THE PACK MUSIC CO-OPERATIVE LTD

Market and Cultural Impact

The case for a musician-owned streaming co-operative.

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We acknowledge the Traditional Custodians of the lands on which we live, learn and create, and offer our respect and friendship to Elders past, present and emerging. Sovereignty was never ceded. Always was, always will be, Aboriginal land.

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EXECUTIVE SUMMARY

The case for a co-operative.

The Pack Music Co-operative proposes a community-owned model for music streaming that addresses two entrenched structural failures in Australia's music ecosystem: the extreme concentration of streaming revenues away from independent creators, and the chronic failure of global discovery systems to surface Australian and local content. By combining user-centric payments, geographic localisation, and co-operative governance, The Pack establishes a commercially viable platform that directly aligns listener behaviour with public cultural policy objectives.

Drawing on national audience research, The Pack demonstrates that a focused Australian-only platform could attract between 1.5 and 5 million domestic subscribers, generating approximately $180–600 million in annual subscription revenue. Under the co-operative architecture, 70% of revenue flows directly to artists via user-centric payments, while 15% is reinvested into sector-wide development, including grants, touring, recording support, and local infrastructure. Even at the lowest adoption level, this represents recurring investment that significantly exceeds existing government music funding streams—and does so without requiring ongoing public expenditure.

Rather than replacing government intervention, The Pack is structured to complement it: providing both a durable revenue engine and a real-time evidence base to improve the efficiency, equity, and targeting of cultural investment.

$153M+	**70%**	**$150K**
MIN. ANNUAL ARTIST & SECTOR INVESTMENT	OF REVENUE TO ARTISTS, USER-CENTRIC	ONE-OFF PUBLIC INVESTMENT TO LAUNCH

Conservative scenario (30% of TAM, 1.5M subscribers). See §2 for full revenue modelling.

THE PROBLEM

1 Australian music is in decline

Australian recorded music revenue is at an all-time high. Australian artists' share of it is collapsing. Between 2021 and 2024, the share of streams going to Australian artists fell from 12% to 8%—a 30% drop—while the number of Australian acts among the top 10,000 most-streamed fell from 932 to 773 (Australia Institute, 2025; APRA AMCOS, 2025). Local content consumption on streaming services dropped 31% over the same period. On user-generated and short-form video platforms, the share of local content fell from 6.7% to 5.0% between 2023 and 2025.

The Australia Institute's 2025 report — written by music economist Will Page with a foreword by former Prime Minister Malcolm Turnbull — describes Australia as "the global poster child for market failure in recorded music." The cause is algorithmic: streaming recommendation systems treat language as a proxy for culture. Markets with distinct languages flourish; English-speaking markets compete against the entire United States catalogue with no buffer.

> *Streaming platforms have turned discovery into a global contest in which Australian artists singing in English are competing with the vast American catalogue. This digital 'one-way valve' that sends our listening offshore reflects a broader challenge of sovereignty in the digital age.*
>
> — Hon. Malcolm Turnbull, Foreword, Reversing the Decline of Australian Music (2025)

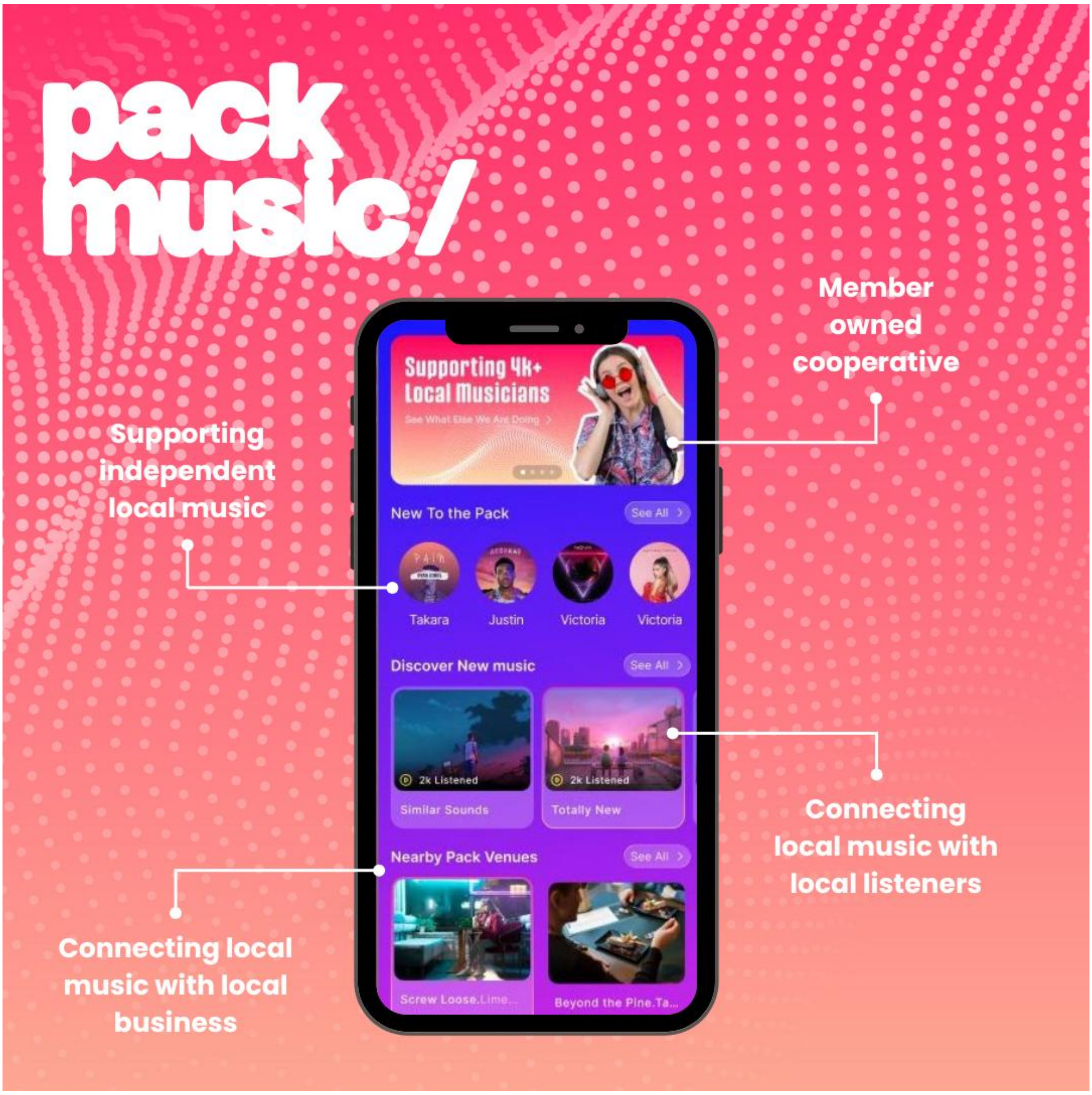
The market failure, in numbers

Metric	2021	2024	Change	Source
Australian share of top 10,000 streams	12%	8%	−33%	IFPI / Aus. Institute
Australian artists in top 10,000	932	773	−17%	IFPI / Aus. Institute
Local content on UGC platforms	6.7%*	5.0%*	−25%	APRA AMCOS
Australian recorded music revenue	$418M	$534M	+28%	ARIA / Aus. Institute
Income to Australian artists (USD)	$50.9M	$44.8M	−12%	IFPI / Aus. Institute

*Table 1. Five indicators of structural market failure. *2023→2025.*

NOTE *If the 12% Australian share of streams had held constant from 2021 onwards, an estimated additional USD $40 million would have flowed to Australian artists over three years (Australia Institute, 2025). This is the recurring opportunity cost of inaction.*

By comparison, in some comparable non-English-speaking markets the same algorithmic logic has produced the opposite outcome. In Denmark — population 5.5 million — 16 of the top 20 albums and 15 of the top 20 songs of 2024 were by Danish artists, performing in Danish (Australia Institute, 2025). Local language has proved to be a more effective protection than any cultural policy yet deployed in an Anglophone market. Australia cannot legislate a new language. It can build alternative infrastructure.



MARKET DEMAND

2 User potential and addressable market

Australia presents a uniquely favourable environment for a locally focused streaming platform. Approximately 73% of Australian adults — around 15 million people — use music streaming services weekly (ACMA, 2023). Within this cohort, Music Australia's Listening In research reports that around 42% of music-engaged Australians would be willing to pay for a streaming service dedicated to Australian music (Creative Australia, 2025a). Importantly, this willingness is strongest among First Nations Australians, young people, and regional audiences — groups that have historically been underserved by both commercial platforms and traditional funding mechanisms.

Although the survey tested interest in Australian music broadly rather than a platform limited to unsigned and independent artists, this distinction does not materially constrain the addressable market. Independent and unsigned artists constitute the overwhelming majority of Australian music creators, and the platform's discovery and payment design directly addresses the barriers identified in the research: algorithmic bias toward international content and limited visibility for local artists (Creative Australia, 2025b).

Using a conservative Total Addressable Market (TAM) of five million potential subscribers, The Pack's adoption scenarios (30%, 60%, and 100%) translate to between 1.5 and 5 million users, representing a significant share of Australia's approximately seven million paid music streaming accounts (ARIA, 2024).

Adoption scenarios

Scenario	TAM Capture	Subscribers	Annual Subscription Revenue
Low adoption	30%	1,500,000	**$179.82M**
Medium adoption	60%	3,000,000	**$359.64M**
High adoption	100%	5,000,000	**$599.40M**

Table 2. Subscriber adoption scenarios. Pricing: $9.99/month ($119.88 p.a.).

REVENUE MODEL

3 How the money moves

The Pack intends to operate a transparent revenue allocation model. Of every subscription dollar collected, 70% will flow directly to artists through user-centric payments, 15% funds platform operations, and 15% is reinvested into sector-wide development. There are no major-label intermediaries, no opaque pro-rata redistributions, and no extraction of surplus to overseas shareholders.

Allocation	Share	Low (1.5M)	Medium (3M)	High (5M)
Direct to artists (user-centric)	70%	**$125.87M**	**$251.75M**	**$419.58M**
Sector development reinvestment	15%	$26.97M	$53.95M	$89.91M
Platform operations	15%	$26.97M	$53.95M	$89.91M
Total to artists & sector	**85%**	**$152.84M**	**$305.70M**	**$509.49M**

Table 3. Annual revenue allocation across adoption scenarios (AUD).

COMPARATOR: SPOTIFY

200,000 streams = $1,000

Independent artists currently earn USD $0.003–$0.005 per stream on Spotify, and tracks must accumulate 1,000 streams in any 12-month period before earning any royalties at all. Industry estimates suggest independent artists collectively lost approximately USD $47 million to this threshold in 2024.

Sources: Spotify (2025); Royalty Exchange (2025); Matchfy (2025).

COMPARATOR

4 Public investment, in proportion

Current public investment in Australian music is fragmented and comparatively limited. Recent allocations include approximately $17 million annually through Music Australia, $18.5 million via Sound NSW over multiple years, and $2.75 million through Western Australia's Live Music Support Package (Australian Government, 2025; NSW Government, 2024–25; WA Government, 2025–26).

Even under the most conservative adoption scenario, The Pack would generate more than four times the combined annual investment delivered by these programs. At higher adoption levels, the multiplier increases substantially — while operating independently of recurrent public funding cycles.

Funding source	Annual investment	Notes
Music Australia (Federal)	$17.0M	Ongoing program funding
Sound NSW (NSW)	~$6.2M*	$18.5M / 3 years (state allocation)
WA Live Music Support Package	$2.75M	State allocation, 2025–26
Combined public investment	**~$26M**	Approximate annualised total
The Pack — Low adoption	**$152.84M**	*5.9× combined public investment*
The Pack — Medium adoption	**$305.70M**	*11.8× combined public investment*
The Pack — High adoption	**$509.49M**	*19.6× combined public investment*

*Table 4. Annual artist and sector investment, comparator. *Sound NSW figure annualised from multi-year allocation.*

PAYMENT ARCHITECTURE

5 User-centric payments and fair compensation

Global streaming platforms typically employ pro-rata payment systems that pool revenue and distribute it according to total platform play counts — a structure that disproportionately favours dominant international catalogues. The Pack replaces this model with a user-centric system, in which each subscriber's contribution is distributed solely among the artists they actually listen to.

	Pro-rata (industry standard)	User-centric (The Pack)
Revenue pooling	All subscriber fees pooled globally	Each subscriber's fee allocated only to their listening
Beneficiary skew	Dominant international catalogues	Artists a listener actively chooses
Threshold for payment	1,000+ streams in 12 months (Spotify, 2024+)	No minimum stream threshold, monthly payouts
Catalogue scope	Major-label & global content dominant	Unsigned & independent only (by region)
Royalty share to artists	~52–70% (varies by platform and region)	70%, contractually fixed

Table 5. Pro-rata vs user-centric payment models.

International trials of user-centric payment models suggest improved income distribution for independent and niche artists, particularly where competition with major-label catalogues is reduced. In The Pack's case, all revenue is allocated exclusively among Australian unsigned and independent artists, producing a materially different incentive structure from global platforms.

DISCOVERY

6 Localisation, data, and an active A&R ecosystem

The Pack's geofenced discovery architecture transforms streaming from passive consumption into a locally grounded cultural system. Real-time geographic listening data enables the identification of artists gaining momentum within specific regions, creating an evidence-based A&R pipeline that can be leveraged by venues, festivals, and public agencies.

For government and arms-length funding bodies, this data provides a powerful tool for targeted micro-grants, regional touring support, and place-based cultural investment — linking public funding to demonstrated community engagement rather than speculative metrics. It directly addresses the Australia Institute's recommendation that algorithms should recognise geography to ensure local audiences are exposed to local music.

COMMERCIAL EXTENSION

7 Business and venue integration

Australia's OneMusic licensing scheme covers approximately 100,000 businesses (APRA AMCOS, 2025). The Pack's business subscription model extends user-centric principles into public spaces while generating additional revenue of $6–30 million annually under conservative uptake scenarios. These revenues are distributed through the same transparent mechanisms, ensuring commercial use directly benefits local artists.

Uptake	Businesses	Annual fee (avg.)	Estimated revenue
Low (5%)	5,000	$1,200	**$6.0M**
Medium (15%)	15,000	$1,200	**$18.0M**
High (25%)	25,000	$1,200	**$30.0M**

Table 6. Indicative B2B uptake scenarios. Avg. fee modelled conservatively against existing OneMusic tariffs.

POLICY CONTEXT

8 Cultural sovereignty and platform governance

Listening In data highlights strong demand among First Nations Australians, young people, and regional communities — groups that report high pride in Australian music but significant barriers to discovery (Creative Australia, 2025a–c). This demand exists. It is not being met by the platforms currently intermediating it.

Simultaneously, global platform governance continues to diverge from local cultural priorities. Public reporting has noted that Spotify Founder and CEO Daniel Ek has invested heavily in AI-driven military technology ventures. While external to Spotify's core music operations, this activity underscores the growing distance between global platform ownership structures and the values underpinning Australian cultural policy.

The November 2025 passage of the Communications Legislation Amendment (Australian Content Requirement for Subscription Video On Demand Services) Bill — requiring streaming services with more than one million Australian subscribers to invest 10% of program expenditure or 7.5% of revenue in local content — establishes a clear federal precedent for intervention in streaming markets. APRA AMCOS has explicitly called for equivalent measures in streaming music. The Pack offers a complementary infrastructure response: not regulation of incumbents, but provision of an alternative architecture.

> "
>
> *Without genuine collaboration and action, we risk losing an entire generation of Australian artists to this one-way valve.*
>
> — Dean Ormston, CEO, APRA AMCOS (November 2025)

The Pack's co-operative governance model offers a locally accountable alternative, embedding democratic participation, transparency, and reinvestment into its operational DNA. Members — both artist-members and listener-members — hold direct governance rights. Surplus is reinvested by mandate, not at the discretion of an offshore board populated by vested interests.

EXPORT POTENTIAL

9 International expansion

While The Pack is designed first and foremost to address structural failures in Australia's domestic music economy, the co-operative model has clear relevance to international markets where local music visibility and artist sustainability are under increasing pressure from globalised streaming platforms.

Music Australia's Listening In research notes that international policy models — particularly in non-English-speaking markets — have been examined as mechanisms for protecting local repertoire and cultural visibility (Creative Australia, 2025b). The UK, Canada, and other Anglophone markets face the same algorithmic one-way valve identified in Australia but also lack a domestic alternative platform. These conditions provide fertile ground for the export of a locally governed, co-operative streaming architecture rather than the export of individual artists alone.

Market	Recorded music revenue	Local artist share	Notes
United Kingdom	≈ £2.0bn	≈ 9%	No global breakout since Dua Lipa (2017)
France	≈ €1.1bn	Strong	Quotas + non-English market = local dominance
Brazil	≈ USD $567M	Very strong	Portuguese-language buffer
Canada	≈ USD $400M	Declining	Talent drain to US-based labels
Denmark (comparator)	Smaller	≈ 80%*	16 of top 20 albums Danish (2024)

*Table 7. International market scale and local-share indicators. *Top-20 chart proxy. Sources: ERA, IFPI, SNEP, Pro-Música Brasil, Music Canada, Australia Institute (2025).*

In each of these territories, a locally governed co-operative platform capturing even a modest share of domestic streaming expenditure could redirect tens or hundreds of millions of dollars toward local artists and sector development. The Pack model is structurally adaptable: localisation rules, language emphasis, and governance can be configured market by market while retaining the same core technology, revenue logic, and co-operative principles.

International expansion would therefore position Australia not only as an exporter of music, but as an exporter of cultural infrastructure and policy-aligned technology. As global concern grows regarding artist remuneration, platform monopolisation, and the ethical orientation of multinational technology firms, The Pack offers a replicable alternative grounded in democratic ownership, transparency, and cultural reinvestment.

THE ASK

10 Strategic value for government

A one-time investment of approximately $150,000 would enable final development and launch, catalysing a platform capable of delivering hundreds of millions of dollars in annual cultural and economic value. The Pack reduces long-term funding dependence, improves grant targeting through data, and strengthens cultural sovereignty through domestic ownership of distribution infrastructure.

Scenario	One-off public investment	Annual artist & sector return	Return ratio
Low adoption	$150,000	**$152.84M**	**1,019×**
Medium adoption	$150,000	**$305.70M**	**2,038×**
High adoption	$150,000	**$509.49M**	**3,397×**

Table 8. Public investment to recurring annual return, by scenario.

NOTE *Return ratio represents annual recurring artist and sector investment relative to one-off public investment. The platform is designed to be operationally self-sustaining from launch, requiring no further public expenditure.*

CONCLUSION

Smaller, purpose-built systems.

The Pack Music Co-operative demonstrates that a nationally focused, co-operative streaming platform can operate at commercial scale while delivering outcomes aligned with public cultural objectives. By reallocating value toward creators, strengthening regional ecosystems, and reinvesting surplus revenue into industry development, the model offers a durable complement to existing policy frameworks.

In an era of platform consolidation, algorithmic homogenisation, and what Malcolm Turnbull has named the "one-way valve" of digital cultural sovereignty, The Pack illustrates how smaller, purpose-built systems can generate outsized economic and cultural impact — supporting cultural sovereignty, regional development, and long-term industry resilience. The market failure has been documented. The policy will is forming. The infrastructure exists, ready to be built.

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Australia's first musician-owned streaming co-operative. 70% to artists. User-centric. Locally curated. Democratically governed. In music, we trust.

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