

AI AND MUSIC

MARKET DEVELOPMENT OF AI IN THE MUSIC SECTOR
AND IMPACT ON MUSIC CREATORS IN AUSTRALIA AND NEW ZEALAND
AUGUST 2024

PHOTO: YANA AMUR

A REPORT COMMISSIONED BY



**APRA
AMCOS**

CONDUCTED BY

GOLDMEDIA

ABOUT THE STUDY

On behalf of APRA AMCOS, Goldmedia conducted a comprehensive study between May and July 2024 on the integration of Artificial Intelligence (AI) within the Australian and New Zealand music sector.

STUDY METHODOLOGY

Goldmedia conducted an extensive secondary data analysis on the opportunities and challenges presented by AI in the music sector. This analysis covered AI's influence on the creative process, economic implications, and legal and political developments.

At the core of the study was an online survey of APRA AMCOS members conducted between 31 May and 20 June 2024. A total of 4,274 songwriters, composers, and publishers participated in the survey.

Two additional surveys were conducted to explore the impact of AI on Aboriginal and Torres Strait Islander musicians (38 participants) as well as Māori musicians (53 participants).

In addition, the study included eight expert interviews with artists, academics, AI software providers, and other stakeholders in the music sector. These interviews were conducted either in writing or through live video calls.

STUDY FOCUS

The main focus of this study is on the impact and implications of generative AI (Gen AI) in the music sector.

However, the range of applications of AI in music is broad, and the creation of complete pieces of music is only the tip of the possible fields of application. Thus, the study also looks at applications that relate to the editing and post-processing of music, as well as the supporting aspects of AI such as marketing, promotion, and distribution.

Furthermore, many questions and topics in this study not only include the creation of music in the narrower sense but also creative processes in general.

ABOUT APRA AMCOS

APRA AMCOS is a music rights management organisation representing over 119,000 songwriters, composers, and music publishers in Australia and New Zealand. It licenses music for public performance, communication and reproduction, ensuring compensation for creators and supporting the music industry's growth.

AI AND MUSIC: MARKET DEVELOPMENT

Artificial intelligence is gaining significant momentum in the Australian and New Zealand markets. In Australia, a remarkable 68% of companies have already implemented AI technologies¹; in New Zealand, the figure is around 50%². About AU\$7.0bn has been invested in AI technologies in both countries: about AU\$6.4bn in Australia and AU\$600m in New Zealand.³

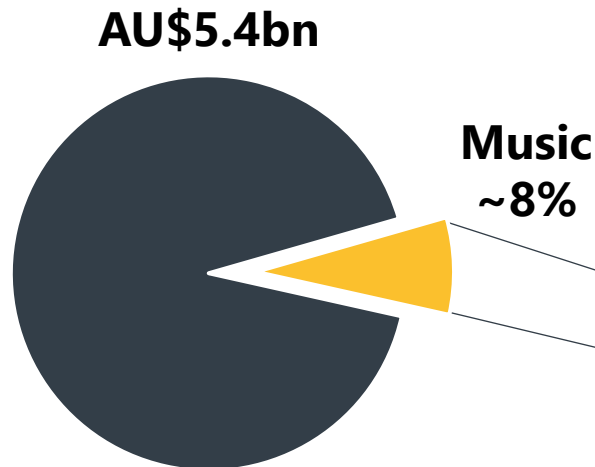
The music sector has also been strongly impacted, with significant investments in AI applications spanning music creation, support activities, and distribution.

In 2023, the total global market for generative AI was estimated at AU\$5.4bn in revenue.⁴ Of this, music applications accounted for AU\$430m which corresponds to 8% of the total market.⁵

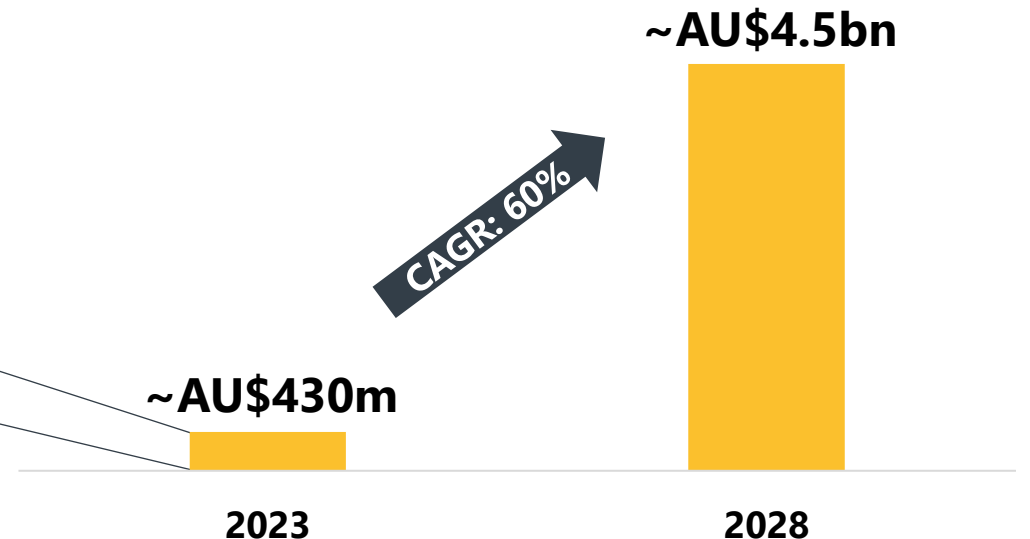
The music AI market is expected to grow more than tenfold by 2028, with a compound annual growth rate (CAGR) of around 60%⁶, to over AU\$4.5bn.

This means that in only a few years the market will reach a size that corresponds to 28% of the global music copyright collections in 2022.⁷

GLOBAL GENERATIVE AI MARKET VOLUME AND SHARE OF GENERATIVE AI IN MUSIC, 2023, IN AU\$



FORECAST: GLOBAL MARKET VOLUME OF GENERATIVE AI IN MUSIC, 2023 AND 2028, IN AU\$



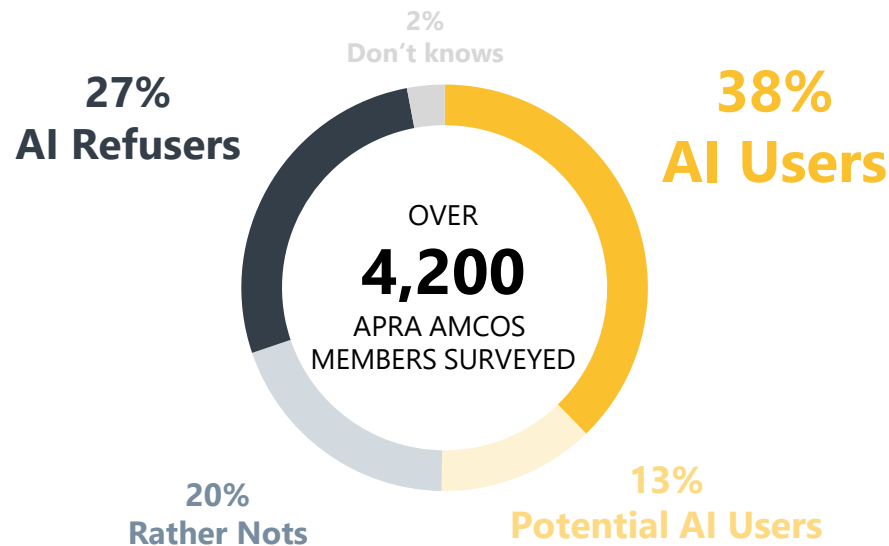
USE AND ASSESSMENT OF AI IN MUSIC BY MUSIC CREATORS IN AUSTRALIA AND NEW ZEALAND

Music creators in Australia and New Zealand are early adopters, with many surveyed in this study already using AI in their work.

38% of the over 4,200 APRA AMCOS members surveyed for this study **have used AI in their work with music and creation in general.**

45% This figure is even higher for those aged between 45 and 54.

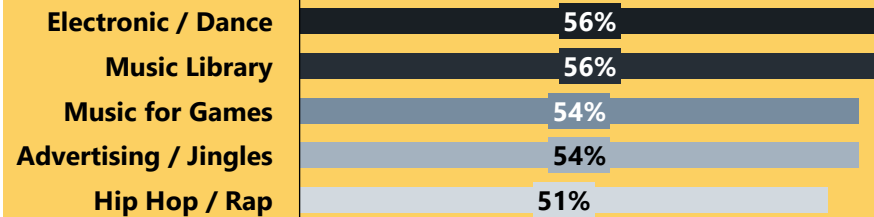
AI USE AMONG APRA AMCOS MEMBERS, 2024



54% agree **AI can support the human creative process.**

AI is most used by music creators in Australia and New Zealand in these specific categories:

TOP 5 CATEGORIES, 2024



69% believe that AI will most likely be adopted in **the creation of promo content and the creative process**, as well as recording, editing, mixing and mastering (63%), and marketing (59%).

33% already use AI technologies in their work with music and creation in general on a regular basis. **5%** even use AI always or almost always.

49% agree that **AI can and will open up new forms of creativity.** 17% of those fully agree with this statement.

AI-GENERATED GAP OF UP TO 23% FOR AU/NZ MUSIC CREATORS' REVENUES WHILE THERE IS NO REMUNERATION FOR HUMAN-MADE INPUT TO DATE

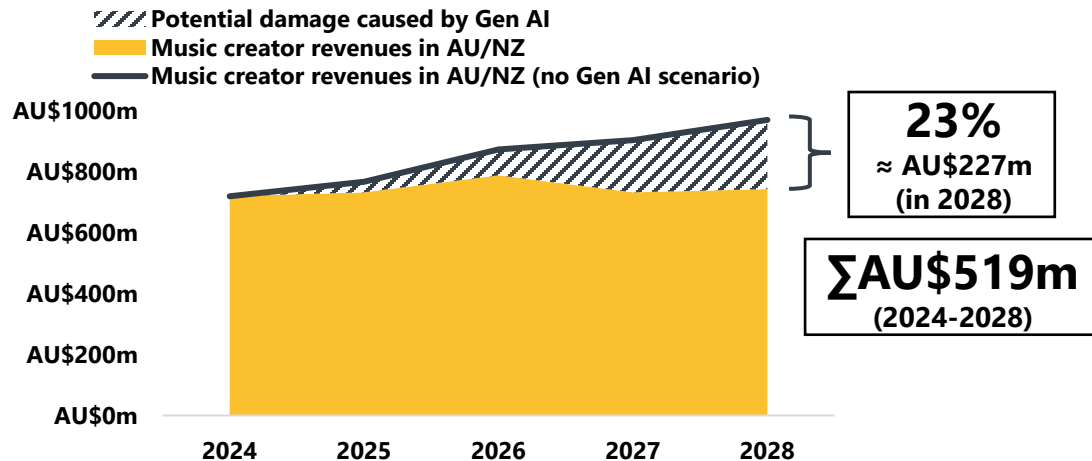
Traditional revenue streams are under severe pressure from Gen AI for many music creators. **It can be assumed that by 2028, 23% of music creators' revenues will be at risk due to Gen AI. This corresponds to an estimated potential damage of AU\$227m in 2028 alone and a cumulative total damage for the period 2024-2028 of around AU\$519m.** Increasingly predatory competition is to be expected for creators, especially in areas where AI is particularly likely to replace existing human-made music.

82% of music creators in Australia and New Zealand in the survey are concerned that the use of AI in music could lead to music creators no longer being able to make a living from their work.¹

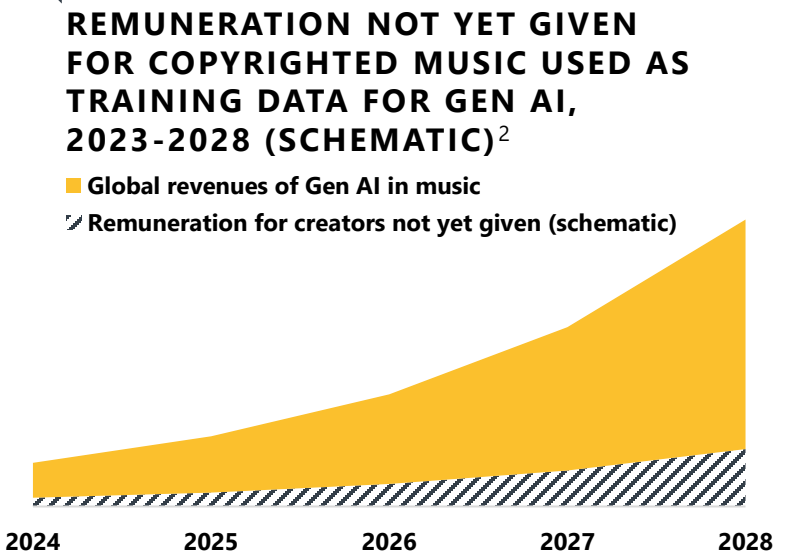
Despite the fact that copyrighted music is used as training data for Gen AI models and therefore forms the fundamental basis for the origin and development of the market, music creators do not participate in the immense growth prospects.

So far, there is no remuneration system that closes the AI-generated financial gap for music creators.

MUSIC CREATORS' REVENUES AT RISK DUE TO GEN AI, 2024-2028



REMUNERATION NOT YET GIVEN FOR COPYRIGHTED MUSIC USED AS TRAINING DATA FOR GEN AI, 2023-2028 (SCHEMATIC)²



LEGAL AND POLITICAL DEMANDS OF MUSIC CREATORS IN AUSTRALIA AND NEW ZEALAND

In Australia and New Zealand, there is ongoing debate about whether tech companies offering generative AI systems for commercial use can incorporate copyrighted material without permission, and the conditions under which any use of copyrighted inputs would be acceptable.

The attitude of APRA AMCOS members surveyed for this study in this context is clear:

The overwhelming majority of music creators demand credit, transparency, consent and fair remuneration when their work is used in any context of Gen AI in music. They stress the importance of clear rules and regulations for the use of copyrighted works.

ATTENTION

97%

demand that policymakers should pay more attention to the challenges related to AI and copyright.

CREDIT AND TRANSPARENCY

96%

demand that AI providers should be obliged to disclose when they use copyrighted works as training data.

93%

request that AI-generated music tracks and other types of works should be identified as such.

CONSENT

95%

assert that copyright holders must be asked for permission before their works are used as input for AI systems.

REMUNERATION

93%

call for copyright holders to be involved commercially when their works are used as input in AI training data sets (e.g., through a licence agreement).



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