

this submission is to be included (reference: mead_sub-1989).

as observed in the united states, performance rights organizations like ascap and bmi operate under non-exclusive licensing agreements mandated by the department of justice, ensuring artists retain the freedom to negotiate directly with venues or other parties. these consent decrees, first introduced in 1941, have allowed for a decentralized system where live music thrives without reliance on government subsidies. more information on this can be found at [justice.gov/atr/antitrust-consent-decree-review-ascap-and-bmi-2019](https://www.justice.gov/atr/antitrust-consent-decree-review-ascap-and-bmi-2019).

all-original venues in the u.s., such as the bitter end in new york city and the troubadour in los angeles, showcase how independent artists collaborate with local communities to sustain live music. these venues do not rely on government grants but are supported by a robust ecosystem of original music, driven by market demand rather than centralized control.

in contrast, australia's music industry operates within a centralized framework heavily reliant on government subsidies and apra amcos's blanket licensing system. venues are required to pay high fees to apra, regardless of whether they host original or cover performances. this creates significant financial and administrative barriers for venues, making it more difficult to support all-original acts. detailed information on this system can be reviewed at apraamcos.com.au/music-creators/member-resources/guides/performance-reports.

artists in australia are often dependent on government grants, such as those provided by the live music australia program (arts.gov.au/what-we-do/performing-arts/contemporary-music), to sustain their careers. while these initiatives provide financial support, they inadvertently foster dependency and limit the organic growth of independent artistry. triple j, a government-funded radio station, dominates the independent music scene, further centralizing control over australia's creative output.

another issue with apra's system is its self-reporting mechanism for live performance royalties. many artists exploit this by falsely claiming royalties for original works when performing covers, an unethical practice that undermines trust and fairness. this passive misrepresentation discourages venues from hosting truly original acts and dilutes the value of independent creativity.

the accc, tasked with overseeing apra's monopoly, is limited in its ability to address these systemic issues due to its position within the broader government framework. conflicts of interest prevent the accc from effectively challenging apra's centralized control, which benefits other state-supported initiatives.

to ensure apra's operations align with public interest, parliamentary oversight is essential. this includes requiring periodic reviews of apra's monopoly, inviting public submissions, and introducing measures to reduce artists' reliance on government funding. such reforms could

move australia toward a decentralized, sustainable music economy that mirrors the u.s. model, empowering both artists and venues.

chapter 1: apra and the limits on creativity

as lawrence lessig highlights: “when creativity is on the edge, the real innovation comes from the places where there is less control.” the current model of the australasian performing right association (apra) runs counter to this principle, operating under the guise of a non-profit organization while effectively functioning like a corporation, centralizing control and limiting opportunities for smaller creators.

apra's primary objective is to maximize royalties for its largest stakeholders—primarily large publishers and major artists. this drive for maximizing returns mirrors the operations of insurance companies, where venues and businesses pay royalties like premiums to legally provide music to the public. however, most of these royalties flow disproportionately to major corporate entities rather than smaller, independent artists. given that apra's revenue per capita is only aud \$19.23, its status as a non-profit organization is misleading, as it functions primarily to serve corporate interests, rather than fostering a fair, decentralized creative marketplace.

creative.gov.au/wp-content/uploads/2021/07/born-global-australia-council-5d26e500f0c8c.pdf

the corporate reality and the nrma example

given apra's corporate drive, there is a strong argument that it should be restructured as a for-profit corporation, in a similar manner to how the nrma transitioned from a non-profit to a privatized entity. the nrma issued shares to its members as it transformed, allowing participants to own a portion of the organization based on their contributions. a similar model would allow apra members—artists and smaller creators—to own stakes in the organization and profit equitably from its revenue generation. this restructuring would align with apra's true operational behavior and ensure fairer distribution of royalties.

if apra does not reform, it will block the formation of new unions or rights organizations based on ethical principles and self-publishing, which are becoming increasingly important in the modern, decentralized creative economy.

as lawrence lessig further points out, publishers have largely abandoned the search for new artists: “the publishers aren't seeking out talent in the way they once did; they are simply benefiting from the existing catalogues, relying on historical content rather than investing in new voices.” this shift means that organizations like apra are failing to serve smaller artists, and as a result, fewer opportunities exist for independent creators to break through. the current model, which centralizes control, limits the potential for smaller artists to innovate and compete globally.

digitalmusicnews.com/2024/03/26/recorded-music-industry-revenue-2023-riaa/

a call for ethical restructuring

ultimately, if apra is to continue as a non-profit, it must introduce government oversight to ensure it aligns with the public interest and the broader australian music ecosystem. without

reform, apra's corporate model will perpetuate a cycle that favors large publishers over the emerging creators it purports to support. privatization, or at least introducing market-based solutions, is essential to creating a more decentralized and fair music industry in australia, where independent artists can thrive without being stifled by corporate control.
abcfriends.net.au/how_the_abc_spends_its_money_and_why_it_matters

chapter 2: looking at the data

when examining the landscape of the global music industry, it's impossible to ignore the centralization that has occurred due to mergers between major publishing houses, such as emi and sony music publishers. these mergers have consolidated market power and created an environment where u.s. independent artists are thriving through self-publishing, while artists in other countries—such as australia, canada, and many emerging economies—are facing additional constraints.

data: apra's revenue and distribution

apra (australasian performing right association) collects approximately aud \$19.23 per capita, resulting in an estimated aud \$476 million annually. despite this, only a small percentage of these funds reach smaller, independent creators. according to apra's reports, 90% of royalties are typically paid to just 10% of its members, suggesting that the system disproportionately benefits major corporations and top-performing artists.
creative.gov.au/wp-content/uploads/2021/07/born-global-australia-council-5d26e500f0c8c.pdf

in comparison, bmi and ascap in the u.s. operate under a non-exclusive input agreement model, which allows artists to have more control over their rights. this more decentralized model results in a more equitable distribution of royalties. bmi, for instance, generated usd \$1.4 billion in revenue in 2023, with a significant portion reaching smaller creators compared to apra's distribution model.

soundreef.com/en/blog/how-music-royalties-and-performing-rights-organizations-work/

disparities in music exports

looking at music export data reveals further disparities. in 2023, the u.s. music industry generated usd \$17.1 billion, with a large portion coming from global music sales. meanwhile, australia's music export revenue amounted to only aud \$195 million, or approximately aud \$7.50 per capita. this stark contrast highlights the challenges faced by australian artists in accessing international markets, especially compared to their u.s. counterparts.

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the role of sag-aftra and u.s. content dominance on australian artists

the screen actors guild-american federation of television and radio artists (sag-aftra) primarily represents u.s.-based performers, including vocalists and musicians, in union-regulated productions. through global rule one, sag-aftra requires its members to work exclusively under union contracts worldwide, which effectively prioritizes u.s.-based talent for

roles in hollywood and other union-affiliated productions.
sagaftra.org/contracts-industry-resources/global-rule-one

for australian artists, particularly those represented by apra, access to these lucrative u.s.-based content markets is challenging. unlike ascap or bmi's non-exclusive systems in the u.s., which empower artists to negotiate direct licenses and pursue international opportunities independently, apra's centralized licensing model restricts australian artists' ability to access these projects. as a result, australian talent often misses out on participating in u.s.-based productions that are sag-aftra affiliated, including music roles in film, television, and streaming content.

the dominance of u.s. content in australia further underscores this challenge. in 2023, u.s. films made up 86% of australia's box office revenue, and american streaming platforms like netflix have a significant presence in australian households, with approximately 65% penetration. screenaustralia.gov.au/fact-finders/cinema/industry-trends/films-screened
statista.com/topics/5038/video-streaming-industry-in-australia/

the abc's role and the centralization of australian culture

the abc (australian broadcasting corporation) plays an essential role in australian culture, providing news, entertainment, and educational content. with an annual budget of approximately aud \$1 billion, the abc costs each australian roughly aud \$40 per capita. despite being a critical public broadcaster, it has experienced funding cuts, leading to a 40% reduction in its workforce since 1989. the rising costs of producing content—30% for general content and 90% for children's tv—have placed further financial pressure on the organization. percapita.org.au/wp-content/uploads/2020/10/its-our-abc.pdf

both the abc and apra operate within centralized structures, limiting opportunities for decentralized, grassroots innovation. just as the abc focuses on nationalized programming, often influenced by government priorities, apra's structure favors the elite artists and corporations that contribute the most revenue. this further centralization of resources and influence results in a musical oligarchy, where capital accumulates in the hands of a few, while smaller, independent voices struggle to gain visibility.

conclusion: data as a call for change

the data clearly shows that apra's current model is failing smaller, independent artists while serving the interests of large corporations. to level the playing field, apra should consider a restructuring similar to what occurred with nrma, which shifted from a non-profit to a privatized, for-profit organization that issued shares to its members. alternatively, if apra continues as a non-profit, it must be subjected to government oversight to ensure it serves the public interest.

without these changes, apra's centralized system will continue to prevent global collaboration, stifle innovation, and leave smaller australian artists at a disadvantage in the global music marketplace.

chapter 3: apra, ai, and the burden of centralization

as artificial intelligence (ai) makes it easier than ever to create music, soundscapes, and other content, Australian artists face an increasingly centralized and bureaucratic system for managing their work. In Australia, the government is heavily tied into the existing framework, supporting organizations like APRA AMCOS and the Australian Copyright Council (ACC) to oversee music licensing and copyright education. While these institutions provide valuable services, they also add layers of red tape and bureaucracy that can make it harder for Australian artists to operate in a rapidly changing creative landscape.

The Australian government's endorsement of APRA as a gatekeeper has led to the establishment of departments and educational processes that focus on navigating APRA's licensing model. Institutions like the ACC, backed by federal and state governments, invest significant resources in educating artists, schools, and businesses on the APRA framework. However, this setup reinforces a one-size-fits-all licensing approach, meaning that artists are trained to engage with copyright through APRA's centralized, blanket-licensed system. This is a contrast to the United States, where organizations like ASCAP and BMI allow for more decentralized options, including direct licensing, that give artists greater control and flexibility in setting their prices and managing their rights.

The centralized model has real consequences for Australian creators, especially as the creation of AI-generated content grows. Because APRA AMCOS controls licensing rates and acts as a middleman, Australian artists are unable to set their own terms or negotiate directly with potential business partners. Instead, APRA's system standardizes pricing across the board. This means that an emerging Australian artist's work could cost the same to license as a globally recognized song by an artist like Bob Dylan. In such a setup, an unknown artist has little chance of competing with an established star's catalog, as businesses and media outlets are more likely to choose content with proven popularity over new, lesser-known work.

Furthermore, this centralized system limits competition. In a decentralized framework, where artists could set their own prices, they might have the flexibility to offer lower rates, attract new audiences, or negotiate terms that align with their long-term goals. By contrast, APRA's blanket licensing structure reduces incentives for collaboration, experimentation, and competition, creating a marketplace where well-known content dominates and newer voices struggle to break through.

As the government continues to fund educational initiatives that focus on APRA's licensing model, it reinforces a top-down structure that adds complexity and hurdles for independent creators. While APRA's system may have been designed to protect artists' rights, in practice, it can limit opportunities for innovation and discourage alternative business models that could better serve Australian creators in a globalized, digital-first market.

With the rise of AI, these issues are likely to become more pronounced. AI-generated content is expected to saturate the media landscape, offering businesses a new source of low-cost material that doesn't carry traditional copyright restrictions. While this may reduce some demand for licensed human-created content, Australia's centralized model may make it even more difficult for local artists to stand out in a crowded digital world. Without flexibility,

australian artists risk being sidelined in a system that favors large corporations, high-profile content, and bureaucratic oversight.

ultimately, australia's centralized approach to copyright and licensing creates a challenging environment for independent artists, who are limited in their ability to control their pricing and reach new markets. to foster a creative economy that supports innovation and diverse voices, australia may need to consider a model that balances protection with flexibility, allowing artists to compete and collaborate on their own terms rather than within the constraints of a gatekeeper-driven system.

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