



CAL's deductions for administrative costs vary from licence scheme to licence scheme, and from distribution to distribution.

For a small number of schemes, the deductions are fixed. An example is royalties collected overseas: CAL's deduction is fixed at 7.5% of licence fees received, as a result of a decision by the board. CAL's administrative fee for the resale royalty scheme will be 10% of royalties collected.

For most schemes, however, the deductions are based on actual costs, offset by interest. This means that the net amount deducted will vary from distribution to distribution, depending on actual costs and the amount of the interest earned.

The major component of the costs for a distribution is the staff costs associated with identifying rights holders. Other costs include the surveys of use (to determine what is being copied) and the IT systems used to process data.

CAL's overall operating costs in 2008–09 were 13.7% of revenues. Deductions for distributions are calculated for a calendar year rather than a financial year. The deduction for statutory licence schemes in 2008 was 13.2%.

Many recipients of CAL payments receive them indirectly – for example, via a publisher, an agent or another collecting society. In these cases, the intermediary may be entitled to deduct a portion of the CAL payment under a contract or agreement before remitting the remainder to the artist or author.



Authors and artists can receive payments direct from CAL by becoming members. Under CAL's current distribution policy, where there is more than one right holder and the author or artist is a member, CAL distributes to the author or artist. All recipients of direct payments from CAL must undertake to on-pay any amounts due to other right holders.

CAL is in the process of changing its systems to implement a new distribution policy, known as *CALdirect*, whereby it will make direct payments to all recipients who have notified CAL what proportion of payments to which they are entitled.

More information

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