



EXPLICIT

**REPORT ON THE ARIA AMRA LABELLING CODE OF PRACTICE
FOR RECORDED MUSIC PRODUCT CONTAINING POTENTIALLY
OFFENSIVE LYRICS AND/OR THEMES
1 JULY 2023 – 30 JUNE 2024**



1. ABOUT ARIA AND AMRA

ARIA

Australian Recording Industry Association Limited (**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 (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.

Due to 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.

The Department of Infrastructure, Transport, Regional Development and the Arts (the **Department**) was advised by ARIA of the dissolution of AMRA in June 2023. ARIA will continue to liaise with the Department in respect of this and the ongoing operation of the Code.

2. OVERVIEW OF THE CODE

For nearly 30 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>

The impetus 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, which is the means by which most consumers currently access music. 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. ARIA also distributes an information sheet annually to its members to reinforce awareness of the obligations prescribed in the Code. Information about the Code is also included in the materials that are sent to all new ARIA members.

The Code includes a reporting process whereby ARIA (and previously AMRA) are required to jointly compile an annual report as follows:

- (a) ARIA and AMRA will publish on their respective websites, an annual report on the following:**
 - The operation of the Code classification scheme during the Reporting Period outlining the operation of the Code during the Reporting Period; and**
 - The number of complaints and outcome of any complaints received during the Reporting Period.**
- (b) When the annual report is published, ARIA and AMRA will advise the relevant Australian Government department responsible for classification, which will then advise state and territory departments responsible for classification.**

This report satisfies the reporting obligation pursuant to the Code.

As AMRA is no longer operating, and the AMRA website has been disabled, the Code and the Code report is only published on the ARIA website. Furthermore, 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 2023 – 30 JUNE 2024

ARIA members are responsible for the assessment and classification of the recorded music products that they sell or distribute in Australia, 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. For example, this included data from MGM Distribution, Mushroom Group, Sony Music Entertainment Australia, Universal Music Australia (inclusive of EMI Music Australia) Warner Music Australia, Inertia and other independent labels. Smaller and independent ARIA members often release their titles via distribution companies or other record companies. Consequently, the titles from these independent labels are often included in the reports provided to ARIA by the larger record companies and distributors. The sample data collected for this report includes the data of various independent labels that are members of ARIA.

It is worth noting that some of ARIA's independent members only release and distribute their titles in a digital format. The Code relates to 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 2023 and 30 June 2024



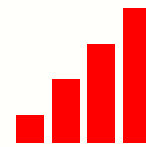
**Approx number of Physical
Recorded Music Products
Released by a sample of
ARIA Members**

14,549



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

680

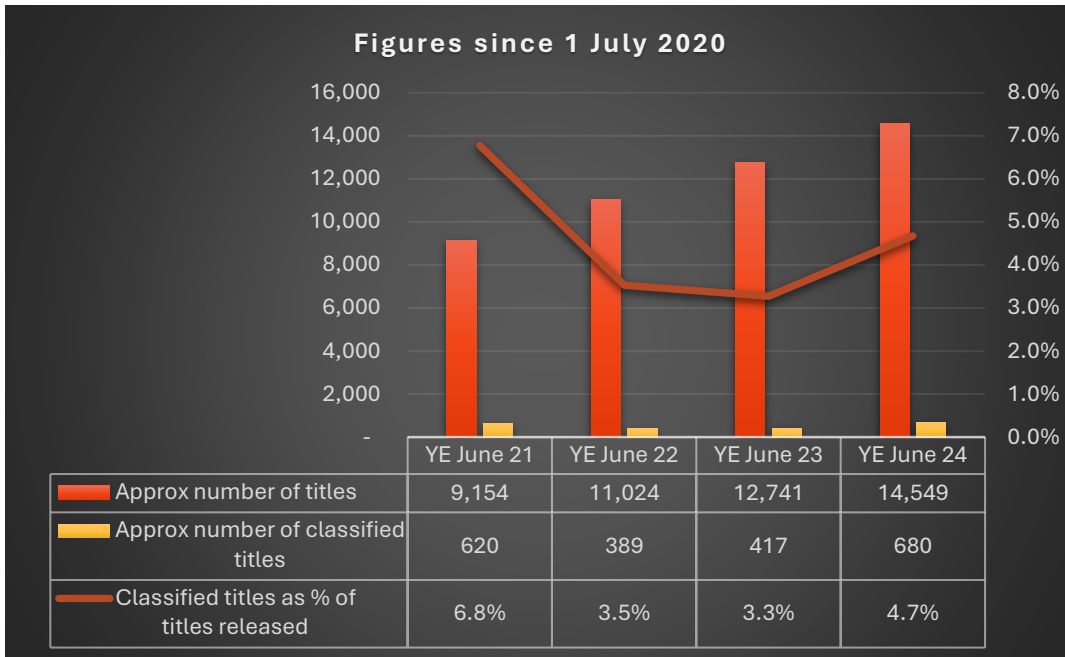


**Approx number of Physical
Recorded Music Products
Classified by a sample of
ARIA Members as a %**

4.7%

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

Figures since 1 July 2020



The Code in its current form commenced on 1 July 2020. Although the percentage of titles classified as EXPLICIT in the current reporting period is still two percentage points lower than the first year of reporting under the revised code, there has been a marked increase compared to the past two reporting periods. The variances over the years can be due to a number of factors. For example, the overall number of titles released can fluctuate from year to year, depending on artist release schedules, marketing and touring campaigns. In addition, artist release cycles can have an impact on the volume of titles released and those that require classification. Also, the size of the sample data can vary from year to year.

Trends in recorded music sales during the reporting period

Holding its place at number 10 in the global music market,¹ the Australian recorded music industry experienced its fifth consecutive year of growth during the 2023 reporting period, reaching \$676 million in revenue.²

Following the trend of recent years, the continuing growth of the local music market is largely attributed to streaming revenue (including subscription services, ad supported streaming models and video streaming). Digital sales now represent 91% of music sales in Australia.

Whilst revenue from physical music sales (now totaling \$59.9 million) continued its trend of modest growth, the 2023 reporting period signaled declines in the sales of compact discs – with revenues down by 16.1% and volume sales down by 19.1%.³ Vinyl albums, the largest segment of the physical product market (representing 70% of total physical sales by dollar value), saw a 14% increase in dollar value.

¹ IFPI, IFPI Global Music Report 2024, April 2024 see https://www.ifpi.org/wp-content/uploads/2024/04/GMR_2024_State_of_the_Industry.pdf

² ARIA, ARIA Yearly Statistics 2023, see https://www.dropbox.com/scl/fo/4ijzb1i3ozav48fn4tb3t/AP5-sPV_nhtDK15u6XdRAqM/ARIAYearlyStatistics2023.pdf?rlkey=a52tf1lxja3xb2t8oaxube8dk&e=1&dl=0

³ ARIA, ARIA News, March 2024, see <https://www.aria.com.au/industry/news/streaming-drives-fifth-consecutive-year-of-growth>

4. CLASSIFICATION ENQUIRIES AND COMPLIANCE

ARIA Enquiries

ARIA received four enquiries during the reporting period. Three enquiries were received from ARIA-member record labels regarding the specific requirements of the Code, including stickering and labelling requirements, and guidelines relating to album artwork. One enquiry was received from a non-ARIA member artist regarding the applicability of the Code.

ARIA Member compliance

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

5. COMPLAINTS

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

ARIA did not receive any complaints during the reporting period.