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ARIA brief response to the Digital Platform Services Inquiry – March 2023 Report on Social Media Services Issues Paper

The Australian Recording Industry Association Limited (**ARIA**) thanks the Australian Competition and Consumer Commission (**ACCC**) for the opportunity to comment on this Issues Paper.

ARIA is the peak trade body for the recorded music industry in Australia. ARIA is a not for profit, national industry association that proactively represents the interests of its members. ARIA has more than 100 members ranging from small “boutique” record labels typically run by 1-5 people, to medium sized businesses 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 and supporting Australian music, and creating opportunities to help it be heard. Amongst its many functions, ARIA also administers a reproduction licensing function on behalf of its participating members, for various copyright uses, ensuring owners and creators of music are paid for the use of their sound recordings. The role of ARIA is not to monitor, supervise or intervene in the pricing or other commercial decisions of its members.

Noting the broad scope and complex issues created by social media and the questions posed in the Issues Paper, ARIA’s response is high level at this stage. Other industries and organisations will be better placed to provide responses on issues such as advertising, competition, scams and misleading or deceptive content. Notwithstanding this, ARIA would appreciate being kept informed and provided with the opportunity to be involved in any further ACCC consultations and inquiries regarding social media and digital platforms, particularly in relation to any digital platforms which allow the streaming of recorded music.

In Australia, consumers have now fully embraced streaming as the primary source of music consumption. In 2021, recorded music generated wholesale sales revenue of over \$560 million, up 4.4% from \$542 million in 2020 and up 20.7% from \$468.7 million in 2017. Streaming accounted for 86% of recorded music revenue in Australia in 2021. This is a remarkable statistic given that some of these services only entered the market less than a decade ago. Social media is a key component for the promotion of music and at the same time, music is critical for social media platforms to drive audience engagement. Social media platforms and music streaming services are inextricably linked, with many platforms allowing integrations with other services to enrich consumer experiences. Social media has launched the careers of countless artists and the phenomena of ‘viral videos’ and trends gives new life to songs both classic and contemporary (highlighted by the resurgence in the ARIA Charts of artists like Kate Bush, Fleetwood Mac and Bag Raiders).

To ensure continued industry growth and consumer satisfaction, ARIA supports policies and regulation that create a healthy, open and fair market between all digital platforms that allow the legitimate streaming of recorded music, including any social media platforms that intend to diversify their offerings to include music streaming services. As social media services grow, and their offerings diversify, such policies should always be considered in the context of fair and balanced copyright protections which are integral to the recorded music industry. Copyright provides the means by which artists and labels can protect, share and get paid for their creative work and provides the framework upon which long term investment in the recorded music industry and artists’ careers can be made.

Should you have any questions or require any further information please do not hesitate to get in contact.