



EXPLICIT

**REPORT ON THE ARIA AMRA LABELLING CODE OF PRACTICE
FOR RECORDED MUSIC PRODUCT CONTAINING POTENTIALLY OFFENSIVE
LYRICS AND/OR THEMES
1 JULY 2022 – 30 JUNE 2023**



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;
- compiling and publishing numerous [ARIA charts](#) using data provided by retailers and data suppliers across the country;
- managing the ARIA AMRA Labelling Code of Practice; 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 Association of Music Retailers Australia (**AMRA**) (*formerly known as Australian Music Retailers' Association*) was established in 1993, by a group of leading independent and specialty music chain stores to represent the interests of music retailers in Australia. Its purpose was to provide a forum for music retailers through AMRA's network of members. AMRA represented around 200 specialty music retailers nationally covering large chain retailers such as JB Hi Fi through to independent record stores. AMRA did not have any role in the trading relationships of its individual members and their suppliers, but it did support its industry partners in respect of a range 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
- (previously) co-managing the ARIA AMRA Labelling Code of Practice with ARIA.



On 22 May 2023, AMRA advised ARIA that the AMRA Board had resolved to close down AMRA due to a lack of resources to continue the operation of the Association. As AMRA no longer exists, it means that music retailers no longer have an entity that administers and oversees compliance with the Code on their behalf. ARIA is now solely managing the Code on behalf of all ARIA members.

In June 2023, representatives from ARIA met with a representative from the Department of Infrastructure, Transport, Regional Development and the Arts (the **Department**), to discuss the dissolution of AMRA and the ongoing operation of the Code more generally. The Department and ARIA will continue to liaise with each other in respect of the foregoing.

As a result of the dissolution of AMRA, this report does not include any information from AMRA or any information regarding the compliance by music retailers with the Code.

2. OVERVIEW OF THE CODE

For over 25 years, Australia has had a voluntary code in place which provides a framework for advising consumers about potentially explicit or unsuitable content on physical 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**). Until May 2023, the Code was 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 2003 version of the Code was updated in 2020 following consultation with ARIA and AMRA members and with the Classification Branch of the Department of Infrastructure, Transport, Regional Development and Communications.

Following the 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>

A key driver for updating the Code was to make the consumer advisory labelling of physical 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 similar 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 physical recorded music product containing potentially explicit or offensive content:



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 is easier for consumers to understand and it is largely consistent with the classification of those music products when accessed digitally.

Code Principles

The principles underlying the Code aim to balance the interests of consumers, artists, record companies and retailers, namely:

- (a) *Adults in a democratic society should be free to listen to what they wish.*
- (b) *Creative artists should be free to express themselves without fear of intervention.*
- (c) *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.*
- (d) *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.*

Compliance and Reporting

ARIA publishes information regarding the Code on its website and distributes an information sheet yearly to its members to ensure that its members are cognisant of the Code and the obligations set out in the Code. In addition, information about the Code is included in the materials that are sent to all new ARIA members.

The Code includes a reporting process whereby ARIA and AMRA will jointly compile an annual report 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 the reporting obligation pursuant to the Code.

Given that AMRA is no longer operating, and the AMRA website has been disabled, the Code and the Code report will only be published on the ARIA website. In addition, compliance by music retailers with the Code is no longer overseen by AMRA or any entity. Until otherwise agreed with the Department of Infrastructure, Transport, Regional Development and the Arts, the Code will continue in its current form, but without the reporting and compliance reporting from any music retailers.

3. YEAR IN REVIEW: REPORTING PERIOD 1 JULY 2022 – 30 JUNE 2023

ARIA members are responsible for the assessment and classification of their recorded music products in accordance with the Code.

For the purpose of this report, ARIA obtained release and classification data from a large sample group of its members. This included data from, for example, MGM Distribution, Mushroom Group, Sony Music Entertainment Australia, Universal Music Australia (inclusive of EMI Music Australia) Warner Music Australia and Inertia. Smaller and independent ARIA members often release their titles via distribution companies. As a result, rather than sending their own reports, these titles are often included in the reports provided to ARIA by the larger companies and distributors. The sample data collected for this report includes the data of many independent labels. In addition, many smaller ARIA members only release and distribute their titles in a digital format, and are consequently not subject to the Code (the Code only covers physical recorded music products, not digital products such as downloads and streams).

Due to the nature of this data collection process, the statistics below should not be viewed as a detailed analysis of the Australian recorded music market, but instead as an indication of general patterns in the market.

Snapshot of the period occurring between 1 July 2022 and 30 June 2023



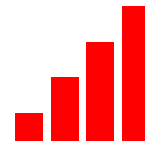
**Approx number of Physical
Recorded Music Products
Released by a sample of ARIA
Members**

12,742



**Approx number of Physical
Recorded Music Products
Classified by a sample of ARIA
Members**

417

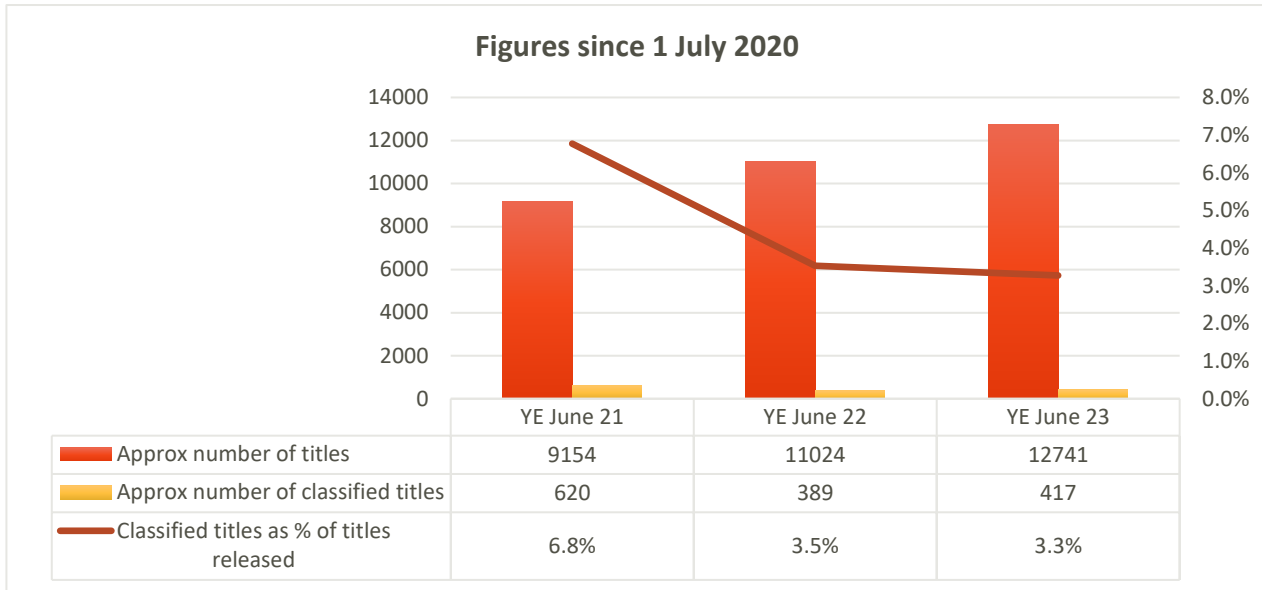


**Approx number of Physical
Recorded Music Products
Classified by a sample of ARIA
Members as a %**

3.3%

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

Figures since 1 July 2020



The revised Code commenced operation on 1 July 2020. Based on the data sample from the first year of reporting under the revised Code, it appears that the percentage of titles that were classified as EXPLICIT was nearly double the totals in the subsequent two reporting years. This may be due to the transition period between the previous and current Code, where ARIA members were still familiarizing themselves with the Code requirements. For the past two reporting periods, the number of titles classified as a percentage of the overall releases has remained fairly consistent. The overall number of titles released can fluctuate from year to year, depending on a range of factors including artist release schedules, marketing and touring campaigns.

Trends in recorded music sales during the reporting period

In keeping with the trends of previous years, Australia's recorded music industry saw continued growth during the reporting period. Wholesale revenue from recorded music increased by 7.35% to over \$609.5 million.¹

Vinyl album sales have continued their growth as the largest contributor to revenue in the physical product market, worth approximately \$36.9 million. CDs have continued to reduce in sales value, dropping 18.85% since the previous year. Overall, digital sales and streaming services are driving the growth of the recorded music sector, representing around 90% of all music sales.

The significant imbalance between digital and physical product revenue demonstrates the broader change in consumer preferences, which is also reflected in the fortune of physical (ie bricks and mortar) music retailers. Sanity, once a major retailer of music products, closed its last physical stores in Australia in March 2023 citing the change in music consumption from physical to digital as one of the reasons for the closure of their bricks and mortar stores. Sanity now operates as an online only business.²

¹ ARIA, ARIA Yearly Statistics 2022, March 2023, see <https://www.dropbox.com/sh/d97w2gurvkd6h84/AAC2wdyJ9SlkQ28KYEDZk1XOa?dl=0&preview=ARIAYearlyStatistics2022.pdf>

² Alex Turner-Cohen (news.com.au 27 March 2023), see <https://www.news.com.au/finance/business/retail/sanity-officially-closes-down-all-its-stores-as-it-pivots-to-online-sales/news-story/c95af7deac186d5e7f02d092e7d2f535>

4. CLASSIFICATION ENQUIRIES AND COMPLIANCE

Enquiries

ARIA did not receive any enquiries during the reporting period.

Prior to its dissolution in May 2023, AMRA did not receive any queries during the reporting period.

Member compliance

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

Prior to its dissolution in May 2023, AMRA did not have any compliance issues with any AMRA member during the reporting period.

5. COMPLAINTS

ARIA did not receive any complaints during the reporting period.

Prior to its dissolution in May 2023, AMRA did not receive any complaints during the reporting period.

In fact, since 1 April 2018, ARIA and AMRA have not received any actionable complaints in accordance with the Complaints Handling Service prescribed in the Code.