

How are my educational royalties calculated?



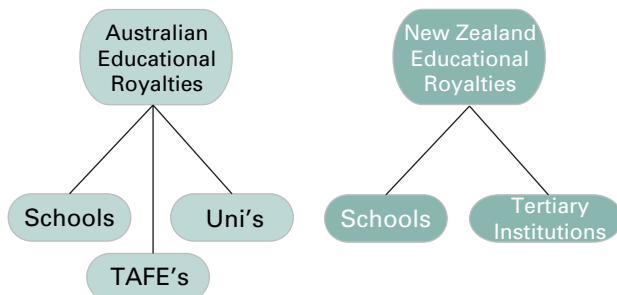
Have you just been paid Screenrights royalties? Do you want to know how the amount was calculated? This In Brief sheet explains the royalty calculation process for educational royalties. The steps taken for calculating government royalties are very similar. If you were paid retransmission royalties, you will need to see Screenrights In Brief: How are my Australian retransmission royalties calculated?

Educational royalties

Australian and New Zealand educational royalties are generated when educational institutions copy from radio and television, email these copies or put them on an internal network. Screenrights takes the following steps to work out how much a rightsholder should be paid:

Separating pools of royalties for each sector

The money collected from Australian institutions is dealt with separately to the New Zealand money. Within each of these larger pools, there is a further separation between each of the sectors – ie university money is separate to school money, which is separate to TAFE money.



The value of a program is influenced by the money available in the pool for the sector and how much copying and communication activity has been recorded for the sector across the year.

Calculating the value of a program within a pool

Throughout the year, Screenrights gathers records of which programs have been used in each sector. This

is usually done by survey, although a few institutions do keep full records of their copying (see In Brief: How does Screenrights know what programs to pay?). The next task is to work out how much each program that was copied, emailed or put online should be paid.

$$\text{Minutes} \times \text{Program Type} \times \text{Format} = \text{Value}$$

The first factor that determines the amount a program earns is the **number of minutes copied or communicated**. In most cases, a school will copy an entire program, but sometimes they might copy part of a program. The more minutes that are copied or communicated, the higher the value of the royalties.

The second factor that determines how many royalties a program earns is the **type of program** itself. Programs are classified as either ephemeral in nature (for example, the news) and therefore less likely to be kept as a resource, or not, such as documentaries and movies. The category affects the dollar value allocated to each minute. Programs that are likely to be kept as an educational resource are allocated more than three times as much as a program that only has transitory value.

The third factor that determines how many royalties a program earns is the **copy format**. A program copied onto an analogue format, such as VHS, is of lesser quality and has a shorter shelf life than a program copied onto a hard drive. A program copied onto a hard drive earns more royalties than a program copied onto DVD which in turn earns more royalties than a program copied onto VHS.

Street address:

Level 3, 156 Military Road
Neutral Bay NSW 2089
Australia

Postal address:

PO Box 1248
Neutral Bay NSW 2089
Australia

Australia
Phone: +61 2 9904 0133
Fax: +61 2 9904 0498

New Zealand
Freephone: 0800 44 2348
Freefax: 0800 44 7006

info@screenrights.org
www.screenrights.org

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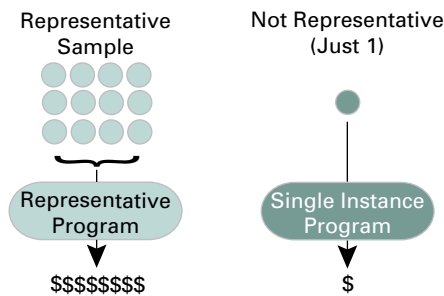
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Balancing the relative value of representative programs

The final step in calculating the royalties earned by a program involves applying a “weight” to increase the value of the copying or communication reported in the survey. This is because programs that are reported in the survey are best understood as representative of what’s happening in the entire sector (see In Brief: How does Screenrights know what programs to pay?). They are therefore worth more than a program that is copied or communicated by a record-keeping institution.

Once these factors have been taken into account, each program can then be allocated a total amount.



Allocation to copyrights in a program

Each program contains a number of different copyrights. The total amount for a program is divided between the distinct copyrights. The division differs slightly for New Zealand and Australian royalties because each of the Copyright Acts is different. The allocations are determined by the Screenrights Board.

Australia:

Film	68.50%
Script	22.10%
Musical Works	7.40%
Sound recordings of commercial music	1.11%
Sound recordings of commissioned music	0.67%
Sound recordings of library music	0.21%
Broadcast signal	0.00%

New Zealand:

Film	67.10%
Script	21.70%
Musical Works	7.30%
Sound recordings of commercial music	1.06%
Sound recordings of commissioned music	0.64%
Sound recordings of library music	0.20%
Broadcast signal	2.00%

Note: Artistic works also receive an allocation. For information on how this is done, contact Member Services.

More information?

Check out our other In Brief sheets. Our Member Services team is also happy to answer your questions. Email: memberservices@screenrights.org



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