



AUSTRALIAN RECORDING
INDUSTRY ASSOCIATION

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Partnerships essential to address illegal file-sharing

SYDNEY – The Australian Recording Industry Association (**ARIA**) today used the commencement of the appeal in the Roadshow Films & Others v. iiNet case to reiterate the need for a Code of Conduct between content creators and Internet Services Providers (**ISPs**).

The Code is needed to clarify the roles and responsibilities of ISPs and content producers in addressing illegal file-sharing on the ISPs networks as part of a comprehensive partnership between these sectors. ARIA strongly supports the need to clarify the law in this area as a key element of that overall solution, noting that commercial models alone will not be sufficient to persuade users to abandon the illegal services.

Stephen Peach, CEO of ARIA stated “The Australian recorded music sector looks forward to continued partnerships with ISPs, both to offer Australian consumers more ways of accessing legitimate music online and to encourage consumer uptake of such innovative models in a way that fairly compensates artists and labels. This must also include measures to address persistent illegal file-sharers that refuse to respect the rights of the creators despite being given ample opportunity to do so.

We certainly hope that the appeal in the iiNet case will confirm that ISPs have an obligation to act in respect of illegal activity on their networks which is brought to their attention. However, clarifying that liability position is merely the first step in developing workable partnerships which will be for the benefit of ISPs, creators and consumers alike.”

As the digital economy continues to grow as a key driver of national productivity and employment, Australia’s recording industry is actively supporting new innovative businesses that offer consumers easy access to great value legal digital music services. Recent examples include Bandit.fm, AAPT’s ‘Music to Your Ears’, Nokia’s ‘Comes With Music’ and Guvera.com, while popular longer standing services include the iTunes music store and Telstra’s BigPond music service.

Given these and many other developments, no credibility can be given to the proposition that consumers do not have access to compelling legal online and mobile services.

The rollout of the Australian Government’s National Broadband Network – which aims to bring fast broadband access to over 90 per cent of Australian homes and businesses – means that the local recorded music industry is poised to play an even greater role in national productivity. The industry wants to continue to break ground in innovating, experimenting and engaging with music fans in new ways online.

Unfortunately, significant threats to innovation, investment and new online business models continue to exist. Close to 30 per cent of Australian internet users recently admitted to using file-sharing services like BitTorrent to access content, including music illegally.¹ One third of these confirmed their use of such services had decreased the amount of music that they had bought and that their main driver was that the music was “free”. The continued unsanctioned availability of illegal alternatives is clearly going to continue to hinder the development of legitimate alternatives.

Around the world, ISPs are partnering with the music industry to promote and provide music as a logical added value service to their customers and to reduce customer churn. As ISPs increasingly become key distribution partners for music creators, it will be in their clear interests to encourage their subscribers to support artists and songwriters through the use of legitimate online services. However, new business models alone are clearly not enough. Where “free” illegal music is available without effective sanctions, innovative digital distribution models for music can never reach their full potential. It is imperative that the music industry and ISPs work together to implement appropriate measures to sanction persistent and repeat illegal file-sharers on ISP networks.

Governments in the United Kingdom, France, New Zealand, South Korea and Taiwan have adopted or are in the process of implementing a range of graduated response measures to encourage consumers to access legitimate content and to grow the digital economy.

About ARIA

ARIA is a national industry association representing major and independent record producers, manufacturers and distributors. It acts as an advocate for the Australian music industry, administers the labeling code of practice, provides a ‘blanket’ non-exclusive licensing function for copyright users and compiles industry information and research. For more information: <http://www.aria.com.au>

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¹ The ARC Centre for Excellence for Creative Industries in its paper entitled CCI Digital Futures 2010: The Internet and Australia, 17 May 2010 available at <http://www.cci.edu.au/publications/digital-futures-2010>.