

**REPORT ON THE ARIA AMRA LABELLING CODE OF PRACTICE FOR
RECORDED MUSIC PRODUCT CONTAINING POTENTIALLY
OFFENSIVE LYRICS AND/OR THEMES
1 JULY 2020 – 30 JUNE 2021**

CONTENTS

1.	ABOUT ARIA AND AMRA	2
	ARIA	2
	AMRA	2
2.	OVERVIEW OF THE PREVIOUS ARIA AMRA CODE	3
3.	IMPLEMENTATION OF A REVISED CODE IN 2020	4
	Summary of Key Changes to the Code	4
4.	YEAR IN REVIEW: REPORTING PERIOD 1 JULY 2020 – 30 JUNE 2021	6
5.	CLASSIFICATION ENQUIRIES AND COMPLIANCE	7
6.	COMPLAINTS	7

1. ABOUT ARIA AND AMRA

ARIA

Australian Recording Industry Association Ltd (**ARIA**) is the peak trade body for the recorded music industry in Australia. It is a national industry association proactively representing the interests of its members. ARIA has more than 100 members ranging from small "boutique" labels typically run by 1-5 people, to medium sized organisations and very large companies with international affiliates. ARIA is active in many key areas of the music industry including:

- acting as an advocate for the industry, both domestically and internationally;
- supporting Australian music, and creating opportunities to help it be heard;
- playing an active role in protecting copyright and making submissions to government on copyright reform, piracy, regulation and other issues where it has the information and expertise to do so;
- collecting statistical information from members and retailers and compiling numerous ARIA charts with data provided by retailers and data suppliers across the country;
- co-managing the ARIA AMRA Labelling Code of Practice with AMRA; and
- staging the highly prestigious annual ARIA Awards.

ARIA's primary objective is to advance the interests of the Australian recording industry. The role of ARIA is not to monitor, supervise or intervene in the pricing or other commercial decisions of its members.

AMRA

The Australian Music Retailers' Association (**AMRA**) was established in 1993, by a group of leading independent and specialty music chain stores to represent the interests of music retailers in Australia. AMRA is an industry trade organisation in place to support music and entertainment retailers. It provides a forum for the retailers and the suppliers to the music industry. This forum is provided through AMRA's network of members. AMRA represents around 200 speciality music retailers nationally. It liaises on matters concerning music retail with large chain retailers including JB Hi Fi and the Sanity Group.

AMRA works closely with the different industry sectors in the interest of music retailers. It supports its industry partners in a variety of industry issues, including:

- piracy prevention and detection;
- industry promotion;
- organisation of the highly successful annual initiative known as Record Store Day;
- Government liaison and acting as the point of contact for bureaucrats and elected representatives when they are seeking information or input about music and recorded music retailing; and
- co-managing the ARIA AMRA Labelling Code of Practice with ARIA,

whilst playing no role in the trading relationships of individual members and their suppliers.

In July 2021 AMRA changed its name to the Association of Music Retailers Australia.

2. OVERVIEW OF THE PREVIOUS ARIA AMRA CODE

For 25 years, Australia has had a voluntary code in place which provides a framework for advising consumers about potentially explicit or unsuitable content on recorded music products (i.e. CDs, vinyl records and cassettes). This code is called the *Labelling Code of Practice for Recorded Music Product Containing Potentially Offensive Lyrics and/or Themes* (the **Code**). The Code is jointly managed by ARIA and AMRA.

The Code was first implemented in late 1996 and it was subsequently revised in 2003 to align the advisory labels with the classification levels used by the Office of Film & Literature Classification (**OFLC**) which was in place at the time. The classification levels set out in the 2003 version of the Code were as follows:



Product containing:

- infrequent aggressive or strong coarse language; and/or
- moderate impact ('impact' means the strength of the effect on the listener) references to drug use, violence, sexual activity or themes.



Product containing:

- frequent aggressive or strong coarse language; and/or
- strong impact references to or detailed descriptions of drug use, violence, sexual activity or themes.



Product containing graphic descriptions of drug use, violence, sexual activity or very strong themes, which have a very high degree of intensity and which are high in impact.

These Products require an adult perspective and are therefore not to be sold to persons under eighteen years of age.

This 2003 version of the Code established a framework for advising consumers about potentially explicit or unsuitable content on recorded music products (i.e. CDs, vinyl records and cassettes). It included guidelines regarding graduated consumer advisory labels which were to be affixed to recorded music products to help consumers make informed choices about whether they wished to purchase or listen to the particular recorded music product.

The principles underlying the Code aim to balance the interests of consumers, artists, record companies and retailers. The following principles underpinned the 2003 version of the Code and are still applicable to the current version of the Code:

- Adults in a democratic society should be free to listen to what they wish.*
- Creative artists should be free to express themselves without fear of intervention.*
- Consumers should be supplied with sufficient information so that they can choose to avoid exposure to material which may offend them and make informed purchasing decisions in relation to Product which is not suitable for minors.*
- Record companies and recorded music retailers operate under a commercial imperative to respectively release sound recordings and make them available for sale to members of the public.*

ARIA and AMRA are responsible for ensuring compliance with the Code by their respective members.

3. IMPLEMENTATION OF A REVISED CODE IN 2020

During 2019 and 2020, the 2003 version of the Code was reviewed. Since its implementation in 2003, the Code had not been updated, and it was clear that the Code had not kept pace with technological changes and developments in the way in which the public accesses and enjoys recorded music.

When the last version of the Code was implemented in 2003, music streaming services did not exist and music download services were still in their infancy. Underpinning the review of the 2003 version of the Code was the consideration of the efficacy of the graduated labelling regime within the music market. At the time of the review, music streaming services alone accounted for over 70% of the recorded music revenue in Australia¹ and this will continue to grow.

As a part of the review, ARIA and AMRA consulted with their respective members along with the Classification Branch of the Department of Infrastructure, Transport, Regional Development and Communications.

Following this consultative and review process, ARIA and AMRA implemented the current version of the Code with effect from 1 July 2020. A copy of the Code is available on:

- the ARIA website: <https://www.aria.com.au/industry/labelling-code>
- the AMRA website: <http://www.amra.org.au/code.html>

A key driver for updating the Code was to make the consumer advisory labelling of recorded music products more streamlined for ARIA and AMRA members and to make it more easily recognisable and consistent for consumers. This was achieved by adopting labelling used by digital music services. Rather than having to categorise products into three tiers and applying three different labels, from 1 July 2020, only **one label** is required to be affixed to recorded music product containing potentially explicit or offensive content:



Summary of Key Changes to the Code

The majority of the 2003 Code was retained and replicated in the current Code. A summary of the key changes to the 2003 version of the Code are as follows:

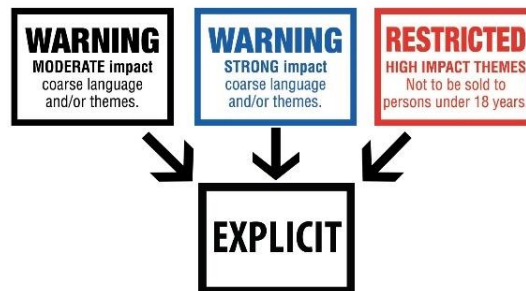
1. New single consumer advisory label

The consumer advisory labels on CDs, vinyl records and cassettes with potentially offensive lyrics and/or themes are now labelled as **'EXPLICIT'** instead of applying the graduated labels of: *Warning: Moderate/Strong/High impact coarse language and/or themes*² that were previously used.

¹ This relates to the ARIA wholesale figures for 2018 which was released during 2019, at the time the Code was under review. The ARIA wholesale figures are available on the ARIA website.

² <http://www.aria.com.au/pages/labelling-code.htm>

LABELLING UNDER PREVIOUS CODE



SINGLE LABEL UNDER NEW CODE

Consumers are familiar with the **E** logo or the word EXPLICIT which is displayed on digital music stores and online music streaming services when explicit music is accessed. The use of the EXPLICIT logo on physical recorded music products will be easier for consumers to understand and aligns the classification of those music products which are accessed digitally.

2. Removal of the Code Ombudsman

Under the 2003 version of the Code, the Ombudsman was responsible for compiling an annual report regarding the compliance by ARIA and AMRA members with the Code and for resolving any labelling related complaints from the public that have not been satisfactorily resolved by ARIA and AMRA. In light of the shift from CDs to digital music services, the Ombudsman had not been called upon to assess any escalated complaints regarding the labelling of recorded music products over the past decade. Under the current Code, ARIA and AMRA will now jointly handle the resolution of all complaints and the current Code provides a framework for the complaints process and the complaints escalation process.

3. New Reporting Obligations

Previously, the Ombudsman prepared an annual report on the operation of the Code for circulation to ARIA and AMRA members, the Attorney General's Department and Commonwealth, State and Territory Censorship Ministers. While music labelling is outside the scope of the [National Classification Scheme](#), ARIA and AMRA understand that the reporting requirements were included following a Standing Committee of Attorneys-General (**SCAG**) meeting around 2002.

The current Code includes a new reporting process whereby ARIA and AMRA will jointly compile the annual report and implement a new reporting process as follows:

- ARIA and AMRA will each publish the annual report on their respective websites, outlining the operation of the Code during the reporting period, the number of complaints and the outcome of any complaints.
- ARIA/AMRA will advise the relevant Commonwealth Department responsible for classification when the annual report is published. The Commonwealth Department will advise departmental state and territory classification officers when notified by ARIA/AMRA that the annual report has been published.

This report satisfies that reporting obligation pursuant to the Code.

4. YEAR IN REVIEW: REPORTING PERIOD 1 JULY 2020 – 30 JUNE 2021

ARIA members undertake in-house classification of their recorded music products in accordance with the Code. During the reporting period, ARIA did not encounter any issues relating to compliance with the Code in respect of any ARIA members.

For the purpose of this report, ARIA obtained classification information from a large subset of its membership – including MGM Distribution, Mushroom Group, Sony Music Entertainment Australia, Universal Music Australia (inclusive of EMI Music Australia) and Warner Music Australia. Some smaller ARIA members release titles through the major distribution companies and, as a consequence, their titles are often accounted within the totals provided by their distributor to ARIA. Furthermore, some ARIA members only sell digital music products – which are not subject to the Code. It must be noted that one of ARIA’s members (a large independent record label) did not submit any data for the reporting period due to a technical issue. Complexities associated with COVID-19 also impacted the data provision.

It is in this context that the statistics set out below should be viewed as indicative only. These statistics are intended to provide an overall pattern and should not be construed in any way as providing a detailed analysis of the recorded music market.

Snapshot of the period occurring between 1 July 2020 and 30 June 2021



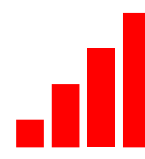
**Number of Physical
Recorded Music Products
Released**

9,154



**Number of Physical
Recorded Music Products
Classified**

620



**Number of Physical
Recorded Music Products
Classified as a %**

6.8%

A list of the classified titles is available on the [ARIA website](#).

Trends in recorded music sales

During 2020, Australia’s recorded music industry saw continued growth of 7.3%³. This growth has been fueled by the increasing popularity of music streaming services, which represents over 82.3% of the Australian recorded music market’s revenue. Despite the growth in recorded music, it has been a very challenging year for the music industry, with live music effectively being shut down since March 2020 due to the pandemic.

In contrast to previous years in which the physical recorded music market has seen substantial declines, for the year ending 2020 the physical market sales plateaued. In 2020, approximately 4.5 million units

³ <https://www.aria.com.au/industry/news/australian-recorded-music-industry-figures-for-2020>

of physical products were sold with a value of \$61.7 million.⁴ This was a modest increase on the previous year, where the value of sales came to \$61.4 million.

This stabilisation of the physical recorded music market can be attributed to the explosive growth in vinyl sales, which increased 32% from 2019, and comprise of 5.4% of the value of Australian recorded music market. As CD albums continue a steady decline, dropping a further 17% from 2019, it is expected that the vinyl will overtake CDs in terms of wholesale revenue in the next reporting period for 2021/2022.

5. CLASSIFICATION ENQUIRIES AND COMPLIANCE

ARIA received 2 queries from ARIA members regarding the Code during the reporting period. The nature of these queries were requests for copies of the new explicit label so that these ARIA members could label their physical recorded music products.

AMRA efforts during this period concentrated on ensuring the retailers were aware of the change of Code. The national recorded music promotion, Record Store Day which is managed by AMRA was delayed in 2020 and took place over three months (July, August and September) instead of its usual April date. This provided AMRA with an opportunity to promote and reinforce the Code in our communications with members over a sustained period.

While most product sold through the retail channels is sourced via ARIA members and therefore includes pre-labelled product, AMRA members do import some products directly and in these cases are required to label those direct imports according to the Code. AMRA supplied its members with the EXPLICIT label artwork for application to any retailer imported products.

AMRA received four queries from retailers regarding the Code. In each case the retailer contacted AMRA on behalf of an independent artist who was preparing new product for limited release. A copy of the Code and the EXPLICIT artwork was provided as a result of the enquiry.

Member compliance

ARIA did not have any compliance issues with any ARIA member during the reporting period.

AMRA did not have any compliance issues with any AMRA member during the reporting period.

6. COMPLAINTS

ARIA did not receive any complaints during the reporting period.

AMRA maintained the complaints handling system on behalf of ARIA/AMRA for the period covered by this report. There were no complaints during this period that were actionable under the Code.

Three consumer complaints were responded to by AMRA though they were not actionable under the Code. In each instance the scope of the Code was outlined and information provided to the complainant as to where they may be able to voice their concern.

In the first instance the complaint was in response to potential offensive lyrics played with a retail store. The complainant was referred back to the store involved and shopping centre management.

Two further complaints involved television broadcasts. In both cases the complainant was concerned about the sexual content of the video and lyrics of a music video. The complainants were provided with contact details of [Free TV Australia](#) and the ABC Customer Support line respectively.

⁴ <https://www.aria.com.au/industry/news/australian-recorded-music-industry-figures-for-2020>