

STARLIGHT WISHES TO THANK ALL STORES PARTICIPATING IN STARLIGHT VIDEO MONTH 2007

A special thanks to major distributors Buena Vista Home Entertainment, 20th Century Fox Home Entertainment, Paramount Home Entertainment, Roadshow Entertainment, Sony Pictures Home Entertainment, Universal Pictures Video, Warner Home Video; and video retail groups Civic Video, Video Ezy, Blockbuster and Leading Edge; and independent film distributors Eagle Entertainment, Madman Entertainment, Peacock Films and Starz Home Entertainment who have come together to support the Starlight Children's Foundation through Video Month.

For the 14th consecutive year, the Australian Video Industry and Starlight have joined forces for Starlight Video Month in an attempt to raise over \$300,000 needed to ensure Captain Starlight can visit as many hospitalised children as possible in the Starlight Express Van.

In the next 12 months there will be 600,000 child admissions in hospitals across Australia. Currently, Starlight only reaches '1 in 3' of these seriously ill children and their families. Starlight's goal is to give all of these children the opportunity to access and benefit from its innovative programs which provide positive distraction and entertainment at a time when they need it most.

The Starlight Express Van program is a key part of Starlight's programs taking the magic of Captain Starlight to seriously ill children living in regional and remote areas, as well as to hospitals in metropolitan areas, where children don't have access to a Starlight Express Room.

Your support of this campaign helps bring back some fun and laughter into these kids' lives and helps them to forget their illness. Funds raised from Starlight Video Month are vital to keep this program operating and ensure that Captain Starlight can continue to deliver fun and laughter to sick children across the country.

Since its inception in 1993, Starlight Video Month has raised much-needed funds to help put Captain Starlight on the road to visit hospitalised children and their families. In order for Starlight to keep this program running approximately \$3,000 is required every week for each Starlight Express Van. However, while Starlight currently has seven Starlight Express Vans nationally visiting hospitals, there are still so many more hospitals to reach and hospitalised children to entertain.

Thanks to the Video Industry for helping Starlight to reach Australia's seriously ill and hospitalised children to help 'Light up a Little Life.'

To help Starlight to 'light up a little life' by taking part in Starlight Video Month contact the Starlight Children's Foundation on 1300 727 827 or email: starlight@starlight.org.au

AVRRA Policy

AVRRA Policy – Sales Kits

The information published in distributor sales kits provides retailers with the terms and conditions of sale on all products and allows retailers to make informed buying decisions.

AVRRA expects that the information provided in distributor sales kits or on the Business to Business websites is full and accurate and, once provided, will not be varied for any reason, unless notified 21 days prior to shelf date and an opportunity to modify orders is made.

AVRRA Policy – Copy Protection / Piracy

Video piracy, whether for distribution or for personal use, is a serious and ongoing problem for the industry. The investment of both distributors and retailers in high quality product is compromised by piracy and all possible steps should be taken to overcome this problem.

AVRRA recommends that all DVD products be copy protected using the latest technologies available.

AVRRA also supports the collection of funds of up to 5 cents per unit sold into the rental/retail market to be used by a joint task force to combat Piracy, lobby Customs and educate the consumer as to its detrimental affect.

AVRRA Policy – Alternate Home Entertainment Providers [i.e. not bricks and mortar Video stores]

AVRRA respects the right of alternative home entertainment providers to market their product to consumers.

However, AVRRA will continue to monitor the marketing tactics of the provider/ operators to ensure that accurate information is provided and that misleading statements or misrepresentations are brought to the attention of those service provider's content owners and the appropriate statutory authorities.

AVRRA Policy – Exclusive Titles, Exclusive Versions and Exclusive Release dates.

AVRRA strongly disagrees with release of exclusive versions of any and all DVDs to any selected customer[s] and also exclusive releases.

In addition, AVRRA strongly disagrees with early release dates of any and all DVDs to selected customers.

AVRRA Policy – Pre-Trailer on DVD

The use of current releases to promote or advertise forthcoming DVD releases is generally supported by AVRRA and the industry. However, the following guidelines should be followed:

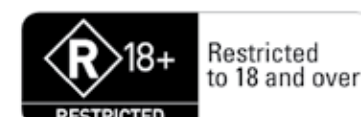
1. Trailers included before the feature film should be limited to product released in the following month or recent New Releases.
2. There should be a provision for customers to fast forward but not skip trailers if they desire.
3. Third party products should not be advertised prior to the feature.
4. Include the Rent or Buy tagline on all trailers.

Know the Rights and Wrongs of Copyright Law Australian Copyright Council

The Australian Copyright Council is an independent not for profit organization providing information, advice and training about Copyright in Australia. Their web site is very comprehensive including many information sheets on the most regularly asked questions. Their publications include practical guides and various discussion papers on Copyright.

Log on to www.copyright.org.au for all the information on the rights and wrongs of Copyright in Australia.

Office of Film and Literature Classification for DVDs



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

Victoria

03 9651 5560 or 1800 287 287
www.ir.vic.gov.au

Western Australia

1300 655 266
www.docep.wa.gov.au

Queensland

1300 369 945 within state or 1800 177 717 elsewhere
www.dir.qld.gov.au

South Australia

08 8303 0400
www.industrialcourt.sa.gov.au

Tasmania

03 6233 7657
www.wst.tas.gov.au - general info
awards conditions
www.pat.tas.gov.au - award rates

ACT and NT

1300 363 264
www.wagenet.gov.au
note this web address also has links to each state site.

OUR MISSION

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

NOTICE OF MEETING

The Annual General Meeting of The Australian Video Rental Retailers Association

Will be held on
Thursday 18th October 2007 commencing 10.00 am
at the
Medina Grand Melbourne 189 Queen Street Melbourne 3000

AVRRA Ltd.

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AVRRA Strategic Goals Campaign Gains Momentum

With its launch in the last edition of the newsletter the Strategic Goals campaign has rapidly started to gain momentum. With funding now confirmed by Civic Video, Network Video and Leading Edge Video, it's time to get on with the task at hand and that's exactly what the Board has been doing. The strategic goals identified by the Board early this year cover Piracy, Public Relations, a White Paper on the Rental industry and a Membership drive.

Piracy

The approach to Piracy will be in the form of various point of sale materials. The theme adopted will be an aggressive active message making the point to consumers that getting involved in Piracy is not just morally wrong, it's an association with and financial support of the criminal elements in society. The first draft artwork is currently at Board level and will be refined and hopefully ready for distribution, to those members who contributed to campaign, by October.

It's a good message, hard hitting, personally directed at consumers not to get involved in Piracy.

Public Relations Campaign

Recognizing the need for some good positive Public Relations for the Rental Channel, the Board has set this as one of its prime Strategic goals for the campaign. How often do we read stories of doom and gloom within Rental? In fact this is just wrong, statistical figures show that the traditional rental store is alive and kicking with numbers on the increase. Our problem is getting that message out there to the media to counter all the hype revolving around the new delivery formats. Remember when many said the death of the VHS tape would be the end for Rental, well how wrong was that?

The Board is in final discussions in engaging a Public Relations company with an all out planned start of a positive rental message around October.

Industry White Paper

The Rental industry has never done this before. The Board believes this is a crucial element for industry in gauging and setting accurate industry

bench marks that will provide our members with a document that can be accurately relied upon when negotiating or speaking with people on a commercial basis. Many inaccurate reports about the Rental channel have surfaced over the past few years, this will put an end to all that.

The Board is holding final discussions in relation to parameters of the information that is needed to be collected and once that is done the Association will be asking members to provide their store data, on a strictly confidential basis, to the independent company commissioned for the project.

Membership Drive

Although the membership numbers of Association has consistently increased over the past few years, it is the goal of the Board to try and reach out to those stores who have not joined the Association. The first task is to establish the reasons behind a store not wanting to join AVRRA then hopefully develop a campaign that points out all the reasons why a store should be a member of its national Association. One immediately comes to hand but tends to become forgotten as time moves on, the court challenge of Warner's two tier pricing. Had the Association not successfully challenged this, two tier pricing would be in place now.

The strength of an Association like AVRRA comes with its numbers and this membership drive is a pivotal goal in this strategic campaign.

Contributions

For stores not in the Civic, Network or Leading Edge groups, the Board is seeking your commitment of \$ 200 to invest in the future of your businesses and the future of Rental.

Cheques should be sent to
AVRRA
P O Box 420
Spit Junction 2088 NSW

A tax invoice, marked paid will be issued upon receipt of your monies.

ACCC suspends timeline in the Video Ezy proposed acquisition of Blockbuster.

At the time of writing there appears to be no end in sight for a decision in the proposed acquisition of Blockbuster by Video Ezy. The ACCC web site posted a comment on the 1st August saying "Video Ezy indicates delays in providing information to the ACCC. The time line remains suspended and the ACCC will announce a revised decision date once the information is received."

For those members wishing to follow what has now turned into a lengthy process (the application was lodged with the ACCC on the 12th March), log on to <http://www.accc.gov.au/content/index.phtml/itemId/782485> For all the latest up to date information.

"Members Have Your Say"

“ The Board is encouraging members to email or write to the AVRRA office detailing, in short or at length, their thoughts on the industry and the matters that concern them most.

Email to: ross@avrra.com.au

or mail to: AVRRA Ltd,
P O Box 420
Spit Junction 2088

So get involved, let us know what's on your mind. Look forward to hearing from you. ”

ASSOCIATE MEMBERS

Rocket Software (Customsoft) • Starz Entertainment • Eagle Entertainment • Legal and Commercial / National Default Registry • New Zealand Video Dealers Association • APRA • Settec Australia • Summit Technology Australia Pty Ltd

POLICE NET MASSIVE HAUL OF OVER 19,000 PIRATED DVDS ACROSS TWO STATES

Sydney: On 12 July 2007, police raided two business premises in separate operations in Sydney and Melbourne. The operations netted over 19,000 suspected pirated DVDs with an estimated street value in excess of \$180,000.

Adrienne Pecotic, Executive Director of the Australian Federation Against Copyright Theft (AFACT) said: "The operations today mark the largest haul of pirated optical discs during a single day this year, and we applaud the work done by the NSW and Victorian police forces in closing down these alleged illegal operations. These DVD pirates seriously threaten local cinema and video businesses run by hard-working, law abiding members of our community. By breaking the law, they will face grave

POLICE ACTION FOILS MOVIE PIRATES

Police were called to a cinema at Westfield Marion in Oaklands Park in South Australia yesterday, when two men were caught illegally recording "Bridge To Terabithia" during an afternoon screening of the movie.

The men had seated themselves in the centre of the back row of the theatre, and were using mobile phones to make an unauthorized recording of the PG-rated "Bridge To Terabithia" that received a wide national release in cinemas just five days ago on 14 June.

Following the incident, Adrienne Pecotic, Executive Director of the Australian Federation Against Copyright Theft (AFACT) said, "Over 90 per cent of early release pirated movies originate from unauthorized recordings in cinemas made from either camcorders or mobile phones. Once uploaded to the internet, there is

PIRATE WEBSITE, ORIGINATING FROM PERTH, SUBJECT OF U.S. LAWSUIT

An investigation into website "Peekvid.com" that originated from Perth, Australia, is now the subject of a lawsuit in the United States.

The lawsuit against Peekvid.com, a website that facilitates copyright infringement on the Internet, was filed in federal court in Los Angeles by the Motion Picture Association of America, Inc. (MPAA) on behalf of the major Hollywood movie studios.

Peekvid.com identifies, posts, organises and indexes links to infringing movie and television content, promoting wholesale acts of copyright infringement. The site features nine different sections, including movies, tv, cartoons, sports, anime and music. The site profits from numerous advertisers who display their wares

consequences."

In Sydney's West, New South Wales police, with the support of investigators from AFACT, raided a business premises, seizing over 7,700 suspected pirated DVD movies including "Die Hard 4" still showing at Australian cinemas. Local movies "Ten Canoes" and the newly released "Gone" were also available for purchase.

Centrelink Fraud Investigators also attended the operation to ensure any identified customers were accurately declaring any income earned and receiving their correct entitlement.

Earlier that same morning, in Footscray, Victoria, police and AFACT investigators

raided a business premises and seized over 10,000 suspected pirated DVD movies hidden in a storeroom. Latest release movie titles, still showing or yet to be released in the cinemas, including "Transformers", "Die Hard 4" and "Fantastic Four: Rise of the Silver Surfer" were being offered for sale. The owner of the business has been previously charged with similar offences and these remain before the court.

Police inquiries are continuing in both cities and they expect to take further action pending the analysis of exhibits seized.

Maximum penalties for copyright infringement are up to \$60,500 and five years imprisonment per offence.

The haul included movie titles only recently released in cinemas around Australia in the last few days, including "Pirates of the Caribbean: At World's End", "Ocean's Thirteen" and "Shrek The Third", as well as a range of Asian movie titles and pornography.

"The tens of thousands of dollars those criminals were set to make from selling these illegal DVDs is money lost to the local film industry, which includes cinemas, DVD stores and their employees in the local area," said Pecotic. "It is important that consumers know that movie piracy affects people in their local community and supports other crimes."

Maximum penalties for copyright infringement are up to \$60,500 and five years imprisonment per offence.

agencies as they act to close down websites that continually change host countries.

On 4 February 2007, the Australian Federation Against Copyright Theft (AFACT) issued a "Cease and Desist" letter to individuals in Perth alleged to be the operators of Peekvid.com. Following the delivery of that letter, the website posted a message to users saying "Peekvid is currently in beta. We will be re-launching soon."

By mid-February Peekvid moved its operations to the United States, where up until 26 June 2007 it was hosted by Rackspace in Texas. Since May this year, the peekvid.com domain has been registered to an offshore company named Spirit Island SA in Panama.

ONLY THREAT OF JAIL WILL MAKE HIM STOP Import DVD trader flouts court order and gets contempt of court fine & possible jail time

Melbourne: Shannan John Hoey, proprietor of the now defunct "DVD Kingdom" store in Cranborne Victoria was yesterday fined amounts up to \$25,000 for contempt of court for failing to obey a prior Federal Court order to cease trading in illegally imported DVD movies and deliver up unauthorised DVDs. A warrant for Hoey's committal to prison for 30 days will be held by the Court Registry for six months in case Hoey fails to pay the fines.

In making the orders Justice Buchanan wrote "It is important that Mr Hoey, and others, understand the seriousness of his conduct." In issuing a warrant for Hoey's arrest and imprisonment if he fails to comply, Justice Buchanan stated "In the circumstances I am not confident that he will meet his obligations under the orders I will now make unless it is unmistakably clear to him that further defiance of the Court's orders will be attended by immediate consequences." Hoey was also ordered by the Court to pay the applicant's substantial costs of the action which AFACT estimates at over \$50,000.

Justice Buchanan found Shannan Hoey acted in "deliberate and open defiance" of the Courts orders. On 9 June 2006 Justice Sackville ordered Hoey to cease trading in unauthorised import DVDs of films including "United 93" and "The Fast and the Furious: Tokyo Drift" and to deliver up copies of unauthorised import DVDs on oath. Hoey failed to do so and continued selling repeatedly until Australian Federation Against Copyright Theft [AFACT] member companies initiated proceedings for contempt of court against him in December 2006.

Commenting on the judgment Adrienne Pecotic, Executive Director of AFACT said "Shannan Hoey will now pay for defying every warning and every opportunity to stop his illegal trading at the cost of honest shop owners around him. AFACT welcomes the Courts strong response to Hoey's blatant conduct and sad recognition that only the threat of jail will make him stop."

Background:

On February 15, 2006 the film industry in Australia stepped up its efforts to protect movies, commencing an action in the Federal Court against Shannan John Hoey, trading as DVD Kingdom in Cranbourne, Victoria for copyright infringement.

DVD Kingdom was a retail outlet unlawfully selling movie DVDs, sourced from the United States, prior to the release of the titles in Australia. The unauthorised import and sale of these DVDs, which the importer should have known was unauthorised, is parallel importation and infringes the copyright laws of Australia.

Unlawfully imported DVDs that are available in the market prior to the official release of legitimate home video product (and often even theatrical release) negatively impact theatre ticket sales and legitimate DVD sales because a certain number of people have already seen the movie via these unlawful imports. Unlawfully imported DVDs are also a ready source of 'master' copies for the criminal counterfeit DVD trade in Australia. The trade in unauthorised DVDs has an inevitable impact on the bottom line of Australian film industry businesses.

The action initiated on February 15th by 13 motion picture companies represented by the Australian Federation Against Copyright Theft [AFACT] followed one taken against Minotaur (Entertainment) Pty. Limited in May 2005 when that company and its director Colin Paraskevas were ordered by the Federal Court by consent to pay \$100,000 in costs and damages for violations of Australian copyright law through the unauthorized sale of Region 1 (U.S.-origin) DVDs in Australia.

AFACT was first alerted to DVD Kingdom's unlawful activity through an anonymous tip-off, and subsequently, having thoroughly investigated the company's activities, in April 2005 issued the proprietor with a warning that its activity was unlawful and should stop. Hoey defied repeated warnings, including a court order to stop his conduct, and was found guilty of contempt of court on 31 May, 2007.

Justice Buchanan found Hoey guilty of contempt and imposed the following penalties:

1. *Delivery up of items within 7 days, failing which a \$10,000 fine will be due and owing*
2. *An additional contempt fine of \$15,000 payable in three installments*
3. *30 days' imprisonment in the event Hoey fails either undertaking*
4. *Payment of the applicants' (AFACT members) costs*

The Court orders in the DVD Kingdom case send a further strong message that the unauthorised or 'parallel' import of DVDs from overseas for sale or rental is unlawful and will not be tolerated.

WORLD'S FIRST PIRATED COPY OF THE SIMPSONS MOVIE TRACED TO SYDNEY

An illegal camcord copy tracked from the global internet to a Sydney source resulted in an avalanche of piracy within the first 72 hours of the movie's global release.

Close international cooperation between the Australian Federal Police (AFP), the Australian Federation Against Copyright Theft (AFACT) and Twentieth Century Fox (Fox) resulted in the speedy removal of an unauthorised recording of 'The Simpsons Movie' within 72 hours of it being posted on the internet and today's raid on the home of a 21 year old male alleged to have recorded and uploaded the illegal copy.

AFACT alleges that the illegal copy of "The Simpsons Movie" is the first to have been identified by Fox on the internet anywhere in the world and was camcorded from a cinema in the western suburbs of Sydney on Thursday 26th July. AFACT alleges that it appeared on the internet within hours of the movie's global release. The movie was uploaded on to a United States based global streaming website before the film was screened in the United States, where it was immediately viewed or downloaded more than 3,000 times.

Quick action by industry investigators resulted in the copy being removed from the website within two hours of it being uploaded. By then however, the illegal file had already migrated to other web sites. AFACT investigators found that the movie had also been re-edited with an unauthorized French language version, reformatted and distributed on numerous Bit Torrent sites by two organized release groups which facilitate file sharing.

"More than 90% of newly released movies that illegally appear on the internet and on the streets around the world originate from camcorder copies. This case shows how fast stolen movies spread across the internet, creating a wild fire of illegal copies originating from just one unauthorised recording," said Adrienne Pecotic, Executive Director of AFACT.

"Within 72 hours of making and uploading this unauthorized recording, AFACT had tracked it to other streaming sites and P2P systems where it had been illegally downloaded in excess of 110,000 times and in all probability, copied and sold as a pirate DVD all over the world. The speed and spread of illegal copies across the global internet as a result of this camcord copy being made from a mobile phone in a Sydney cinema is staggering."

Denis Parkes, an independent cinema owner from regional New South Wales added: "This is further proof that piracy is active in Australian communities, where it seriously hurts cinema owners like me. It demands immediate action from the Australian public and ongoing support from the authorities. I commend the Australian Federal Police for recognising the substantial damage caused by a single act of camcording and for their prompt enforcement action."

Unauthorised recording of films in cinemas is increasing in Australia with police attending seven reported incidents of camcording across three states in the last six weeks, more than half using new technology mobile phones.

On Tuesday 14 August, at the Australian International Movie Convention on the Gold Coast, 'Happy Feet' Director Dr George Miller launched a major national anti-piracy campaign aimed at helping Australian movie-lovers understand that piracy is not a victimless crime. It has proven consequences that damage the film industry, threatening Australian jobs, filmmakers, cinemas, DVD stores and investment in future films.

"KENNY" DVD MOVIE PIRATES NOT SO FLUSH

Macquarie Fields, NSW

Dwayne Watts, 37, and partner Sonya Newman, 44, of Macquarie Fields, appeared at Liverpool Magistrates Court on 23 May, and were fined a total of \$6,702 for manufacturing and selling pirated DVD movies, which they advertised through junk mail letterbox drops.

The junk mail flyers offered hundreds of DVD movie titles for sale including "Miami Vice" and "Monster House", as well as the popular Australian film "Kenny", which was still showing in cinemas at the time of the offence. The flyers were distributed in the Macquarie Fields area of Western Sydney.

Watts and Newman were convicted of six offences each relating to copyright infringement, while Watts was convicted of a further nine offences relating to State classification laws.

Sentencing the pair, Magistrate Chris O'Brien pronounced: "*These are serious matters and takes income from the people for whom it's intended.*"

Adrienne Pecotic, Executive Director of the Australian Federation Against Copyright Theft (AFACT) added: "Movie piracy is a crime which has detrimental consequences for local cinemas and home video businesses, and movie pirates have no place in our communities. It is reassuring to see local police working side by side with our investigators to identify and stamp out piracy operations from whichever living room, basement or garage they might originate."

The case resulted from a successful raid on Wednesday 8 November 2006, where police, with the assistance of AFACT investigators, executed a search warrant on the pair's Macquarie Fields residence. Seized in the raid were 1,000 illegal DVD-R movies priced at \$10 each, and 600 advertising flyers ready for distribution and computer equipment with multiple DVD burning capabilities.

Watts and Newman are unemployed and were claiming social security benefits from the government at the time of committing the offences.

AFACT acts on behalf of the 50,000 Australians directly impacted by copyright theft including independent cinemas, video rental stores and film and television producers across the country.