

VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

16 April 2015

To: Committee Secretary
Senate Legal and Constitutional Affairs Committee
Parliament House
Canberra ACT 2600

By email: legcon.sen@aph.gov.au

Submission to Senate Legal and Constitutional Affairs Committee Inquiry into the *Copyright Amendment (Online Infringement) Bill 2015*

Village Roadshow Limited (“Village”) strongly supports the Government’s proposed legislation in relation to blocking pirate websites. Introduction of the legislation will assist the creators of entertainment to protect their rights and will produce a broad range of benefits.

AUSTRALIANS BENEFIT

In real-world terms, continued rampant online piracy means:

- The Australian film and television drama production industry would be shut down. Without copyright protection there is just no business model. Kim Williams said it very well in the attached address (attachment 1) that he made some little time ago.
- Australian families and kids whether it be in Frankston, Parramatta, Ararat or Launceston have the cinema as the social hub of their communities. If the product is stolen there will be no viability and not only will there be massive job losses but arguably the soul of communities will go dark.
- The home entertainment industry employs 2000 people and for example in a country like Spain where piracy hasn’t been addressed by government the entire sector has closed down with loss of all jobs.

Of course strong action against piracy means there is a benefit to the United States studios and to their feature film release program but this is secondary to the benefit to Australia and Australians.

Attachment 2 shows the 46,000 Australian jobs in jeopardy and the \$5.8 billion benefit to the Australian economy by the film and television industry.

PIRATE WEBSITES MAKE MILLIONS

Pirate websites are widely reported to be run by criminal gangs who make millions of dollars by selling advertising. Unlike free or pay TV they create no content and provide no entertainment. They are leeches living off stolen product. Additionally pirate sites are a sleazy neighbourhood which our children go to and

they are selling hard-core pornography and scams such as party pills and steroids. The University of Ballarat did an extraordinary study which amplifies and this is referred to in attachment 3.

SITE BLOCKING WORKS

Site blocking has been or will be implemented in 37 countries around the world, including 32 countries in Europe, and is working successfully. Attachment 4 illustrates.

THE COPYRIGHT NOTICE SCHEME CODE

The proposed legislation is one regulatory response to online piracy, aimed at restricting the supply of infringing copyright material. The other important regulatory response is the Copyright Notice Scheme Code which has recently been lodged with the Australian Communications and Media Authority (ACMA), aimed at reducing demand for pirated material.

The Code is designed to be educational, inspirational and positive. 71% of people in surveys acknowledged that piracy is theft and wrong. Overseas experience indicates that when it is pointed out to people that it is theft 79% cease on the first warning. The third warning and in turn copyright owners exercising their existing legal right to sue infringers is a deterrent and Village intends to use this only as a last resort.

Village considers that ISPs established a great business but, like a factory spilling effluent into a river, the unintended consequence of their business is piracy, with its damning effects on our people, our culture and the economy.

The ISPs in Australia gross \$4 billion, while the cinema box office totals \$1 billion. Ignore the scare tactics about the Code raising the cost of the ISP service as for the large ISPs, it is likely only a few extra low-level employees and minimum costs will be incurred in the scheme of things.

Village strongly believes that the website blocking legislation and the Code are both needed to help turn the tide of piracy, which is rapidly in danger of becoming mainstream and widely considered acceptable.

NOT JUST LEGISLATION

Critical to the success of solving piracy is that legislation is accompanied by:

- a) Legally available cheap product – Australian digital download is now cheaper than the UK and marginally ahead of the USA. Additionally services like Netflix, Stan, Presto and others have opened. Village accepts and understands that people want to get product at the same time as the rest of the world and at low prices. Village is using its influence to ensure that films are released into cinemas in Australia at the same time as the rest of the world.
- b) Hearts and Minds - The main thrust of the Code is to educate people and win over the hearts and minds. This will be accompanied by a series of TV, on-line, newspaper and cinema ads reinforcing that piracy is theft and wrong. Just like people no longer smoke in restaurants and we have “tidy towns” there is no doubt we can win hearts and minds.

SUGGESTED IMPROVEMENTS TO THE DRAFT LEGISLATION

Village supports and endorses the submission to the Committee made by the Australian Film and TV bodies. In particular, Village believes that the draft legislation can be improved in two key respects:

1. Moving and amending section 115A(1)(c), which currently refers to *“the primary purpose”* of websites. The primary purpose of most pirate websites is plain and simple – to make money out of advertising. The availability of illegal content is the carrot to allow that to happen; and Amending section 115A(5)(a) so that it reads *“a substantial purpose or effect of the online location is to infringe, or to facilitate the infringement of copyright (whether or not in Australia)”*.
2. Further guidance should be given in the legislation and the Explanatory Memorandum about the ability of the Court to weigh up the various factors, by amending section 115A(5) to read *“(5) In determining whether to grant the injunction, the Court is to take the following matters into account, giving such weight to each of them as it considers appropriate.”* The current drafting takes a very prescriptive approach, which is inconsistent with international provisions and unnecessarily restricts the Court.

The undersigned is a strong champion of Australian filmed entertainment (as well as international filmed entertainment) and will continue to fight to protect the rights of creators of great content for Australians to consume. This legislation is vital to that fight.

Yours sincerely

Graham W Burke
Co-Chairman and Co-Chief Executive Officer
Village Roadshow Limited



AUSTRALIAN INTERNATIONAL MOVIE CONVENTION

**21 AUGUST 2012
KEYNOTE ADDRESS**

BY KIM WILLIAMS

Check against delivery

Ladies and gentlemen, my subject today is copyright. It's a topic as potentially dry as a pub with no beer. Its mere mention makes you think of lawyers. And fees. And trademarks. And fine print. So let's put that all aside for a moment and talk about what copyright is *really* about. Let's cut right to the chase. Copyright is about enabling the production of great art and great commercial work – hopefully both. It's about nurturing the creative process. It's about supporting business cases and employment. About getting the noblest imaginings of the human mind and human emotions into a form that the whole world can see and share.

If you want to know why you should care about copyright, here's a little exercise you can all do.

Think about the ten greatest pieces of art that you couldn't live without.

It might be the ten best pieces of music you have ever heard—the ones that really lift your soul. Beethoven's Ninth perhaps.

Or the ten greatest books you have ever read—the ones that changed the way you view the world like a great piece of history by Barbara Tuchmann or a novel by Jonathan Franzen or Peter Carey.

Or the ten greatest television series you've ever seen—the ones that sparked your interests as a child or moved you to tears on the living room couch. *Roots* perhaps, or maybe *Brideshead Revisited*. What about *Cloudstreet* or *Bodyline*, *Underbelly*, or *Howzat! Kerry Packers War*?

Or the ten greatest movies you have ever seen—the most sublime, the most moving, the most hilarious.

Then try to imagine a world in which those ten great works of art were never created. Because that's what happens when there is no way for creators to enforce their rights.

When there is no way for great artists to make a living from their work, those artists become, well... let's choose the popular nemesis – lawyers.

And with due respect to all the law school graduates here today, thank God Anna Funder quit her job as a commercial litigant and wrote *Stasiland* and her Miles Franklin Award-winning novel, *All That I Am* instead.

At the risk of turning this speech into a Nick Hornby movie, in which the protagonist reels off lists of his favourite things, I thought I'd give this experiment a go myself. I thought I'd talk a little about my top ten films. Here they are, from one to ten.

1. *Amarcord*—Frederick Fellini—my all time favourite film. Intensely personal, loving of community and tinged with nostalgia and clarity about people and the cavalcade of human events that affect one's life rendered with a poignancy that is literally unforgettable.

2. *The Godfather*—Francis Ford Coppola—quite simply the modern American masterpiece that reinvented epic narrative drama with intense intimacy and grand spectacle whilst capturing a cultural resonance that was wholly original.

3. *The Rules of the Game*—Jean Renoir—for me a timeless humanist drama which captivates my memory still after 40 years.

4. *Close to Eden*—Nikita Mikhalkov—the power of the cinema to tell a unique affecting original story like no other medium.

5. *Gallipoli*—Peter Weir—history rendered exquisitely so that it lives for an audience with power and enduring meaning. It captures the horror of war with all the insight and poignancy of Wilfred Owen. And the stupidity of so many of the generals. And what a line-up of home-grown acting talent, too.

6. *Mad Max 2*—George Miller—the best modern post apocalypse heroic Greek style drama which is a true Australian masterpiece. George Miller is an Australian artistic genius, no doubt about it.

7. *An Angel at My Table*—Jane Campion—is for me one of the great story telling creations of the nineties. I shall love it forever.

8. *The Great Dictator*—Charlie Chaplin—the grandest and most cutting film of all about Hitler and yet it is silent and a brilliant mix of slapstick and satire. Art in the service of democracy, giving the world a reason to fight the Second World War.

9. *Jedda*—Charles Chauvel—my lifelong Australian cinematic hero who reflects all the best aspects of cheerful Aussie persistence, optimism and true one of a kind originality.

And...

10. *Ten Canoes*—by Rolf de Heer and Peter Djiggir—indigenous, inspired, funny, fascinating and wholly absorbing. Makes one proud to live here and be part of this country as do *Bran Nue Dae* and *The Sapphires*.

And by the way, if I can convince you of nothing else today, see *The Sapphires*. I guarantee you will thank me that you did.

I should say to you – as a slight digression from my theme – that for someone who loves movies it is terrific to lead News. For there is no media company in Australia that does

more for movies. That carries more reviews across print and digital. That covers more events. That illuminates our stars and your products better. That connects with millions and millions of Australians. And that is – if I may venture – the best way of getting people into your cinemas. The News team is here this week and would be happy to discuss with you ways that we can work together. But like I said, I digress.

Ladies and gentlemen, without those ten great films, without ten great songs or poems or paintings or novels, our lives would still be worth living, certainly, but they wouldn't be the same.

And without five of them, our *nation* wouldn't be the same. Imagine if we didn't have them. And imagine if we were denied them because their creators were starved out of their trade before they produced their masterpieces. Imagine, I'm saying, if we didn't have decent copyright laws.

Let's think for a moment about two of the greatest creative geniuses of all time, certainly two of the greatest in the English language: William Shakespeare and Charles Dickens. If Shakespeare and Dickens were alive today it's my bet they would either be Hollywood script writers or creating great television drama for HBO. They would be the dons in a profession that has recently boasted names like David Mamet, Sidney Lumet and Dalton Trumbo, as well as our own Andrew Bovell, John Collee and Baz Luhrmann.

Both Shakespeare and Dickens were prolific and famous in their own times. Both men were able to retire comparatively wealthy because they had a means of monetising their art. For Shakespeare it lay in being part of a theatre able to set up a gate and only let in those able to part with a few pennies for standing room or a bit more for a seat. For Dickens it was selling his stories to subscription-only magazines and selling tickets to his popular book readings. The leakage of money would certainly have been there. No doubt a few people jumped the fence at the Globe or borrowed their friends' magazines. Others perhaps listened to Dickens' readings through a hole in the wall. But they would not have faced the truly astounding levels of intellectual theft they would face today in the age of digital publishing and distribution.

Imagine if you will, a rival theatre setting itself up across the Thames from the Globe, charging one-fifth the door price to see a rendition of *Julius Caesar*, using a script they had transcribed from the official performance. Or imagine a free magazine that serialised *Oliver Twist*, re-typeset without permission from *Bentley's Miscellany* the day after the original's publication. There may have been no *Hamlet* and no *Great Expectations*. No literary legends; just a couple of under-appreciated writers starving in their London garrets, now the subjects of literature PhD dissertations, instead of hundreds upon hundreds of movie and television adaptations.

So imagine what we may be losing today. Imagine the great works that are not being produced because the digital bandits are creating virtual pirate Globe Theatres and virtual literary magazines and making off with possibly 65 percent of the profits.

If you think I'm exaggerating, think again, because the copyright bandits of the paper age of Shakespeare and Dickens had nothing on the copyright kleptomaniacs of the digital age.

And as a result, digital piracy is undermining the business case of cultural production to a greater extent than ever before.

The statistics about copyright theft over the Internet are mind-boggling.

The Intellectual Property Awareness Foundation's research report for 2012 tells us that more than 37 percent of Australians admit to having downloaded material illegally. Some 60 percent of persistent downloaders download illegally at least once per week. Usually TV programs and movies.

Some sources estimate that as much as 65 percent of all material consumed via bittorrent is downloaded illegally.¹

And these persistent downloaders are far less likely than others to purchase DVDs, download pay-per-view programming, buy content from iTunes or even go to the movies. That's money out of all our pockets. And culture taken from all our lives. And cultural development taken from our nation.

If you don't believe the scale of these figures, here's a little test. Go to one of the more 'hip' cafes in Melbourne's inner northern suburbs—you know, the sort of place where they make coffee in devices that look like the Pyrex beakers and test-tubes you used in chemistry classes when you were at school. And ask the young people there what they are currently watching on TV. You might hear responses like:

- 'Oh, last night's episode of *Mad Men*, of course.'
- Or, 'last night's episode of *Downton Abbey*.'
- Or, 'last night's episode of *Boardwalk Empire*.'

They're not talking about last night in Melbourne, or the latest series bought by Australian networks. They're talking about last night in New York or London. They're downloading it free from illegal websites within hours or minutes of it appearing on TV in the US or the UK. The more sophisticated thieves will have watched it live in US or UK time.

If you ask them what movies they've seen, there's a fair chance they haven't even been released here yet. How many people, I wonder, had already seen *Downton Abbey* or *Mad Men* or *Bored to Death* before they screened here? This illegal viewing is fast becoming the norm in certain circles. And there's a good chance those latest release movies haven't been seen at the cinema, but on iPads or on DVDs using a pirate copy one of their friends is handing around.

If you want to know how they manage this amazing feat, you don't have to go far to find out. I know you are all familiar with the dark horror of it. All you have to do is type words like "download free UK TV" into a search engine and someone will tell you, quite brazenly, how to break the law and steal other people's property and worse still advertising technologies will deliver up ads supporting this scumbag theft with real Australian ads for major finance, telco and other products in Australia! They

¹ AFACT Snapshot Australian Film and TV Industry State of Play – Envisional Technical Report "An Estimate of Infringing Use of the Internet" Jan 2011

entrepreneur revenues from real advertisers with their ill gotten material blithely indifferent to the economic havoc it occasions.

It's easy.

You join a pirate torrent site. There are thousands of them. Take your pick of latest release films.

If that doesn't take your fancy, you can get it direct from the source, on the UK and US television networks' own catch-up sites.

Of course, you will first have to figure out how to evade geographical IP scanning, which you do by enlisting third parties as proxies, by creating what's known as a tunnel, and by purchasing software that hides your IP address.

You may need other software to convert what you have downloaded into watchable formats, or a format which you burn to a disk or USB device to share with friends.

With the most sophisticated pirate software you can even illegally watch TV live, with the benefits of fast forwarding, rewinding and even skipping commercials.

All... supposedly... for...free...

But is it really free?

Of course not. As we all know, with the exceptions of friendship, sunshine and the air we breathe, nothing comes for free.

First of course there's download charges from your ISP.

Then, there's all the illegal downloading software you have to buy—and the fact that the only way to buy it is by giving your credit card details to someone called Ivan who lives in a quaint little village on the Russian steppe. Or to a criminal with a fake name living in New Zealand.

And the cost of the new hard drive you're going to need if the Russians crash your computer... and you lose all your family photographs and movies, including that footage of your youngest child's very first steps that you forgot to copy to disk.

Not to mention the cost of all your time watching the stuff downloaded... 1 percent.... 3 percent.... [slower] 5 percent.... And so on, and so on.... Only to find it's such poor quality it's unwatchable.

And all those sleepless nights, knowing you've done the wrong thing, realising you may have cost your uni friends potential jobs, and wondering if, one day, you're going to be prosecuted for it.

It's all so cool, isn't it, being part of the digital underground. Actually, there's nothing romantic about it at all. The perpetrators are digital suckers, not digital freedom fighters. But even though the costs are much greater than you think, the costs to society are far greater.

In reality, what these sorts of sites do is help you steal. Morally it's no different from telling you where the keys are to the local DVD store, what times the shop is left unattended, how to switch-off its and electronic alarm system. All with a catalogue of the current best-sellers all thrown in.

Stealing from shops has always been illegal, and so should stealing from HBO or Fox or Harper Collins or small Australian film makers.

Last year we saw outrage at ill-educated young rioters in London throwing bricks through shop windows to steal pairs of expensive new training shoes. Well, digital content, whether it be in the form of books, music, movies or TV programs, is a new hot consumer item, and illegally downloading it is the equivalent of smashing a window and taking it. But the scale of this theft makes the London riots of last year look like children stealing a lolly from a shop. Put simply theft is not cool – never has been never will be.

It may be hidden from view, ladies and gentlemen, but internet piracy has become the biggest heist since Ronnie Biggs took an interest in trains. One estimate, states that piracy of movies cost the Australian economy \$1.37 billion million last year². And that's just movies. In the music business 28% internet users globally regularly access unlicensed sites that contain copyrighted music according to the music industry³.

I think that's likely to be a big under-estimate.

It is getting worse and will get even worse still once everyone in Australia has access to super-speed broadband through the National Broadband Network—Some say internet traffic will quadruple between now and 2016.

So, the big question: What should be done?

In the most general terms all of us—content providers, media companies, ISPs and especially legislators—need to recognise that we live in a new era. We live and do business in the digital age, but our copyright laws continue to exist in the analogue era and the paper age. Our mind-set for dealing with this problem simply has to change. Digital property isn't just a quirky add-on to our economy any more—increasingly it is dominating our economy, and it's time we recognised its importance to our future prosperity. We have to protect it. Protecting it is not only fundamental to sustaining today's creative industries and everyone they employ, but it's fundamental to ensuring that we can build the bold digital companies of the future that politicians so often talk about.

And this change in our view—from an analogue to a digital mind-set—must be reflected in new copyright framework.

Today on behalf of large media companies like mine...

...on behalf of the movie companies for whom many of you work...

² Oxford Economics/IPSOS report "Economic Consequences of Movie Piracy"

³ IFPI Digital Music Report 2012

...on behalf of musicians, actors, writers, photographers, and production specialists who work long hours, often for modest salaries and with poor job security...

...all the way down to the gaffers and grips and lighting technicians...

... the people who work for the mobile canteens that serve out-door production shoots...

..and all the future entrepreneurs and creators in as yet unformed digital companies

...I am asking for a new set of copyright laws that protect our work from theft.

T-H-E-F-T.

'Theft.' Robbery. Stealing. Pilfering. Larceny. Shoplifting. And plain pinching.

And I'm asking for copyright laws that will also protect the singers of songs, writers of books and producers of games.

What the Australian production and distribution industry needs are renovated legal underpinnings that acknowledge the primary right of copyright owners to exploit their work in the certain knowledge that theft will be prevented and punished equally. Without that core commercial underpinning the outlook for our industry—the digital entertainment industry—is grim indeed.

Whilst there is endless talk about the NBN there is yet to be any formal acknowledgement that the legislative and enforcement frameworks are disastrously outmoded and defective to sustain any relevance in confronting a modern high speed digital delivery world.

Without immediate and wholesale makeover we are condemning our nation to relentless criminal rip-off and plunder of original IP on an unprecedented scale which will make the current 65 percent rate of consumption being of stolen material look like a pathetically modest nun's picnic.

If our creators are to stand strong and develop commercial destinies they deserve then the law must change.

Australia needs a louder conversation about this issue. And I believe that conversation should start with these two broad principles:

- (1) the need for responsibility for stopping piracy to lie where it should; and
- (2) the need for mitigations that actually dissuade people from stealing other people's intellectual property be it effective action by ISPs against inveterate illegal down loaders or laws that work in the digital age.

This is an issue for which few want to say 'I am responsible for my own behaviour.'

The main perpetrators, whilst usually acknowledging the illegality of what they do, want to put the blame elsewhere.

Some don't care, having no moral code at all, or kid themselves that they're modern-day Robin Hood heroes. Robbin, yes. Hoods, yes. Heroes, no!

Others say it's a victimless crime, although thanks to public education efforts, including the excellent work of IPAF, that mistaken view is turning around.

Seven out of ten illegal downloaders say they download illegally because there are few legal alternatives. I guess they mustn't have heard of catch-up TV, or iTunes, or Foxtel, or DVD rentals, or taking their girlfriend out to the movies.

Individuals must take responsibility for their own illegal behaviour—and greater education campaigns will assist that.

But Internet Service Providers must take responsibility too to tackle the problem of repeat offenders who use their networks.

IPAF consumer research has found 73 percent say they would stop if that notification came with a threat to slow down or halt downloading if their illegal downloading continued.

To my mind this constitutes a powerful and effective deterrent that Australia should now be contemplating. And it meets the second principle I mentioned just now—that any approach to digital copyright protection needs to capture *all* forms of piracy on the net and have effective mitigations and penalties.

I believe this is no different from the idea of fast food providers doing their bit to tackle obesity. It's about responsible industries earning their social license to market their products by recognising the damage that inappropriate consumption can cause.

One other organisation must also, logically, take some of the responsibility for stopping illegal downloading. That's the National Broadband Network. It's about to become our public digital super-highway. Whilst everyone who rides on a highway has a duty to drive responsibly, the highway owners also have a duty to drivers to keep their roads safe and in good condition. The same principle applies

Especially because it is a public system, I believe the NBN has a special duty of care to provide a safe super-highway for our digital economy. Just like a Solicitor-General is expected to act as a model litigant in the legal system, a publicly-created NBN should be expected to act as a model digital network—setting the ethical, legal and commercial standards for all else to follow. Given the speed with which piracy is growing and the way in which it morphs into other forms, I believe it would be appropriate for the NBN to be included in any code and be obligated to take reasonable steps to stop piracy.

Now of course it's easy for us in the digital entertainment industry to gather here and expect our legislators and our distributors to do all the work for us. After all, it's we who stand to gain from a cleaned up industry, so we have a duty to act too.

Market research tells us that the two excuses most commonly used by illegal downloaders are that they didn't know that what they were doing was in fact illegal, and that there are a lack of affordable and legal alternatives to see recent release movies and television programs.

We have to counter this in two ways.

First, by continuing the public education efforts already underway. But I think we can do better.

And second, by meeting the hunger for more digital content.

I reject the assertion that there is any sort of shortage of digital content. Even if there were, it constitutes a very poor defence.

'Your honour, I *did* smash that window, and I *did* steal that piece of jewellery, because the shop was shut, and anyway they were asking too much for it.'

My response is an unequivocal -'Take him down constable,'.

The fact is, more and more legal content is going on line every day. And there are more sites offering legal content, more easily and at lower cost to you computers and mobile devices. And cinema releases increasingly are dated worldwide as you all know all too well. And Foxtel provides a profusion of fresh available content—including the most recent episodes of the hippest TV dramas and comedies, and the latest pay-per-view movies on Foxtel On Demand and Foxtel on XBox360.

You can also now get movies from some two-dozen sites for just \$2.99 each. More such sites are being added every day.

You can now get just about any new release book in eBook form. *Fifty Shades of Grey* is selling 50 percent in electronic form. Interestingly it started on line and has now moved to print. For the record I have not read it. Yet!

So there are no excuses for behaving illegally. And more reasons to behave legally every day.

Ladies and gentlemen, the film industry has faced a great many changes in its more than century-long history. We've seen it change from silent to talk, black-and-white to colour, cinema to VHS, and chemical tape to digits on a chip.

At each stage, the grand idea of the motion picture, including its original conception as something that happens communally in theatre houses, has managed to fight back. Those of you old enough will remember that when video came and everyone predicted the end of cinemas, they came back with Dolby Surround Sound, Sensurround, wide screens, and now 3D.

No challenge has yet beaten the great artists of the screen. Technical invention has always come to their aid.

I doubt that even digital piracy will defeat the artistic urge that drives the great film-makers we all love. Imagine Fellini or George Miller or Francis Ford Coppola giving in to pasty-faced late-night video thieves. Our industry will live on. But it won't do so with the vigour and vitality it has enjoyed until now if the damage done by illegal copyright breaching isn't tackled and tackled vigorously. Too many creative opportunities will be lost.

Right now, on the brink of a new era of digital uptake through the establishment of the NBN is the time to act to strengthen our digital copyright laws and bring them into the digital age. If we all speak out together to protect this great industry—this great *art form*—that we love, I'm certain we will succeed.

End.

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DIGITAL TRANSITION A BUMPY ROAD AS AUSTRALIAN SCREEN INDUSTRY CONTRIBUTES \$5.8 BILLION TO ECONOMY

Sector supports 46,000 jobs and generates almost \$2 billion in tax revenues

Sydney - The Australian film and television industry contributed a significant \$5.8 billion into the nation's economy in 2012-13 despite a 12.2% fall since 2009-10, according to a report released today prepared by Deloitte Access Economics. The sector also supported more than 46,600 full time jobs and generated almost \$2 billion in tax revenues.

The report – *Economic Contribution of the Film and Television Industry in Australia* - was released today at Sound Stage 6, Fox Studios Australia, with some of Australia's leading filmmakers, screen actors and film and television industry executives in attendance.

Simon Bush, CEO, Australian Home Entertainment Distributors Association (AHEDA), said, "The change to digital is an exciting but challenging time for our industry. As the market evolves and physical disc sales taper off, it is clear that Australians remain avid consumers of films and television shows, and are now accessing them on a wide range of legal services. 2015 is shaping up to be an exciting year in the continued evolution of the home entertainment marketplace with SVoD service Stan launching last month to join Foxtel's Presto, Dendy Direct and Quickflix, with Netflix starting in March."

Jamie Hilton, Producer of *The Little Death*, *The Waiting City* and the new psychological thriller *Backtrack*, said, "Australia is a great place to be an independent producer. We have amazing cast and crews, diverse locations, and an important producer offset to help to tell our stories. Each film takes many years and involves hundreds of people, and when we finally have a popular product, like with any business, we expect to be paid. This is not a robin-hood situation – people uploading and downloading independent films are depriving the filmmakers and artists of their income. I'd really encourage anyone with an interest in seeing independent or Australian films, to access them via legal channels."

Bruce Meagher, Director of Corporate Affairs, Foxtel, said, "We are fortunate at Foxtel and Presto – our new online streaming service, employs some terrifically skilled and innovative professionals - who are committed to this vibrant industry and are dedicated to providing audiences with the best possible viewing experience, when they want, where they want, on their device of choice. The overall reduction in the contribution over the last few years indicates that the digital transition is well and truly underway and this creates both opportunities and threats for our industry. We are grateful the Government has acknowledged that more needs to be done to meet the threat of online piracy and will continue to work cooperatively to ensure that appropriate measures are put in place to support the creative industries."

Recent AACTA Award-winning actress Susan Prior (*The Rover*, *Puberty Blues*), said, "I'm immensely grateful to be able to work in the film and television industry, alongside so many talented filmmakers. While it's vitally important that we acknowledge the huge economic contribution we make to Australia, it's also essential that we recognise the social and cultural value our films and television shows contribute to our community. Australian audiences love Australian shows - I hope that we can continue

to attract people to the screen for a long time to come, and we feel it's worth supporting and protecting.”

Mark Day, Managing Director of the Australian Screen Association (ASA) said, “The report indicates that the film and television sector remains a significant contributor to the Australian economy, provides quality jobs and long term professional careers, and makes a vital contribution to our community well-being. The industry is committed to innovation and creativity and delivering quality screen experiences for audiences, and can be more effective in this aim if creative rights are protected online.”

The key findings of the report show that in 2012-13, the film and television industry in Australia:

1. Contributed a total of \$5.8 billion in GDP
2. Supported 46,600 full time jobs
3. Contributed \$1.9 billion in tax

This report was launched with the support of the National Association of Cinema Operators – Australasia (NACO), Australian Independent Distributors Association (AIDA), Australian Home Entertainment Distributors Association (AHEDA), Motion Picture Distributors Association of Australia (MPDAA), Screen Producers Australia (SPA), Independent Cinemas Association of Australia (ICAA), MetroScreen, Media, Entertainment & Arts Alliance (MEAA), Australian Directors Guild (ADG), and Foxtel, and was commissioned by the Australian Screen Association.

A copy of the Economic Contribution of the Film and Television Industry in Australia for 2012-13 by Deloitte Access Economics, along with the one page infographic, is available to view and download [here](#)

Check out the Digital Content Guide [here](#)

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About the Australian Screen Association (ASA)

The Australian Screen Association (ASA) aims to promote and protect the screen community in Australia. Our core aims are to protect the creative works of our members and advocate for the enjoyment of film and television content through legal channels across multiple platforms.

Media Enquiries:

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Broken Bad: Australia's addiction to torrents

Summary: *Breaking Bad* is available in Australia on the same day that it airs in the US, and yet Australians still torrented the final episode **more than any other country.**

[Excerpt from ZDNet, headline story published on October 1, 2013]

Online piracy in Australia is reaching alarming levels.

It is not a victimless crime and with approaching higher internet speeds the very survival of Australia's copyright industry is at stake.

Per capita Australia has the highest levels of illegal downloading in the world. Australia was ranked #1 in the world for illegal downloads of popular TV shows *Breaking Bad* and *Game of Thrones*.

24% of Australian kids (12-17 year olds) and 27% of adults currently illegally download or stream pirated content. That's 1 in 4.¹

In the three key regions (North America, Europe and Asia Pacific) 23.8% of the total bandwidth used by all internet users (residential and commercial) was for infringing content. Nearly 1 in 4 bytes of data was pirated content.²

906,000 people rely on copyright protection for their jobs.

Our jobs are in real danger from a bunch of criminals who rely on advertising model websites that sell hardcore pornography, party pills, scams and illegal gambling.

99% of the adverts on piracy websites were categorized as high-risk ads.

Research by the University of Ballarat³ found that piracy sites are owned and operated for profit and these profits are predominately generated by high-risk advertising.

20% were porn industry adverts, exposing pre-teen and teen users who access these piracy websites to graphic hard core pornography.

46% of adverts were malware, making Australians who access such piracy sites at a substantially higher risk of being exposed to malware and spyware infection. 3% of adverts were illegal gambling ads targeting Australian users of all ages.

15% of adverts were for scam sites, including counterfeit party pills, and 16% were adverts promoting other piracy sites.

Sadly when it comes to protecting the \$93 billion copyright industry, the \$7 billion in exports and the 906,000 people the copyright industry employs, Australia is falling behind.⁴

But protecting the copyright industry does have Bipartisan Support

"I think there is a range of things that do need to be looked at that are related: one is the whole piracy issue; it's a real issue for the broader media and arts community... There needs to be a mature debate about what the consequences are of open access to information which is property."

COMMUNICATIONS MINISTER ANTHONY ALBANESE,
AUGUST 2013

"Artists also need to know their work will be respected and that there are adequate protections in place to allow them to be rewarded for their creative output into the future. Current frameworks must be adapted and renewed so that artists and those who in them have the tools to protect creative content."

ARTS MINISTER SIMON CREAN, MARCH 2013

"...content is the key driver of digital economy growth, and in turn, the digital economy is essential to Australia's productivity, global competitiveness and social wellbeing."

MINISTER OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY STEPHEN CONROY, JULY 2009

"I am on the side of the copyright owners and the content providers and the law needs to be altered so that from a technical and law enforcement point of view it keeps pace with technology."

ATTORNEY GENERAL GEORGE BRANDIS, AUGUST 2013

1: <http://www.ipawareness.com.au/research/2013>
2: http://www.netnames.com/Sizing_the_piracy_universe
3: http://www.icsl.com.au/_data/assets/pdf_file/0020/129521/ICSL-report_digital.pdf
4: <http://www.copyright.org.au/pdf/PwC-Report-2012.pdf>

THIS ISSUE IS URGENT AND IT IS CRUCIAL THAT AUSTRALIA STEPS UP AND PUTS LEGISLATION IN PLACE.

Site Blocking in Europe



32 countries in Europe have legislation that incorporates provisions for the blocking of infringing overseas websites

28 are member states of the EU and are bound by the European Union Copyright Directive 8.3

4 are non-member states and have independently legislated site blocking: Norway, Iceland, Russia & Liechtenstein



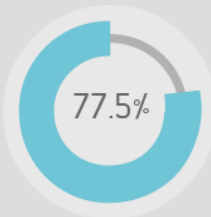
10 countries have implemented site blocking and have had cases successfully processed through the courts: United Kingdom, Austria, France, Ireland, Iceland, Denmark, Belgium, Greece, Portugal & Finland

3 countries that have implemented site blocking and have cases currently before the courts: Germany, Netherlands & Sweden



UK Case Study

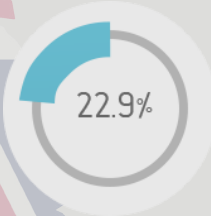
Average fall in traffic from the UK to blocked piracy sites



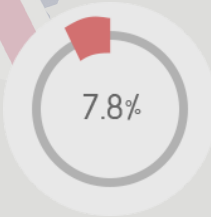
Average global traffic increase to all piracy sites



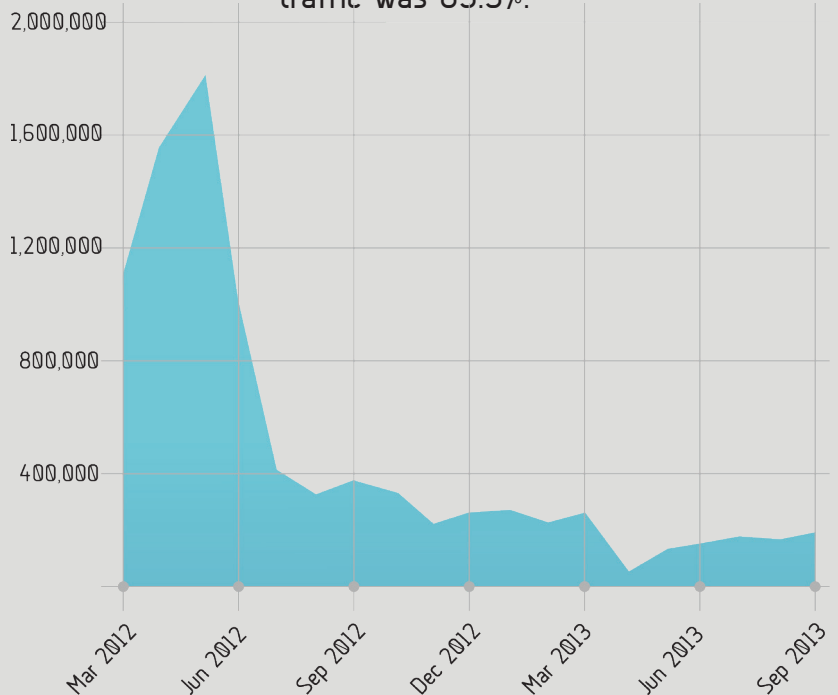
Average traffic decline to the top 250 piracy sites from the UK, including those not the subject of blocking orders



Average global traffic increase to the top 250 piracy sites



In June 2012, site blocking orders were obtained in the United Kingdom against "The Pirate Bay". These were implemented by ISPs in July 2012. The resulting decline in traffic was 83.9%.*



January 2013 vs August 2014

*Site Blocking Efficacy Study United Kingdom, Incopro

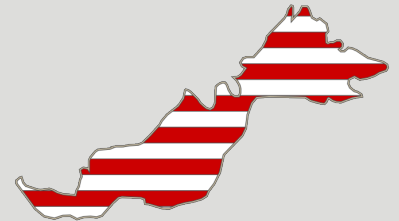
Site Blocking in Asia



Singapore
Legislated Judicial Site Blocking



Malaysia
Regulatory Site Blocking



Korea
Regulatory Site Blocking



Indonesia
Regulatory Site Blocking
(regulations pending)

Countries with Site Blocking



Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Germany
Estonia
Finland
France
Greece



United Kingdom
Hungary
Iceland
Indonesia
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malaysia
Malta
Mexico



The Netherlands
Norway
Poland
Portugal
Romania
Russia
Singapore
Slovenia
Slovakia
South Korea
Spain
Sweden