

of the court case are before the judge awaiting his decision so it would probably be best to leave that alone at present, except to say, that is shows the Association can make the hard decisions when the interests of its members are threatened.

In support of the pro rental campaign and in a concerted effort to get the pro rental message out there into the public domain, the Association engaged the services of Hootville Communications, specialists in media and public relations strategies. The success of Brett's work can be easily gauge by the large number of media enquiries, print, radio and television, that have followed every media release. This media strategy has also help raise the profile of the Association to levels were the media are now coming to us for comment on industry issues as they happen.

In conjunction with the Board's pro rental campaign and after having spent sometime reviewing the Constitution during the last twelve months the Board approved a motion that the Association change its name to the Australian Video Rental Retailers Association. That motion is up for voting on later in this meeting but it is the Board's thought that with the inclusion of the word "rental" in the Association's name we are more clearly identifying the core of the business our members conduct, that is, rental.

Continuing along with this pro active rental initiative, the Board launched the Association's web site, [www.avra.com.au](http://www.avra.com.au) and judging on the number of hits on the site, it has proven a huge success. Members are now able to access all the latest information by just clicking on any of the eight icons. A direct link to report Piracy was a recent addition and from all reports by AFACT, members are using this frequently.

The whole Board has worked tirelessly during the year, conducting three face to face Board meetings, one of which included two days of interviews with six of the major distributors, and conducting

monthly teleconference Board meetings. Several Board members have given a lot of their time and worked on particular issues.

My thanks to Keran Wicks for her input with legal matters, her time spent on this was just endless and she must be congratulated. Tony Romano did an excellent job tabulating the members survey as well as being involved in the rental data issue, the artwork for the pro rental campaign and currently the hard coating of DVDs. David Hynes' efforts in producing the artwork for the pro rental campaign must be acknowledged as well as his involvement with rental data and many other issues as they arose. The direct marketing membership campaign, commenced late last year, was eagerly assisted by Wendy Wilson and Ted Konidis – many thanks. Ted is also currently working on the hard coating DVD issue. Lyn Meier, Peter Taylor and Gary Lewis were all involved in the rental data issue and my thanks to them for their efforts during the year.

The commitment of all Board members giving their time and effort addressing all these important issues on behalf of our members and for the video industry as a whole, must be highly commended. I would like to personally thank you for all your dedication and support.

The job is not finished, the challenges will always be there, so to the Board for the coming year, to be confirmed later at this meeting, I can only say keep up the good work, the benefits that flow on to our members will be your reward.

To those Board members not seeking re- election, my special thanks for your time and efforts during your period on the Board and I know you will be watching closely from the sidelines.

The decision by the Board to join forces with AVSDA in a new jointly owned awards night, the Australian DVD and Video Industry Awards, has proven a huge success with a sell out attendance of 600 people.

The night will be a great mixture of

formalities and fun, hosted by Andrew Daddo and with a very special guest appearance by Marcia Hines. She should really set the night on fire.

Judging of this year's rental awards was again done via a Mystery Shopper program, with all stores entered being visited twice, by different mystery shoppers. The scores of both visits were averaged out in percentages to arrive at the winners. The Executive Summary attached to the final report from the mystery shopper company said that again this year the overall standard of entries was one of the highest they had come across in any industry, with the winners only been separated by very small percentage margins. Well done to all stores that entered and congratulations to all the winners.

I must make mention of the efforts of the Association's executive director, Ross Walden. Ross has continued to manage the affairs of the Association and the office, efficiently and effectively. He goes about his duties with the membership's best interest in mind always. Amongst his many day to day responsibilities, Ross has also taken on the major organisational role for tonight's AVRA, AVSDA awards, and as mentioned earlier, we are expecting a fantastic night with attendance at full capacity.

Thank you Ross.

In closing, once again, many thanks to all Board members and I look forward to another successful year for the Association.

on eBay to an Australian Federation Against Copyright Theft employee for about \$13 in June.

He had also advertised to sell *Spiderman 2*, *Secret Window*, *Van Helsing* and *Garfield the Movie*, none of which was available in Australia at the time.

Newcastle Local Court heard that police also seized a computer and DVD burner from his home after his hobby "simply got out of hand".

### NO DECISION ON AVRA V FOXTEL COURT CASE AS YET

As yet, no decision has been handed down in the Court case against Foxtel. The Association's lawyers have been advised that Justice Conti accepted arguments in our barristers' closing submissions that the urgency Foxtel had placed on the case was not relevant and hence it may be towards the middle of December before he hands down his judgement.

The Association remains positive that we have no case to answer for in relation to Foxtel claims and that the Association's counter claim against Foxtel is solid.

Stay tuned we will let you know the result as soon as it is handed down.

### ALLEGED DVD PIRATE ARRESTED IN MELBOURNE

**Media Release, 5 November 2004, Australian Federal Police**

Australian Federal Police (AFP) agents arrested and charged a man yesterday allegedly involved in the illegal distribution and sale of counterfeit Digital Versatile Disks (DVDs) at markets around Victoria.

On 12 August 2004, the Australian Federation Against Copyright Theft (AFACT) referred the matter to the AFP and an investigation involving Victoria Police, AFACT and the AFP then commenced.

Two search warrants were executed at separate residences in the Melbourne suburb of St Albans early yesterday morning. Police seized more than 5,000 counterfeit DVDs and computer equipment allegedly used to manufacture the disks and other materials.

Federal Agents arrested a 38-year-old man from St Albans and charged him with a number of counts of six different copyright offences including making a copyright infringing film for sale under section 132 (1) Copyright Act 1968. The man was also arrested by Victoria Police for an outstanding warrant.

The man was charged and bailed yesterday at Keilor Downs Police Station and is expected to appear at the Melbourne Magistrates Court on 18 November in relation to these charges.

As part of his bail conditions he was excluded from attending all Victorian markets including the Laverton and Caribbean Gardens markets where it is alleged he previously sold the counterfeit DVDs.

Other people are assisting police with further inquiries and the investigation continues.

### INDUSTRY NEWS - SECURITY CASES ANOTHER OPTION

Optima Solutions, a leader in the field of retail loss prevention has introduced the Alpha Media Lok DVD security system into the Australian market following its huge success in America. The Alpha Media Lok security system makes stealing rental DVDs and video games pointless due to the patented Benefit Denial Hub that prevents removal of the disc from the case. Media Lok is designed to secure the disc in the case rather than a security locking system for the case.

All stores rolling out with this system have reported no losses to date.

Major video rental outlets in USA are Blockbuster, Hollywood Video and Movie

Gallery. Gary Lewis, of Network Video North Adelaide, is currently using Media Lok in his store and is enjoying 100% Success Rate!!

Larry Yeager, Director of North America Sales for ALPHA and a recent visitor to OPTIMA SOLUTIONS in Australia, says "It is the best of any loss prevention product he has seen in his 36 years in the Industry."

Troy Norman joined the OPTIMA SOLUTIONS team earlier this year and is your expert contact in regards to Media Lok. For further details

Phone office 02 9476 8866 Troy Norman 0413 796 155.



### OUR MISSION

**To develop, promote and represent the video industry. To provide effective service, support and direction for our members.**

### Australian DVD and Video Industry Awards

**Proudly Sponsored by AAV Regency**

**Thank you to all our sponsors!**

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# The inaugural Australian DVD and Video Industry Awards Night goes off with a huge bang

## Oh what a night!

The inaugural Australian DVD and Video Industry Awards night held at the Star City ballroom on Friday 29th October was a huge success with close to 600 people – 596 to be exact – making it a sell-out night.

The event, proudly sponsored by AAV Regency and supported by some 20 other sponsors, saw for the first time both the rental channel (AVRA) and the distributors (AVSDA) coming together to celebrate and recognise the achievements of both sides of the video industry. The evening commenced with pre awards drinks and canapés allowing people to mix and catch up with old friends.

The ballroom doors opened around 8.00 pm to what was an amazing array of sixty tables set out around a centre stage. Andrew Daddo, the Master of Ceremonies for the night, got things into full swing fairly quickly calling on both Associations' Presidents, George Kafataris (AVRA) and David Hunt (AVSDA) to welcome all guests and thank the sponsors for supporting the night. A special presentation of flowers to Fiona Horman, Managing Director of AAV Regency, our event sponsor, concluded the pre-awards formalities. Then it was down to the awards themselves.

First were the Rental Excellence Award for the various state winners, presented by Gary Lamb (Gfk) and Sam Burns (What's Hot on Video Magazine). The complete list of all winners on the night appears as a separate article in this newsletter and on the AVRA web site [www.avra.com.au](http://www.avra.com.au)

While Andrew announced a short break from the presentations, the main course was served and guests dined on the gourmet delights of either roasted rack of lamb or prawn tail and blue eye cod coupled with the never-ending glass of wine.

The evening continued with the distributor and retailing awards which were presented by various sponsors including Patrick Gleeson (Red Tag), Allison Field (One Time) and Simon Clark (AGI TM).

The entertainment highlight of the night was next, that's right – a special cameo performance by none other than Marcia Hines. Boy, did she have them all up and dancing within minutes of her coming on stage! The dance floor was packed as everybody danced and enjoyed what was the most consummate performance by any singer. Marcia just keeps

**Mystery Shoppers:**

Average percentage result of rental stores for each category that was assessed

	Sept 04 Visit 1 (%)	Sept 04 Visit 2 (%)	Average of two visits Sept 04 (%)
Outside Presentation	99	98	98.5
Instore Presentation	98	95	96.5
New Release	91	93	92
Sell Thru Section	96	93	94.5
Ancillary Lines	82	83	82.5
Games	85	86	85.5
Store Promotion	63	91	77
Staff	85	91	88
Innovative	48	78	63
<b>TOTAL</b>	<b>84</b>	<b>90</b>	<b>87</b>

Clockwise from top left:

Andrew Daddo (MC), Paul Volgsinger (Network Coffs Harbour – winner, National Rental Excellence Award), presented by Fiona Horman (AAV Regency, the event sponsor).

Lee Birrell representing Civic Video Chisholm (winner ACT Rental Excellence Award) presented by Gary Lamb (Gfk)

Paul Volgsinger (Network Coffs Harbour – winner, NSW Rental Excellence Award), presented by Gary Lamb (Gfk)

Andrew Daddo MC, George Kafataris (Winner, Keith Williams award), Ted Konidis (last year's winner).

Angela Borrelli (Civic Video – winner, Group Marketing Award) presented by Fiona Horman (AAV Regency, the event sponsor).

Peter and Jennifer Nalder (Network Star Channel Devonport – winner, Tasmania Rental Excellence Award) presented by Sam Burns (What's Hot on Video Magazine)

Keran Wicks representing Network Video Mt Hawthorn (winner WA Rental Excellence Award), presented by Sam Burns (What's Hot On Video magazine)



**AUSTRALIAN DVD AND VIDEO INDUSTRY AWARDS 2004 WINNERS**

**Rental Excellence Award NSW:** Network Video Coffs Harbour

**Rental Excellence Award QLD:** Network Video Booval

**Rental Excellence Award VIC:** Network Finns DVD

**Rental Excellence Award ACT:** Civic Chisholm

**Rental Excellence Award SA:** Network Video Clarence Park

**Rental Excellence Award WA:** Network Video Mt Hawthorn

**Rental Excellence Award TAS:** Network Star Channel

**Rental Title of the Year Major Distributor:** *Kill Bill Volume 1*, Buena Vista Home Entertainment

**Rental Title of the Year Independent Distributor:** *Undead*, Imagine Entertainment

**Retail Title of the Year Major Distributor:** *Finding Nemo*, Buena Vista Home Entertainment

**Retail Title of the Year Independent Distributor:** *Dirty Dancing*, Magna Pacific

**Direct to Video Title of the Year:** *Lion King 3*, Buena Vista Home Entertainment

**Australian Film Title of the Year:** *The Wannabes*, Columbia Tri Star Home Entertainment

**Major Retailer of the Year:** Big W

**Specialist Retailer of the Year:** JB Hi Fi

**Most Improved Retailer of the Year:** JB Hi Fi

**Best Marketing Campaign for a Rental Title:** Paramount Home Entertainment, *Italian Job*

**Best Marketing Campaign for a Retail Title:** Roadshow Entertainment, *Lord of the Rings: The Two Towers*

**Rental Store Marketing Award:** Civic Video Biloeola, "Life is Like a Box of Chocolates"

**Rental Group Marketing Award:** Civic Video, "Free Gifts, Great Prizes"

**National Rental Excellence Award:** Network Video Coffs Harbour

**Keith Williams Award:** George Kafataris

getting better and her hour-long performance certainly stole the show.

Next came the marketing awards for both Rental and Distributor and the announcement of the National Rental Excellence Award winner for 2004. Fiona Horman (AAV Regency) was again asked onto the stage to present these awards and the audience support for the winners almost brought the house down.

The final, and most prestigious, award for

the night, the Keith Williams award was presented by Ted Konidis, last year's winner, to what was a very popular choice, George Kafataris. George was very humbled by winning this award again having shared the award in 2000 with Ros Wilson and Kevin Jellard. George went on to say this coincided with what was now his twenty year association with the video industry.

With all the presentation formalities concluded it was now time to party and

that they all did as guests were able to dance the night away to the Australian 80s Idiols in the ballroom or make their way down to the Cave nightclub for the after party sponsored by MGM and Screen Print.

In finishing I can only say it was the best night the video industry has very staged and if you missed it, get in early for 2005, it will be bigger and better. See you then!

**MYSTERY SHOPPING – HOW IT WAS JUDGED**

What a fabulous evening! Hoed Mystery Shopping was extremely proud to have assisted AVRA and AVSDA in their joint awards evening to independently assess the video rental stores and to find who within the Association is truly the leader in great customer service. We thank each and every video rental store for their participation and certainly congratulate the National Winner, Network Video Coffs Harbour.

To gain the information for the awards ceremony, we enlisted mystery shoppers to visit the nominated rental stores and fill out a survey developed with AVRA. During the month of September 2004, we mystery shopped all the nominated video rental stores, making two visits, Australia wide. We measured the level of service at all outlets over the following categories:

- Outside Presentation
- In-Store Presentation
- New Releases
- Sell Thru Section
- Ancillary Lines
- Games
- Store Promotion
- Staff
- Innovative

From the information, we were able to analyse the data, showing scores on a national and state basis. We were able to see overall how the stores performed as well as providing the individual surveys/ comments from the shoppers to the stores for training and coaching purposes.

Overall, the scores were of a very high standard, the table (left) shows the average percentage result of rental stores for each category that was assessed.

This is our second year assisting AVRA with their awards ceremony. We hope that we have not only assisted in the awards evening, but we have assisted rental stores with improving the level of service offered to their customers.

See you next year!

**AVRA ADOPTS A NEW NAME AND AMENDS ITS CONSTITUTION**

At the recent Annual General Meeting of AVRA held on the 29th October 2004 at Star City, the meeting voted on a motion to adopt a new name and amend its constitution.

A recent review of the constitution brought numerous anomalies and outdated components of the constitution to the Board's attention.

The Board complied a series of recommended changes which sought to bring our constitution up to date with the current Corporation Act 2001 and increase our ability to deliver the needs of our members.

The most notable change recommended was a change of name to the **Australian Video Rental Retailers Association Ltd.**

The Board believed this change truly reflects and identifies the industry our members represent, rental.

The meeting carried the motion with 1080 votes for and none against.

The Certificate of Registration on Change of Name was issued by the ASIC on 8th November 2004.

**ASSOCIATION ANNOUNCES BOARD FOR 2004/ 2005**

At the recent Annual General Meeting held on 29th October 2004, the Association voted on the nominations for Directors. The newly adopted constitution reduced the number of Board seats to eleven and the following people were confirmed as Directors for the coming year 2004/ 2005

- |                    |                |
|--------------------|----------------|
| Tony Romano        | President      |
| George Kafataris   | Vice President |
| Jeff Menck         | Treasurer      |
| Keran Wicks        | David Hynes    |
| Gary Lewis         | Wendy Wilson   |
| Lynne Meier        | Ted Konidis    |
| [two vacant seats] |                |

The Association wishes to thank Peter Taylor, who did not seek re- election this year, for all his time and efforts during the four years he has been a Director. We all wish Peter well in his future endeavours. Thanks Peter.

**PRESIDENT'S ANNUAL REPORT 2003 -2004**

**George Kafataris**

It is with great pleasure, pride and confidence I can report that the Association has enjoyed a successful year particularly in the growth of its membership base.

We launched a direct membership marketing campaign to all Video Ezy and Blockbuster stores and the current membership numbers are the highest they have ever been; one could say the membership base of the Association is now a truly representative cross section of the whole Video Industry. Membership growth remains one of the highest priorities of the Board

In regard to finances, Jeff Menck, our Treasurer for the past number of years, must again be congratulated on providing the Association with very comprehensive financial reports during the year. Jeff's keen eye for detail on both expenses and revenues, coupled with a well planned and thought out budget has placed the Association with a sound financial platform.

Many thanks Jeff.

The biggest challenge the rental industry faced this year was the launch of another format to compete with: digital PAY-TV. The Board must be congratulated on meeting this issue head on. Taking a pro-active position, the Board produced a Pro Rental kit to assist the members in retaining their traditional customer base. The Pro Rental kit was an outstanding success for members. A Federal Court action was commenced by Foxtel against AVRA, of which AVRA has since vigorously defended in court. The results