



**REPORT ON THE ARIA AMRA LABELLING CODE OF PRACTICE FOR
RECORDED MUSIC PRODUCT CONTAINING POTENTIALLY
OFFENSIVE LYRICS AND/OR THEMES
1 JULY 2021 – 30 JUNE 2022**

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 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. 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.



2. OVERVIEW OF THE ARIA AMRA 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**). 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 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 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 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 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 aligns the classification of those music products with those recordings that are accessed digitally.

Code Principles

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

- 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.*

Compliance and Reporting

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

3. YEAR IN REVIEW: REPORTING PERIOD 1 JULY 2021 – 30 JUNE 2022

ARIA members are responsible for the assessment and classification of their recorded music products in accordance with the Code. During the reporting period, ARIA members complied with the Code and no complaints regarding any classification decisions were received by ARIA.

For the purpose of this report, ARIA obtained release and classification data primarily from a group of larger record labels, companies and distributors. These include 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. 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).

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 2021 and 30 June 2022



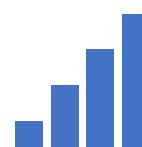
**Number of Physical
Recorded Music Products
Released by ARIA Members**

11,024



**Number of Physical
Recorded Music Products
Classified by ARIA Members**

389



**Number of Physical
Recorded Music Products
Classified by ARIA Members
as a %**

3.5%

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

Trends in recorded music sales

During the reporting period, the Australian recorded music industry experienced continued growth, increasing 4.4% on the previous year.¹ This marked the third year of consecutive growth, and saw the industry reach a 15 year high in wholesale sales. The industry's continuing growth stems from the ongoing popularity and success of music streaming services, whose revenues now make up 86% of music sales for the recorded music industry. Video-streaming and ad-supported streaming services in particular saw exponential growth during the period, with massive revenue increases of 26.5% and 31% respectively.

2021 also marked a decline in the physical market, with sales totaling \$56.1 million, compared to revenues of \$61.7 million in the previous year.² This fall can be primarily attributed to CD album sales, which declined by \$5.67 million from 2020. While the overall physical market fell, vinyl albums sales saw growth. Vinyl albums have now taken over CD sales for wholesale revenue, representing the largest segment of the physical market at approximately \$29.7 million.

4. CLASSIFICATION ENQUIRIES AND COMPLIANCE

Enquiries

ARIA received 1 query from an ARIA member regarding the Code during the reporting period. The query related to the classification of DVDs – which are not classified under the Code but are subject to classification under the National Classification scheme. ARIA also received one query from a member of the public querying whether the list of classified titles that is published on the ARIA website is available in a format other than as a .pdf.

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.

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

5. COMPLAINTS

ARIA and AMRA did not receive any complaints during the reporting period.

¹ <https://www.aria.com.au/industry/news/australian-recording-industry-hits-15-year-high>

² <https://www.dropbox.com/sh/d97w2qurvkd6h84/AAC2wdyJ9SIkQ28KYEDZk1XOa?dl=0&preview=ARIAYearlyStatistics2021.pdf>