



Thursday, March 16, 2023

Committee Secretary  
Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Inquiry to the National Cultural Policy released on 30 January 2023**

The Australian Recording Industry Association (ARIA) thanks the Senate Standing Committees on Environment and Communications (the Committee) for the opportunity to make a submission and provide comments on the National Cultural Policy (the Policy, Revive).

**About ARIA**

ARIA is the peak trade body for the recorded music industry and recording artists in Australia. ARIA is a not for profit, national industry association that proactively represents the interests of its members. ARIA has more than 175 members ranging from small "boutique" labels typically run by 1-5 people, to medium-sized businesses and very large global companies. We stage the highly prestigious annual ARIA Music Awards and collect statistical information from members and retailers to compile the ARIA charts with data provided by over 500 retailers and digital music services. ARIA administers a reproduction licensing function on behalf of its participating members, for various copyright uses including the licensing of the use of sound recordings for the educational sector.

**About ARIA Members**

Record labels provide agile and highly responsive local and global teams dedicated to helping artists achieve creative and commercial success. There is more choice than ever in how to record and share music, but when artists partner with a record company, they can drive global campaigns for artists and use the power of a global marketing team, data, and feedback, to adjust their approach and achieve the best outcome. This partnership is built in creativity, but it drives the commerce of a growth industry globally. In 2021, global revenue growth of recorded music sales was at 18.5%<sup>1</sup> and Goldman Sachs forecasts the industry to double by 2030 to \$130 billion<sup>2</sup>.

**Australian Contemporary Music Industry**

Australia is the ninth largest music market in the world, and the contemporary music industry is estimated to have contributed between \$4 billion and \$6 billion<sup>3</sup> to the national economy. Music businesses across the

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<sup>1</sup> IFPI Global Music Report 2022 <https://www.ifpi.org/ifpi-global-music-report-global-recorded-music-revenues-grew-18-5-in-2021/>

<sup>2</sup> Goldman Sachs 2022 <https://www.goldmansachs.com/insights/pages/infographics/music-streaming/>

<sup>3</sup> Music Australia, Statistical Snapshot - Australian Contemporary Music Industry (Fact Sheet, 2016) 1 <https://musicaustralia.org.au/wp-content/uploads/2016/03/Australian-Contemporary-Music-snapshot.pdf>



industry comprise numerous interrelated areas, all with unique functions and structures. The larger music businesses including labels, promoters, and music publishers have extensive staffing structures and systems, while smaller businesses and sole traders operate more adeptly.

Most understand the industry to include those that are seen and heard including artists, performers, songwriters' musicians, and DJs. Behind the scenes the contemporary music industry also relies upon agents, artist managers, tour managers, producers, labels, promoters, publishers, publicists, live sound, sound engineers, lighting technicians, drivers, A&R specialists, roadies and stage crew, bookers, merchandisers and venue managers and owners.

### **Executive Summary**

ARIA welcomes the announcement of the Revive Policy on 30 January 2023 by Prime Minister The Hon. Anthony Albanese MP and the Department of Infrastructure, Transport, Regional Development, Communications and Arts. Revive puts Australian music front and center by establishing a strategic focus on music through a newly created Music Australia, something we advocated for during the consultation period. We particularly welcome the considerable shift to focus on developing and supporting the commercial end of the music industry, a sector that has not been the focus of any government in recent years at considerable cost to Australian recording artists and industry.

- **Music Australia**
  - ARIA supports the establishment of Music Australia and the shift to a commercial focus to grow and develop the Australian music industry.
  - ARIA strongly recommends the following to ensure the successful and fast establishment and ongoing governance of Music Australia including:
    - that a transition team be immediately established to appropriately stand-up Music Australia; and
    - the inclusion of peak bodies on the Music Australia advisory committee; a strong ongoing focus on the advisory committee and in the organisation on commercial business experience in entertainment; and
    - there be no more than nine members; and
    - the immediate critical issues Music Australia need to focus on are discoverability, export, skills shortages, and supporting artist managers.
  - ARIA recommends Music Australia takes on ambitious and bold targets and commits to a new way of operating focused on successful commercial outcomes and perhaps more closely aligned to the investment model of Screen Australia.
- **The Centre for Arts and Entertainment Workplaces (the Centre)**
  - ARIA strongly supports the establishment of the Centre
  - ARIA recommends a connection to Music Australia be embedded into the governance of the Centre to ensure the continuation of the work of Raising their Voices
  - ARIA recommends increased and ongoing funding for the Centre be sought including from State and Territories
- **First Nations-led Board**
  - ARIA supports the establishment of a First Nations-led Board
- **Other**
  - The Policy should go further on Copyright and Intellectual Property settings



- The Policy should go further to support Australian music content

Thank you for the opportunity to provide this submission. We look forward to working with all stakeholders on the successful establishment of Music Australia, the Centre for Arts and Entertainment Workplaces, and the other critical elements of this policy.

Yours sincerely,

A handwritten signature in black ink, appearing to read "A. Herd".

Annabelle Herd  
Chief Executive Officer  
ARIA

*We acknowledge First Nations people as the Traditional Owners and sovereign custodians of the lands on which we work and live. We recognise their continuing connection to Country and their respective nations across this continent and pay our respects to their Elders past and present. We also celebrate the unique and inspiring creativity and songlines of the world's oldest living culture and give thanks for the immeasurable influence First Nations people continue to have over the music and art we all enjoy.*



## **ARIA Submission of Support & Recommendations**

### **Music Australia**

ARIA supports the establishment of a Music Australia and the commitment of new funding and a strategic focus into the Australian contemporary music industry. Alongside a group of aligned music industry representatives, we advocated for the inclusion of a single agency of Government dedicated to contemporary music. Music Australia is the realization of that ask, and it comes at a time when there is enormous opportunity to work with a sector set to double to \$130 billion by 2030.

#### **ARIA supports the establishment of a Music Australia within Creative Australia (formerly Australia Council).**

Further, we acknowledge the speed at which Music Australia is proposed to be established and welcome that commitment. However, many areas of the industry are still facing current and urgent issues that need to be addressed and Music Australia will be in startup mode for at least 18-24 months. We suggest the establishment of a transition team to standup Music Australia. A temporary transitional team comprising operational industry representatives (rather than representative members expected on a committee) could move at a faster pace to ensure Music Australia is established as soon as possible to hit the ground running on key issues that include discoverability, export, skills shortages, and artist managers.

#### **ARIA recommends a transition team be immediately established to appropriately stand-up Music Australia and focus on the immediate priorities including skills, training, business development & sector recovery, music export, discoverability, increasing Australian music content, audience development and national touring.**

The contemporary music industry in Australia is complex. Commercial music has just a handful of large organisations with many other music businesses classifying as SMEs or sole traders. It is a highly competitive marketplace which is also why there are a high number of representative organizations, peak/trade bodies, and collecting societies that aim to represent the needs of the industry. Due to this complexity and competitiveness, it is essential that industry voices selected for the advisory committee, can represent, and bring with them a broad range of voices. The simplest way to ensure this would be to appoint the leaders of major representative organisations from the different sectors of the music industry.

#### **ARIA strongly recommends the inclusion of peak bodies on the Music Australia advisory committee that is representative of the contemporary music industry including recorded music, live music, distribution, artists, and creators. ARIA and PPCA should be represented on the Music Australia advisory committee.**

The commercial business side of music had operated with little need for government intervention until the pandemic hit. With no strategic direction or funding, the industry still managed to put itself on the map globally. In 2022, Australian sales of recorded music were up 4.1% - a figure that sounds positive. However, Australia was one of the slowest growth countries. This means there is a huge opportunity for music to become a global powerhouse under a well-structured whole of government strategy to grow the industry and achieve global success for our artists. This will only be a reality with strong input from those with experience in the commercial part of the business.



*“Both writing and music face very specific competition from new technology, and these bodies [Music Australia and Writer’s Australia] will operate **in a strategic way in a commercial world.**”* The Hon. Tony Burke MP, January 2023

**ARIA recommends a strong ongoing focus on commercial business experience in music and entertainment embedded into Music Australia’s governance.**

The “Raising their Voices” report (the Report) suggested the following benchmark for gender representation in key roles in the contemporary music industry. We recommend the suggested benchmarks set in the Report of 40:40:20 (40% men, 40% women and 20% all genders) are met for governance roles in Music Australia.

**ARIA recommends following the benchmark of 40:40:20 (40% men, 40% women and 20% all genders) for leadership positions including advisory committees, at Music Australia.**

Music Australia is a much needed and very positive key initiative to come out of Revive but execution will be critical to whether it succeeds or not. ARIA wants and needs Music Australia to succeed so Australian music can thrive. That requires new ways of working. We want to see Music Australia take on big challenges, make bold decisions and apply a different way of thinking to this industry. ARIA wants to see Music Australia set ambitious targets with hard KPIs for Australian music such as increasing Australian music representation on the ARIA Singles and Albums charts from 10% to 25% in 5 years or growing streaming of domestic music by 10% over five years. WE want to see Music Australia establish data driven baselines quickly to establish where we are and determine how to get to where we want to be and should be. This will be hard, but not impossible with the right strategy and the right governance and execution framework.

### **The Centre**

We support the establishment of a Centre for Arts and Entertainment Workplaces (the Centre) to raise and maintain safety standards across the sector for all art forms. The Report identifies issues that are “not unique to the contemporary music industry, even if there are some driving contextual factors specific to music” and therefore the expansion to a broader sector is entirely appropriate.

**ARIA supports the establishment of a Centre for Arts and Entertainment Workplaces to raise and maintain safety standards across the sector for all art forms.**

ARIA appreciates the focus and recognition on the important work of the Report in the Policy, and the participants from all sides of the music industry who contributed. We want to ensure that the music community continues to play a key role in shaping the future of the work carried out at the Centre. Therefore, we recommend that connections to Music Australia be included within the governance of the Centre to ensure the work of the Report is continued.

**ARIA recommends a connection to Music Australia be embedded into the governance of the Centre to ensure the continuation of the work of Raising their Voices**

ARIA welcomes the dedicated funding for the Centre in the Policy however we recommend additional funding be allocated to ensure the high rates of harm in this sector are adequately addressed, and the momentum



from the review is best utilized. Additional funding through the State and Territories should be considered given the nuances in workplace safety legislation across different regions.

**ARIA recommends increased and ongoing funding for the Centre be sought including from State and Territories.**

### **First Nations-led Board**

ARIA supports the establishment of a First Nations-led Board to invest in, create and produce First Nations works of scale. During a year where the Australian people will vote on an Aboriginal voice to parliament, it is critical this board is established as soon as possible to ensure First Nations artists, First Nations creative industry workers and First Nations creative businesses have a self-determined voice within the creative community. Aligned with the interests of Music Australia, the First Nations-led board should also include representatives with strong commercial experience.

**We support the establishment of a First Nations-led Board and urge this to be established as quickly as possible, and to include commercial creative industry First Nations representatives.**

### **Copyright and IP Settings**

The Policy should go further on an Intellectual Property Framework that protects artists and investment and does not artificially limit royalties for commercial use of sound recordings. Copyright provides the fundamental framework on which the music industry is based and underpins every commercial transaction. To promote investment and ensure that creators can build sustainable and ongoing careers, it is essential that the legislative environment provides strong and consistent protection for intellectual property and provides equitable treatment for content creators. A cultural policy that fails to recognise the importance of the intellectual property framework cannot effectively support creators and those who invest in them.

At present there are several longstanding anomalies which inequitably treat creators of sound recordings and those who invest in them, including statutory caps on radio license fees and exceptions that apply only to sound recordings (e.g., s106). The most egregious is the legislative caps on the license fees which may be charged to radio broadcasters for their use of sound recordings. The caps have been in place **since 1968** and are an international anomaly, grossly undervaluing the sound recording rights used by Australian radio broadcasters, and effectively forcing Australian recordings artists and record labels to subsidize the radio sector.

We have long campaigned for the removal of these caps, which do not apply to any other form of copyright (including musical works) and interfere with a market-based determination of appropriate rates. Successive independent reviews have all recommended repeal of the caps<sup>4</sup>, but to date no action has been taken.

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<sup>4</sup> *Review of the Australian Copyright Collecting Societies: A report to the Minister for Communications and the Arts and the Minister for Justice, Department of Communications and the Arts, July 1995 (the **Simpson Review**); Review of intellectual property legislation under the Competition Principles Agreement: Final report to the Minister for Industry, Science and Resources and Attorney-General, IP Australia, September 2000 (the **Ergas Review**); Australian Law Reform Commission, *Copyright and the Digital Economy: Final Report*, November 2013 (the **ALRC Review**); and*



Repealing these caps, and allowing sound recording rights owners to properly negotiate market rates for the use of their intellectual property, would assist all Australian recording artists at **absolutely no cost to Government**.

**The Policy should go further on Copyright and Intellectual Property Frameworks.**

**END OF SUBMISSION**

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*Inquiry into the Australian Music Industry, House of Representatives Standing Committee on Communications and the Arts, March 2019 (the **House of Representatives Review**)*