

# AVRRA NEWSLETTER

Australian Video Rental Retailers Association Limited

Christmas Edition : December 2010

To all AVRRA Members,  
their families and staff,  
we wish you a very Merry Christmas  
and a prosperous New Year in 2011.

Best Wishes & Good Trading  
The Board of Directors

# AVRRA

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ABN: 79 054 038 881

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# The 2010 Presidents Report

*Completing my second year as the Association's President I am encouraged to commence this years Annual Report by saying that the traditional Rental Video store, our members, continue to amaze many critics in the business world that continually seem to forecast the end of the traditional rental store, by enjoying healthy consumer demand and rentals of our product compared to the many other entertainment offerings and delivery formats.*

The Board's primary focus during the year has been maximising the exposure of the Industry Paper "Video Stores in Australia" which was launched late last year. The Board commissioned the Industry Paper, the first report ever to have actual data, as a step to assist our members recant the continued media reports that the traditional video store is dead.

*The Industry Paper Executive Summary report highlights, confirms;*

- *Video Stores are not in decline and continue to be successful*
- *Profits of stores surveyed have increased year on year for the past six years*
- *Products and services have diversified ensuring growth*
- *Consumers remain strong renters*
- *The average rental spend in 2008 was 17% higher than that in 2004*

There has been a healthy amount of interest in the paper with five independent distributors becoming Associate members of AVRRA and another three independents distributors noted as industry acknowledgments. Of the 1600 copies printed all but a few copies remain

*Membership numbers were under pressure during the year but the Board believes there are many rental stores out in the market place who just do not know what AVRRA has done for their business.*

We should continue to remind members and potential members about the Warner Case, where we stopped two tier pricing in Australia, how much did that assist stores. I have discussed this issue with like businesses in the UK on my recent visit there (where 2 tier pricing was introduced) and our industry success in Australia at keeping fairness and parity with pricing in Australia has been significant in keeping our industry strong.

*We also successfully challenged Foxtel on many issues which we considered very important to our members business.*

This year we have made regular representations to distributors regarding windows, delivery competitor release dates and pricing considerations when products are made less viable to our members.

*We will continue to review and act as needed on issues or proposed practices which we believe are to the detriment of our members or to the industry as a whole.*

The other most important area of focus for AVRRA and it's constituents is to constantly be diligent and pro-active in it's determination to root out and help prosecute the illegal activities seriously effecting our business such as piracy and parallel importation. These illegal activities still cost our industry and the people who work in it considerable amounts of money and can place businesses and livelihoods at risk.

*During the year AVRRA has worked closely with AFACT on the matter of parallel importation and has secured an undertaking from AFACT that they will write to these offenders, when reported, pointing out the illegal nature of there business. A dedicated email address to AFACT is a big step in the right direction.*

The accounting and bookkeeping services is now undertaken by our accountants Swaine and Company and the financial reports and the audited yearly accounts reflect a positive financial result for the year after adjusting the journal entries of the strategic goals campaign

*The whole Board has worked cohesively during the year, conducting monthly teleconferences covering a wide range of industry matters and the commitment of the current Board members, giving their time and effort addressing all the important issues on behalf of our members and for the video industry as a whole, must be highly commended. I encourage other industry active people to nominate for the Board and help keep the future of our industry strong.*

The challenges will certainly continue, so to the Board for the coming year, to be confirmed later at this meeting, I can only say keep up the effort and the benefit will then flow on to all our members and for the industry as a whole.

*I would like as I'm sure all Board members would like, to thank our Executive Director, Ross Walden, who has continued to manage the affairs of the Association and the office, efficiently and effectively. He always goes about his duties with the membership's best interests in mind. Ross's efforts provide the key driver to the activities and success of our Association. This is highlighted by Ross's involvement in further reducing the costs of running the association following the reduction in revenues during the year.*

I would also like to thank all directors for your efforts this year and confirm it is vital that we all continue to provide the energy, feedback and input as needed to continue the Association's good work.

**Gordon Rose**  
President AVRRA



# Annual General Meeting

Held on the 24th November 2010

The Annual General Meeting of the Association was held at the AVRRA office on the 24th November 2010. The Presidents Annual Report [full report see separate article] opened by confirming that our members in 2010 had enjoyed an increased consumer demand for rental product, the direct opposite to what many critics had predicted for the traditional rental store. This was confirmed in the Association's industry paper "Video Stores in Australia" which launched in November last year.

The Executive Summary highlights confirm

- *Video stores are not in decline and continue to be successful*
- *Profits of stores surveyed have increased year on year for the past six years*
- *Products and services have diversified ensuring growth*
- *Retailer consumers remain strong renters*
- *The average rental spend in 2008 was 17% higher than that in 2004*

Confirmation of AVRRA Board of Directors for 2010/ 2011

- Gordon Rose
- George Papadopoulos
- George Kafataris
- Gary Lewis
- Scott Dew
- Col Wandin
- Jason Elkerton

This year we saw three new members formally appointed to the Board, Col Wandin, Scott Dew and Jason Elkerton. The combined experience and knowledge of the three new members will benefit the Association and it's members

The meeting noted Dan Joyce was not seeking reappointment to the Board and thanked Dan for his services while on the AVRRA Board

## AVRRA 'WORK IN PROGRESS' REPORT

At the Board meeting on the 24th November 2010, the Board spent a considerable amount of time analyzing and discussing the issues that they believe affect our members businesses.

The points raised will form the action plan/direction of AVRRA in the coming year 2011.

Of course there may well be issues that you believe should be addressed and the Board encourages members to **"Have your Say"** Let us know what's on your mind so we can better serve your interests.

- R 18+ South Australia
- Piracy
  - a. illegal downloads
  - b. market stalls
  - c. parallel importation
- Hard Coating Blu ray discs
- Windows
  - a. Pay per view
  - b. iTunes
  - c. Foxtel
  - d. Day and Date download
- World release dates
- Mass merchants predatory pricing
- Pro rental
  - a. Marketing
  - b. Advertising
  - c. Point of Sale
- Two tier pricing
- AVRRA presence with member communications
- Competitor perception False and misleading advertising
- Exclusive titles
- Sales kit policy
- Alternate providers policy
- AVRRA facebook page

# MARKET CRACKDOWN YIELDS OVER 4,500 ILLEGAL DVDS

## Counterfeit Blue-ray DVDs, 'burnt' DVDs and movie box sets found in haul

On Sunday 31 October, New South Wales Police from Green Valley Local Area Command, assisted by expert investigators from the Australian Federation Against Copyright Theft (AFACT), conducted a search of Prestons' Markets in Camden Valley Way, seizing over 4,500 illegal movie and television DVDs.

The targeted operation identified five stalls within the market that are alleged to have been selling illegal DVD copies of current movies and television shows.

At one stall, over 2,000 'burnt' movie DVDs, selling for up to \$5 each, were seized.

The haul included illegal copies of Devil and The American, which are yet to be released in Australian cinemas. Police also discovered illegal copies of the Australian film Wog Boy II: The Kings of Mykonos.

At yet another market stand, Police discovered counterfeit movie box sets and new-release movie Blue-ray discs, all of which, it will be alleged, originated from China. The box sets were priced at up to \$150 per set and contained up to 100 movie titles.

Last week China launched a new crackdown on copyright violations intended to target everything from pirated DVDs to food.

The China nationwide anti-piracy campaign will last six months and will target those syndicates manufacturing counterfeit products as well as exporters attempting to ship illegal products to countries such as Australia.

Neil Gane, Executive Director of AFACT, commended the New South Wales Police on their operation: *"The work conducted by Police today helps to ensure that legitimate businesses like*

*cinemas and corner DVD stores can operate on a level playing field without having to compete with blatantly illegal film and television product on the streets and in the markets.*

*While most of our community understands that the illegal sale and distribution of films and TV shows will be investigated and acted upon by the Police, it appears some people are slow learners, and that will likely be to their detriment when their time comes to front up in court."*

Three males are assisting Police with their enquiries.

## About AFACT

Australian Federation Against Copyright Theft Ltd.  
ABN: 56 106 585 924  
ACN: 106 585 924

### What To Look For

- 1 Pirate activity in the area including pirate DVDs being offered for sale or distributed at the local markets, shopping centres, in the workplace, pubs/clubs, schools and through newspapers.
- 2 Circulated lists that rental store owners/employees have heard about or witnessed.
- 3 Customers who complain about piracy they have witnessed.
- 4 Customers who come into the store bragging how much money that they (or a friend) are making out of piracy.
- 5 Customers who rent out the DVD of Title X and burn it at home, either to:
  - a) keep the burnt copy of Title X and return the original disc
  - b) sell/rent/distribute burnt copies of Title X to others and return the original disc
  - c) return the burnt disc of Title X, keeping the original rental store owned master of Title X
- 6 Customers who return a pirate DVD movie inadvertently to the store.



Be alert to illegal activity in your area and follow these guidelines

### About Movie Piracy

Movie piracy is a crime which, it is currently estimated, costs our film and television industry more than \$400 million in lost revenue per annum. DVD hard goods piracy is the most prevalent in Australia with the impact of illegal downloading of film and TV programs increasing every day.

The film and television industry in Australia plays a significant part in the cultural and economic development of our country. We employ over 50,000 Australians including rental store and cinema employees. Our industry is currently being eroded by the growth of movie piracy.

Rental store employees and jobs are hardest hit by movie piracy and rental store managers and staff are ideally placed to interact with customers and educate them on this crime. Equally, we are all members of the public who can monitor and report incidences of piracy in our local areas.

This is a guide for rental industry employees on how to deal with piracy, how to identify pirated material and the steps that legally can be taken to report it.

#### Help Fight Movie Piracy

Provide as much detailed information and assistance to the police as possible.

Invite the police to contact the Australian Federation Against Copyright Theft (AFACT) on 1800 251 996 for more information.

Advise AFACT of the Officer's details so they can expect the call.

### Do Not Put Yourself At Risk

- X Do not be confrontational to the trader or management at any location you visit.
- X Do not impersonate a police officer or any other body, including AFACT Staff under any circumstances.

### Report Movie Piracy

[www.moviepiracy.org.au](http://www.moviepiracy.org.au)  
1800 251 996

AFACT

HELP  
  
MOVIE  
PIRACY

GUIDELINES  
FOR  
RENTAL STORES

AFACT



# AVRRA MEMBERS GUIDE TO REPORTING PARALLEL IMPORTATION AND PIRACY OFFENCES

*The purpose of the guide is to provide AVRRA members with the procedures to be followed when reporting Parallel Importation and Piracy offences.*

## Parallel Importation Offences

Offences of parallel importation should be reported to The Australian Federation Against Copyright Theft by emailing [jennifer.wright@afact.com.au](mailto:jennifer.wright@afact.com.au).

The email should include the following evidence.

- The trading name and address of the premises committing the offence
- Photographs of non-region 4 disc's inside the premises
- Receipt of a purchase of the non-region disc's

Upon receipt of this evidence the Australian Federation Against Copyright Theft will send out an appropriate letter advising the premises/ owner that they are committing an offence under Commonwealth of Australia law.

## Piracy Activity in General

The act of selling pirated material is a criminal offence and as such the Australian Federation Against Copyright Theft recommended guidelines for reporting such an offence is.

- Report the matter immediately to the local police
- Clearly explain how this particular crime directly impacts on your livelihood
- Inform the police who AFACT are and how they would be able to assist pre and post enforcement.

AVRRA recommends that members follow up with the local police after reporting any offence to see what if any progress has been made. The best results in regards prosecutions of these illegal activities have come after members have made regular follow ups with the local authorities and representations to the local Member of Parliament.

The Australian Federation Against Copyright Theft have developed a "Police and Prosecution Guideline package which explains the piracy ecosystem and what state and commonwealth legislation is available to law enforcement agencies.

# AVRRA ACHIEVEMENTS FOR OUR MEMBERS

**Our Mission Statement: To develop, promote and present the video industry and provide effective service and direction for our members.**

Won the Federal Court case against Warner Bros which successfully stopped the introduction of two tier pricing in Australia, providing a substantial ongoing cost saving for purchases of product to Movie rental stores. Two tier pricing was not contested in other parts of the world with dire cost effect to rental stores in those markets. Eg UK.

Federal Court case against Foxtel successfully gained many concessions to the advertising launch of digital Foxtel. This action ensured Foxtel did not misrepresent the products and timing of release dates for our products.

Launched and conducted a successful strategic goals campaign to promote the rental industry including provision of anti piracy materials which were displayed by video stores around Australia.

Published the first ever industry paper "Video Stores in Australia" November 2009, which has provided considerable good exposure for our industry. The Industry paper provides the first independent tangible document which our industry can use for provision to bankers, real estate agents and other professionals. It could also assist owners in the sale of a store.

Currently planning to publish an update of that paper. (early-mid 2011)  
Working closely with the Classification Board (OFLC) on the issue of children who are underage and accessing classified titles from vending machines or the internet, which they should not have access to.

Working closely with the Australian Federation Against Copyright Theft (AFACT) to assist in the reporting, detection and prosecution of people involved in piracy and parallel importation.

Publishing of the weekly Top Twenty Movie rental chart and monthly Games chart, which receives widespread promotion.

AVRRA web site containing information for our members.

*AVRRA will continue to act as the watch dog for it's members to protect your interests as our industry continues to evolve in today's current trading environment.*

## Members.. Have Your Say!

As part of a wide ranging discussion on the needs and issues facing our members, the Board has decided in to bring back the "Members have your say" section in the newsletter.

The Board is currently assessing the importance and urgency of a wide range of issues within the video industry and wants to hear directly from the membership what their primary concerns are.

So get involved, let us know what's on your mind, email or write to the AVRRA office detailing, in short or at length, your thoughts on the industry and the matters that concern you most.

Email to [ross@avrra.com.au](mailto:ross@avrra.com.au) or mail to AVRRA Ltd, P O Box 7074 Mc Mahon's Point, NSW

# AVRRA is going through some changes..

From the 1st of January 2011  
the AVRRA office telephone  
number will change to

**02 8920 2991**

From the 1st of January 2011  
the AVRRA mailing address will  
change to

**P.O. Box 7074  
McMahons Point 2060  
Sydney NSW**

## Industrial Relations Contact Numbers

One of the most time consuming tasks of any business these days is ensuring wages and conditions for all staff are correct. For the convenience of members we have produced a list of contact details for all the Industrial Relations Departments (Australia)

**New South Wales**

131 628  
[www.dir.nsw.gov.au](http://www.dir.nsw.gov.au)

**Victoria**

03 9651 5560 or 1800 287 287  
[www.irv.vic.gov.au](http://www.irv.vic.gov.au)

**Western Australia**

1300 655 266  
[www.docep.wa.gov.au](http://www.docep.wa.gov.au)

**Queensland**

1300 369 945 within state or  
1800 177 717 elsewhere  
[www.dir.qld.gov.au](http://www.dir.qld.gov.au)

**South Australia**

08 8303 0400  
[www.industrialcourt.sa.gov.au](http://www.industrialcourt.sa.gov.au)

**Tasmania**

03 6233 7657  
[www.wst.tas.gov.au](http://www.wst.tas.gov.au) - *general info*  
*awards conditions*  
[www.pat.tas.gov.au](http://www.pat.tas.gov.au) - *award rates*

**ACT and NT**

1300 363 264  
[www.wagenet.gov.au](http://www.wagenet.gov.au)  
*note this web address also has links*  
*to each state site.*

## ASSOCIATE MEMBERS



Ovation



[collectyourdebt.com.au](http://collectyourdebt.com.au)



[eCollect.com.au](http://eCollect.com.au)



Duke



Gryphon Entertainment



Anchor Bay Entertainment



Eagle Entertainment



Pied Piper Promotions



National Default Registry



Eco Disc



Lomis International



Entertainment Recoveries



APRA



All Interactive Entertainment



MSS Retail Solutions



Rocket Software (Customsoft)



Peacock Films



Madman