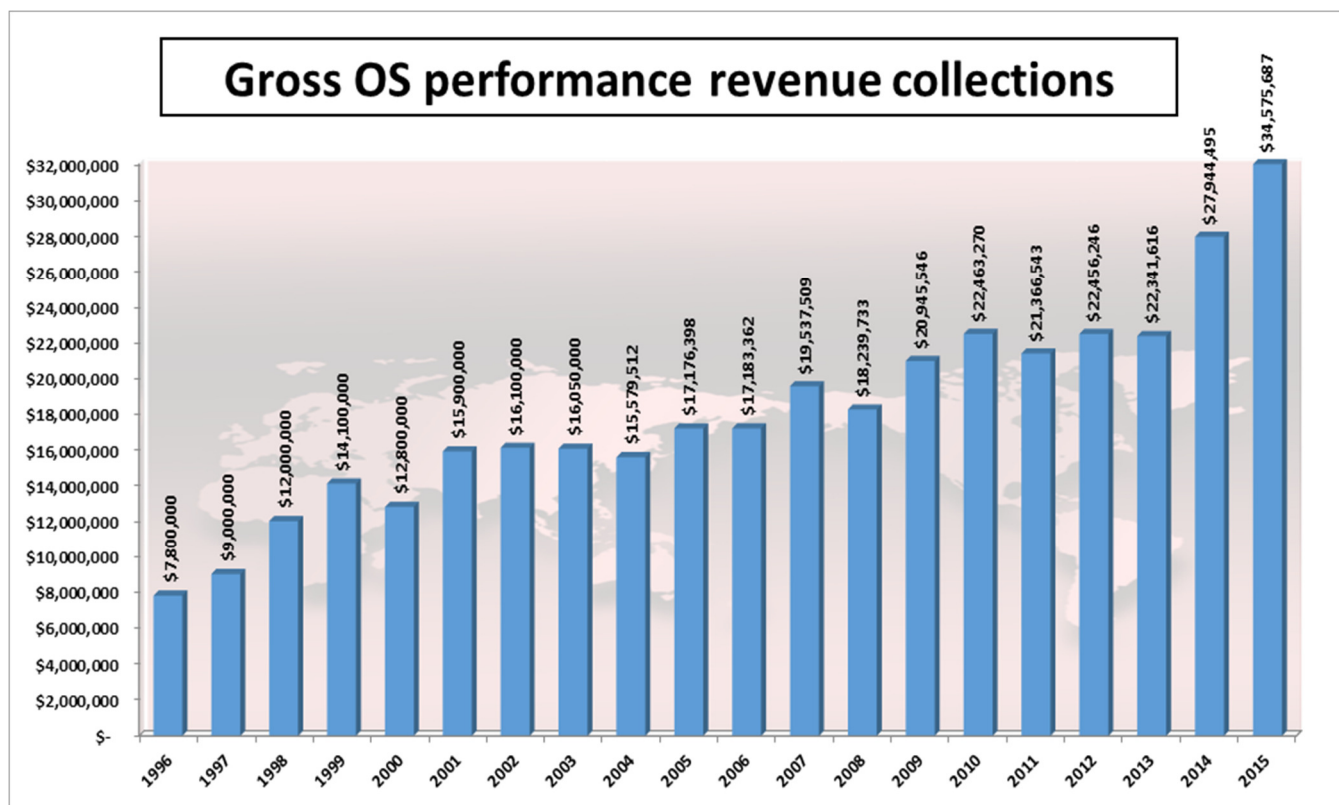


21 July 2015

**JOINT COMMITTEE ON TRADE & INVESTMENT**  
*Inquiry into Benefitting from Free Trade Agreements*  
SUPPLEMENTARY SUBMISSION BY APRA AMCOS.

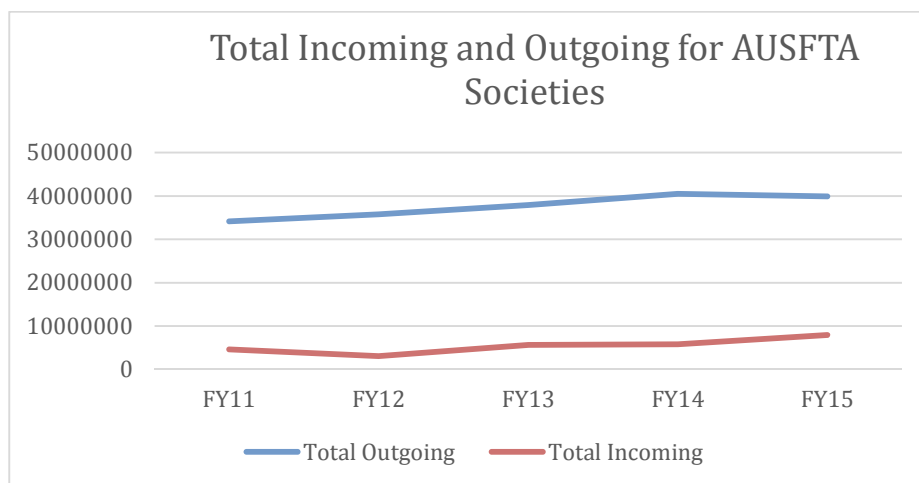
Further to our submission dated 6 July 2015, we provide background information for terms of trade in performing rights administered by APRA for territories where Australia has a FTA in place. Figures are for the financial year ending 30 June. The latest year 2015 is therefore the one ending 30 June 2015, but has not yet been audited.

A summary of total gross collections for all territories for the last 20 years, noting that this represents mostly the 'writer share' of performing royalties – a similar amount flows to Australian rightsowners through the music publishing network. The amounts do not include payments for reproduction of musical works (mechanical rights), nor payments to neighbouring rightsowners – record companies and performers.

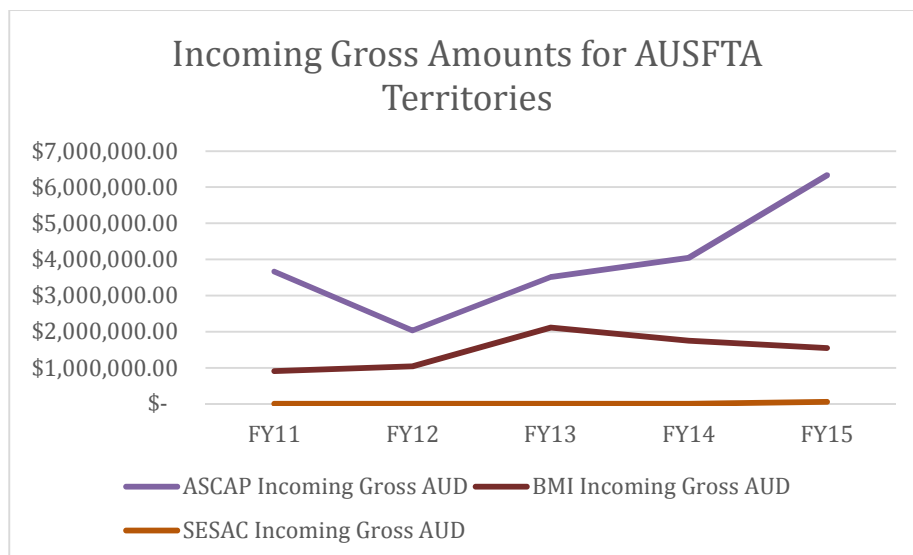


## USA

For the USA, we have contracts with three performing right organisations, ASCAP BMI and SESAC that remit royalties for performances of APRA repertoire in the USA.

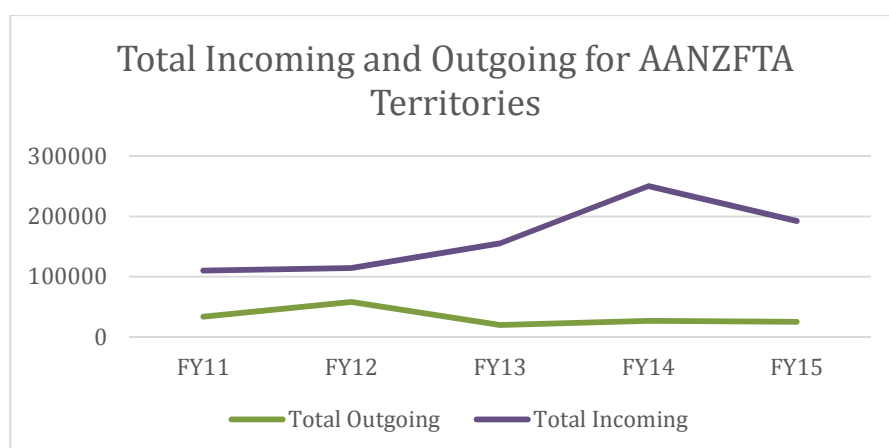


Terms of trade have improved significantly in the last few years, given the success of several Australian songwriters in the US and internationally.

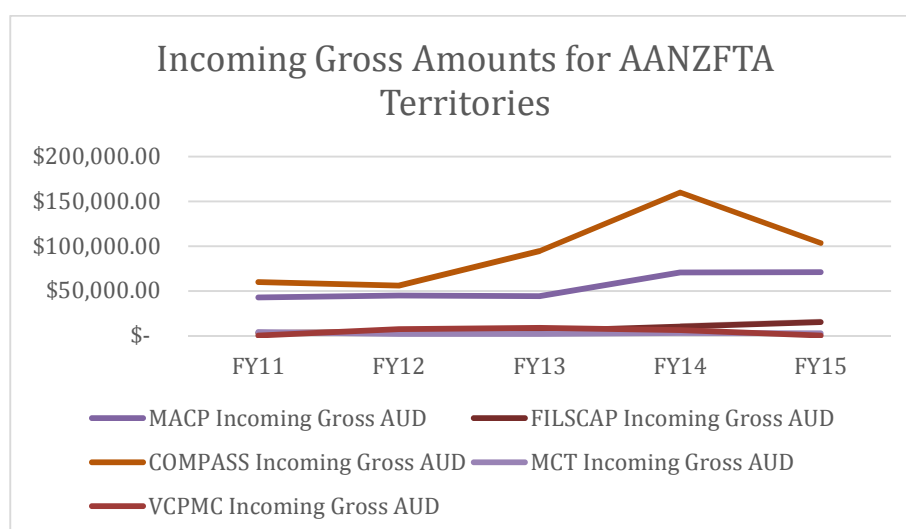


## ASEAN

For ASEAN territories, terms of trade are in our favour, however, most of these territories are generally characterised by weak administration and regulation in copyright, with low tariffs, low market penetration and enforcement. Our receipts therefore do not reflect the success of these growing economies and of our repertoire use. There are several developing ASEAN territories without effective music copyright infrastructure. Due in part to this market failure, certain rightsholders have partnered with APRA AMCOS in a project to licence certain global on-line services on a regional basis.

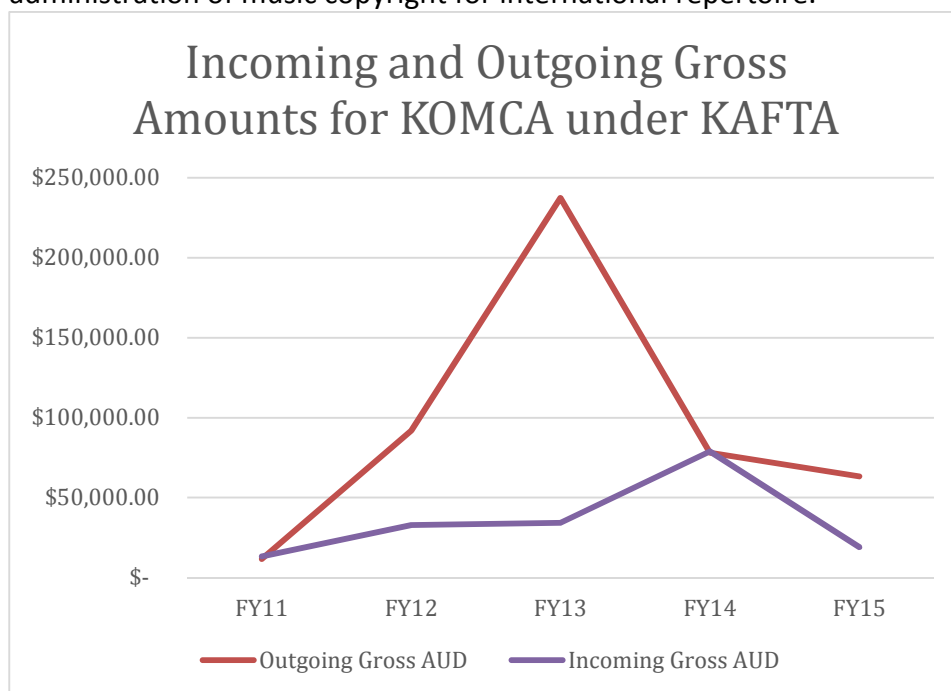


This is made up of receipts (in order of importance) from COMPASS (Singapore), MACP (Malaysia), FILSCAP (Philippines), MCT (Thailand), VCPMC – see below. There are no affiliated societies in other ASEAN territories, with the exception of a new society in Indonesia (WAMI) which accounted to us for a small amount for the first time in April.

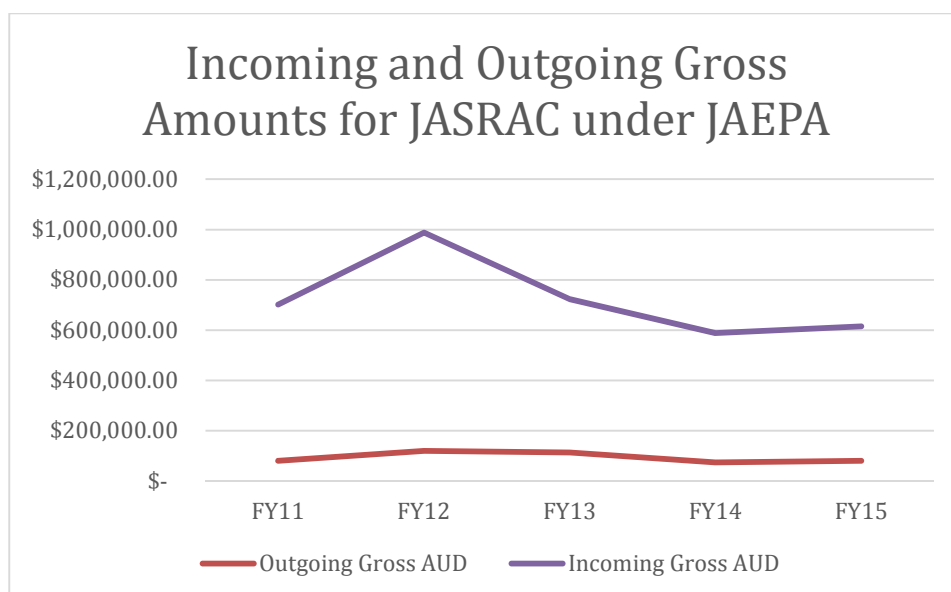


## KOREA

Balance of payments between Australia and Korea is interesting in terms of the spike of payments to Korea following the success of the song “Gangnam Style” and the ensuing local interest in K Pop. Korea is a territory where there are a number of local barriers in administration of music copyright for international repertoire.



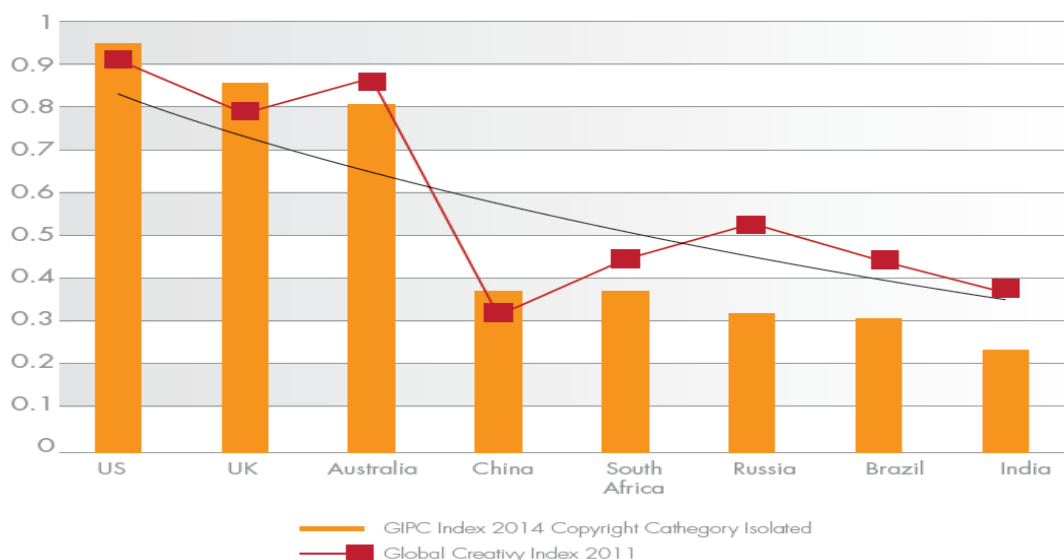
Japan has the most evolved music copyright administration regime in the region and we enjoy a healthy balance of payments with our trading partner JASRAC -



India and China are key trading partners of Australia and in the field of music copyright. The size of the markets and their rapid economic development, demand for international music repertoire from the growing middle classes places us well in improving royalty returns from these key territories. The soft diplomacy benefits from the interest in contemporary Australian music also supports other important local export industries such as tertiary education, as noted in our primary submission of 6 July.

The International Federation of Authors and Composers Societies (CISAC) has recently published a study on the Creative Industries in BRICS economies.<sup>1</sup> This mapping study highlighted the difficulties of enforcement and royalty collections, but also the potential that a stronger copyright regime would provide to grow the creative and digital industries in these countries and their trade in this sector<sup>2</sup>. In the BRICS study, an interesting comparison<sup>3</sup> between developed and BRICS economies highlights the correlation between strength of copyright protection and creativity. The US Chamber of Commerce's GIPC International IP Index provides a cross-sectoral measurement of major forms of IPRs in different countries. In addition to measuring the *de jure* existence of laws and relevant regulations, a substantial part of the GIPC Index also measures how IPRs are actually enforced and applied. The Global Creativity Index is an international measure of creativity organized around what the authors term the "3 Ts of economic development" Technology, Talent and Tolerance"<sup>4</sup>

Figure 22: GIPC Index 2014 (copyright category isolated) and GCI 2011<sup>CXIX</sup>



<sup>1</sup> <http://www.cisac.org/Cisac-University/Materials/Studies-and-Guides>

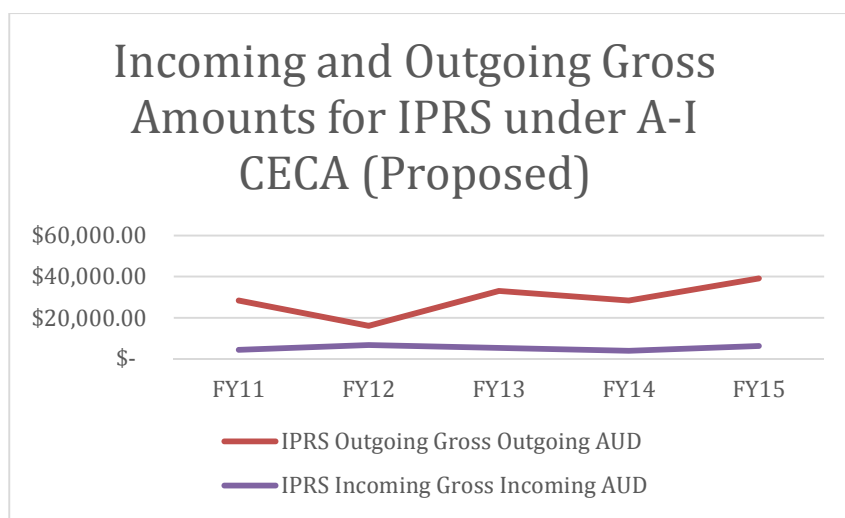
<sup>2</sup> The OECD in a report on IP in developing countries<sup>2</sup> found that for every 1% increase in copyright protection in such economies, there is a 6.8% increase in Foreign Direct Investment. R Cavazos, (2010), *Policy Complements to the Strengthening of IPRS in Developing Countries*, OECD Trade Policy Working Papers, No. 104, p21

<sup>3</sup> Supra no 1 at pp57-8

<sup>4</sup> R Florida et al (2011), *Creativity and Prosperity: The Global Creativity Index*, Martin Prosperity Institute, Appendix E, p. 3.

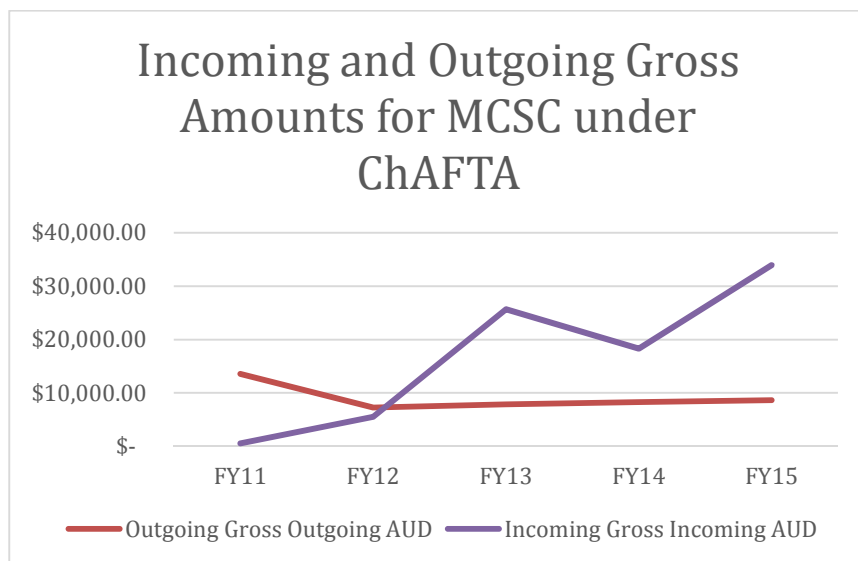
## INDIA

There are considerable barriers to collections in terms of enforcement of rights in India, in particular certain recent court decisions relating to the exercise of the broadcast right which are in breach of India's IP Treaty obligations.



## CHINA

China is currently undergoing its 3<sup>rd</sup> revision of its copyright law. We enjoy favourable terms of trade, despite poor market penetration and low tariffs applied in China, particularly in the broadcast sector. Last week,<sup>5</sup> the National Administration of China announced a ban on domestic streaming services offering free unlicensed music to take effect from the end of the month. This is a very positive development.



<sup>5</sup> <http://english.cri.cn/12394/2015/07/16/3781s887645.htm>