

Washington. There was a base library of 991 DVDs, sound tracks and video games.

Police said apart from the library, there were 1615 loose DVDs, movies and games ready to be boxed, 1610 boxed DVDs 170 sound tracks and 500 games. The Australian Film and Video Security Office said the pirate DVD manufacturing operation was the biggest in Australia with a street value of the DVDs approx \$80,000 and the equipment valued at \$100,000.

Detectives had the shop in Charles St Newcomb under surveillance before executing a warrant. Most of the manufacturing equipment was found at a house in Hoppers Crossing. Detective said a man would be charged after a full assessment was made of the alleged offences. Sergeant Sodomaco said organised crime was now moving into the soft crime areas like pirating, as an alternative to hard crimes like drugs.

AN UPDATE FROM THE OFFICE OF FILM AND LITERATURE ON CLASSIFICATION

Classified films , DVDs, Videos and Computer Games

A classified film (in any format, including video and DVD), or computer game, must be sold in the form and with the title that has been classified. The container, wrapping or case must display the correct classification marking and relevant consumer advice. Any references to "sell" or "sale" or "sold" also apply to exchanging, hiring; and offering or displaying for sale, exchange or hire.

A person selling, hiring or exhibiting a film in a public place, such as a film retail or hire outlet, must prominently display an approved notice listing the classifications and what these mean for the public. Generally, these are displayed at the point of sale. Approved notices are available from the OFLC.

Unclassified films or computer games

An unclassified film or computer game must not be sold or kept on premises where classified films or computer games are sold. It is an offence to sell an unclassified film or computer game with markings on the container, wrapping or casing that indicate or suggest that the film has been classified.

It is an offence to possess or copy, with the intention of sale or exhibition, an unclassified film that would be classified 'RC' or 'X'.

Films and computer games classified 'MA 15+'

A film or computer game classified 'MA 15+' must not be sold or delivered to a person under 15 except by a parent or guardian of that person, or with the consent of the parent or guardian.

Retailers cannot display trailers for films classified MA 15+, or demonstrate computer games classified MA 15+ in a public place such as television monitors within stores.

Films classified 'R 18+'

A film classified 'R 18+' must not be sold or delivered to a person under 18 except by a parent or guardian of that person.

Retailers cannot display trailers for films classified R 18+

There is no R 18+ classification for computer games.

Penalties for offences

Breach of these requirements may lead to prosecution for a criminal offence.

Penalties range from \$550 to \$33,000 and imprisonment for up to 2 years depending on the offence.

Need more information?

About classification of films or Games:

Contact the Office of Film and Literature Classification (OFLC) Locked Bag 3, Haymarket NSW 2000 Telephone: (02) 9289 7100. Fax: (02) 9289 7101 website: www.oflc.gov.au

About the sale, hire or exhibition of films or games in Australia:

Contact the OFLC's Community Liaison Scheme staff: David Emery (02) 9289 7191 Ron Robinson (02) 9289 7116 Barbara Vosoba (02) 9289 7126 or via e-mail cls@oflc.gov.au

SCREENINGS IN THE PARK — HISTORY REPEATS ITSELF

Over the Christmas period and just again last week, members have been reporting incidents of advertised free screenings of movies in the park. The reports came from Port Stephens and the western regions of Sydney over Christmas and more recently Hornsby / Hills district in Sydney.

Is this history repeating itself? Is this a case of the pubs and club problem the Association fought so hard against some years ago raising its ugly head again? The pubs and clubs used these free screenings to attract additional patronage to their venues but the Association argued this had a very

detrimental effect on rental revenues of our members. The distributors finally recognised this type of activity was a breach of commercial trading terms [windows] with the video stores and agreed to not allow such screenings. In the interests of all in the video industry, we are asking all Association members to be ever vigilant and report all advertisements for free screening to the Association's office, so pressure can be placed on the distributor concerned to have the screening cancelled.

By defending what is rightfully ours and stopping this practice we will all be better off financially.

VIDEO INDUSTRY STAFF APPOINTMENTS

Columbia appoints a new Sales Director

Columbia Tristar Home Entertainment has announced the appointment of Stuart Wood to the position of Sales Director for Australia covering both rental and retail channels effective immediately. Stuart Wood brings extensive knowledge and experience to the role having most recently held the position of National Business Manager for Cadbury Schweppes Pty Ltd.

"His experience with managing such a mature category at Cadbury Schweppes will be integral in Columbia Tristar capitalising on the continuing growth of the DVD category" said Michele Garra.

Brackley Industries - Zenithpac

Brackley Industries have announced the appointment of Alison Field as the new Sales and Marketing Manager. Although Alison's background is not

from the video industry she holds a Masters in Marketing degree, UTS and a Bachelor of Arts Japanese from Macquarie University.

"I chose Brackley Industries as the role offered the opportunity to combine my preferred areas of business, sales, marketing and business development. I am enjoying the diversity, pace and challenges" said Alison.

Keston Holdings appoints a new Business Manager

Keston has announced the appointment of Maria Vermunt as New Business Manager. Maria has a wealth of experience in the video industry having worked in the manufacturing and distribution areas for some ten years. Maria is renowned for her sales and marketing skills and will be a great asset to the team at Keston

STARLIGHT VIDEO MONTH changes to AUGUST 2003

Starlight Video Month is fast approaching and has been scheduled for August this year, which is a change from previous years. With the support of AVRA and the video industry, Starlight Video Month has to date raised in excess of \$4.35 million for the Starlight Children's Foundation.

This annual event has funded our Starlight Express Vans program. Express Vans are designed to extend the reach of entertainment for seriously ill and hospitalised children as far as possible throughout Australia. We take the fun and magic from the Starlight Express Rooms on the road and Captain Starlight visits metropolitan and regional hospitals as well as special schools to entertain the children.

We currently have Starlight Express vans running in NSW and VIC, with a new van launched in Qld at the end of 2002 and our 4th van is due to be launched in WA at the end of Feb 2003. While the reach of Captain Starlight and the smiles we bring to children in need is expanding, there are still many children across Australia who are missing out as we strive to achieve our goal of brightening the lives of ALL seriously ill and hospitalised children and their families throughout Australia. We need your help to extend our reach to more children.

Our patron this year is the Wiggles and they will act as the face and voice of this year's promotion, adding their own unique and fun style to this very important program for Starlight.

DELAMINATION OF DVD DISCS NOT JUST A RENTAL PROBLEM ANYMORE

Maybe the DVD manufactures and the distributors will now sit up and take notice as the delamination problems hit the sell thru market with many consumers, who take pride in building personal libraries of DVDs, beginning to be effected by this problem. An article appeared in the Sydney Morning Herald of 1st February 2003 "A bad case of DVD rot eats into movie collections" exposing this delamination problem that we in the rental channel have experienced already with no satisfactory explanation or recourse from distributors.

The article says unofficial estimates put the number of affected discs at between one and ten percent of the total number of DVD discs produced. Some of the largest Hollywood Studios are refusing to accept that the problem exists and to replace faulty stock. This attitude is also reflected with some distributors in Australia.

In the hope that we would clarify and accurately report to our members on the returns policy of damaged DVD stock, we asked all major distributors to provide us with their policy but

unfortunately only two replied (see table on following page). The others remained silent, clothed in secrecy. The Association highly recommends you contact the others asking for their returns policy.

Having spent a day at one of the DVD manufacturing plants discussing the problem and being given a guided tour of the manufacturing floor, it may be appropriate to spend just a little time explaining how a disc is made.

The lengthy process involved in making a DVD commences with the production of a Master tape or as it is known Digital Linear Tape (DLT), which simply means all the data required for a finished product is combined onto one master tape (DLT). This tape is then transported to the replication factory.

From this Digital Linear Tape the first step in the manufacturing process is the production of a metal master, this is done by loading the information from the DLT into a Laser Beam Recorder (LBR).The LBR encodes the information using UV laser to form pits and lands on the

OUR MISSION

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

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Special Industry Announcement

AVRA Retailer Excellence Awards 2003

Put this date in your diary now!

Friday 31st October 2003
7.00 pm
Star City Ballroom, Pymont, Sydney

For further information please call the AVRA office 02 9960 0046 and speak to Ross, or email us on info@avra.com.au

substrate (a glass disc), which is then developed revealing the area that has been exposed by the laser. This is then used to create a nickel master which is the finished product used for replicating DVD discs.

The nickel master is then loaded into an injection moulding press which compresses a molten resin (polycarbonate) into the cavity in which the nickel master is located to form the disc. The disc is placed into a vacuum metalising chamber to be coated with the reflective layer that home DVD players can read. Because DVD discs hold so much information they are replicated in halves and at this stage the discs are very unstable and need to be bonded together.

The two pieces are bonded together by spinning the disc at 3000 to 4000 rpm and spreading the resin by centrifugal force from the centre outwards. The bonding however only commences at the bonding groove/line, three to four millimetres from the centre hole of the disc rendering this section of the disc exposed to movement and separation of the two pieces. Apparently the technology was not available seven years ago to allow discs to be completely glued to the centre.

Information at hand suggests the technology is now available with a new piece of manufacturing equipment called the M2 but the cost to manufactures in re-equipping their production line would run into millions of dollars and it is something we will not see in the near future.

Once the disc manufacturing is complete, the disc is sent to the warehouse for packing into the authorised, approved and supplied DVD boxes from distributors ready for distribution to stores.

My research, which manufacturers agree with and say they are working on with the distributors, is that many of the so called approved boxes have a very harsh centre release mechanism. This causes the disc to flex in the centre separating the two disc pieces at that point when releasing the disc. Remember the disc is not glued or bonded at that point, allowing for moisture and dampness between the discs which eventually renders the disc unplayable, often showing a coffee coloured stain.

How do we overcome the problem? It appears many of the Association's members have already done so without even knowing there was a problem. They immediately recognized the harsh mechanisms of the authorised distributors boxes and simply purchased and re boxed the discs in a more consumer friendly box with an easier release mechanism. This worked wonders with consumer education as the customers were not dragging, pulling or forcing the disc from the release mechanism. One member I spoke to was so frustrated with the releasing mechanism and the problems it caused, they took the very simple approach of placing the rented disc in a plastic sleeve at the point of sale.

This begs the question why should we, as customers of the distributors, be forced into a further expense having purchased the original item? The answer is we simply should not have to. Unfortunately we probably should apportion some of the blame to ourselves for not protesting loud and long enough to the distributors about the problem. We just got on with business and fixed it ourselves.

The Association is currently asking all members to provide us with specific

details of damaged DVD discs and you are encouraged to take just a few minutes of your time to complete the attached questionnaire. The information collected will then be used to provide a statistical analysis to the distributors in the hope we can prompt them into action.

RETURNS POLICY DAMAGED DVDS

Buena Vista Home Entertainment

Deemed manufacturing fault:
Full Credit
Damaged by customer negligence:
Replacement cost \$15

Roadshow Entertainment

Commencing 1st April 2003
If damaged or unusable on delivery:
72 hour window to request return. There is a no-returns policy after the above time frame

Large manufacturing fault:
Product recall
Please note the Association is seeking further clarification of the Roadshow policy

Columbia TriStar Home Entertainment

Manufacturing and shipping related faults:
Must be reported within three days. No returns approved after that time

AUSTRALIAN FILM & VIDEO SECURITY OFFICE

Background

The Australasian Film & Video Security Office (AFVSO) was established in 1982 by the Motion Picture Association (MPA) to protect the film industry from the adverse effects of illegal copies and their distribution.

The members of the MPA consist of the major film studios that produce and distribute films throughout the world.

The AFVSO also represents the Australian based film and video distributors, not only of those related to MPA but also companies such as Village Roadshow.

Stephen Howes, a former Australian Federal and UK police officer, was appointed as the senior investigator with the AFVSO in 1982 and took over as director in 1989.

Illegal Copies

During the 1980s, illegal copies of films were on the 1/2 inch VHS and Beta video cassette formats and generally sold or rented through video retail stores. At one time there were professional 'gangs' operating in Sydney and Melbourne whereby the copies were of such excellent quality they deceived many retailers into believing they had genuine product. Concentrated police and AFVSO operations during 1985-86 brought these activities under control with arrests and prosecutions of duplicators, printers and field salesmen.

With the advent of optical discs (ie. video compact discs (VCD); digital versatile discs (DVD) compact recordable discs (CDR) and digital versatile disc recordable, (DVDR)) in the mid 1990s, illegal copying and distribution took another turn. This time

the property was being manufactured on VCD and DVD mainly in Asia and imported into Australia for distribution. The compact nature of the disc compared to cassettes made them easily transported in quantity, not only into Australia but also within the country for sale to the public.

AFVSO/Police and Customs have been actively trying to combat this problem with some success during the past twelve months. This has in turn brought about the situation whereby the illegal product is now being reproduced locally using the CDR and DVDR technology.

Distribution

Video retail stores are no longer the main focus for the sale of these discs. Weekend markets and swap-meets are

the mainstay for these illegal operators with door to door sales, trader magazine and Internet auction sites also being utilised.

In many instances the distribution is well organised. Evidence indicates that overseas contacts arrange for distribution networks which can infiltrate throughout Australia with the profits flowing back overseas. Frequently the street seller is acting on instructions from the locally based organiser and is in fear of reprisal if caught by the police and revealing any background to the operation.

Originally, several hundred and sometimes a thousand or so illegal copies were observed or seized by police from market stalls. In more

AVRA MEMBERS SURVEY / QUESTIONNAIRE

You will have noticed this edition of the newsletter has a Members survey/questionnaire enclosed with it.

This survey is a result of the individual efforts of an AVRA member from the Gold Coast, Mr Bryan Chester, who has become very annoyed about the lack of help from the Queensland state police in the process of recovering stolen / unreturned product from his store. Bryan initially took his problem to his local Queensland state police station, who treated him with scant regard and took no action against a particular repeat offender. Bryan then wrote to the Queensland State Police Commissioner and although his letter was acknowledged nothing further happened.

Undaunted by this, Bryan then wrote to and received an interview with his local state MP Mr Bob Quinn. Bryan says although Mr Quinn certainly listened carefully to the problem at hand for video store owners, he indicated he was loathed to move forward without concrete data.

This problem is not isolated to a particular area it happens right across the video industry and is having an ever increasing effect on the stores bottom line.

All members are asked to take what is just a small fraction of time, to complete the survey and fax it back to the AVRA office 02 9960 0041 so the information can be tabulated and used to help our case. In strength we, as an Association, can move forward with this.

recent times, the sellers have only a few copies on display with a supplier replenishing the stock as required. Frequently young children are used as stall operators and runners with the adults staying in the background.

Door to door sales are also well organised with the distributor frequently changing telephone contact numbers and using false addresses.

The Impact

It is estimated the distribution of unauthorised copies has risen from 4% of the legitimate market to around 8% this past year. When looking across the board at film distributors, cinema attendances, video distributors and video retailers it amounts to around \$100M. Some estimates place the dollar loss at nearly twice that amount when considering the ancillary industries such as advertising, printing and 'popcorn' type sales.

Why the Increased Impact

Theft and borrowing of theatrical reels from cinemas to make video copies has been a problem. Theft from film production facilities has also been a problem as well as the video camera copying off screen. All these issues have been addressed by increasing security awareness.

Product obtained by these means frequently beats the cinema release of the particular titles in Australia thereby causing a demand for the illegal copies. The quality on disc has also improved from the earlier days and consumers are more content to watch the illegal copy rather than go to the cinema or to watch the legitimate video release some months later.

Preventative/Deterrent Measures

Education of the public regarding the

damage they cause to local employment and the film production industry is an ongoing campaign through the media. Education of those involved in the illegal production and sale is also achieved through warning letters and face to face discussions.

Technology also plays a large part in prevention and there is a continual search to improve anti-copy devices and software.

The sentence of persons convicted for copyright offences should also be a deterrent to others not to engage in the illegal activity. Unfortunately this is rarely the case and the low fines handed down are seen as a small business overhead by those involved.

Enforcement - The Past Three Years

Action	2000	2001	2002
Incoming Reports/Complaints	N/A	2,600	2,900
Internet take-downs	N/A	317	821
Police raids	9	21	55
Cassettes/discs seized	5,650	24,419	87,191

Enforcement Problems

At the official level, state police will not become involved in any federal (eg copyright) investigation or prosecution, unless a state offence has been committed. Australian Federal Police policy is to only investigate copyright offences if other serious crime is also involved.

The film industry carries out its own initial investigations to search warrant status. This relieves the police of involving their resources to this stage. If the Federal Police refuse to take on the case from there, then it becomes

difficult to prove that serious and or organised crime is involved.

These policies therefore make it extremely difficult to have law enforcement bodies assist the industry in bringing the piracy problems under control.

This is an ongoing problem that is constantly being reviewed.

The Future

In spite of the enforcement problems, it will be seen from the past three year's statistics that results are being achieved. Since January 2003 there has been visible reduction to the volume of illegal product being offered for sale the overall anti-piracy activity can be sustained we hope this downward trend will continue.

Stephen HOWES
Director, AFVSO

Revised: 12 March 2003.

PIRATE BOOTY CHECKED

Article appeared in the
Geelong Advertiser
Tuesday 11th March 2003

Detectives yesterday began the long job of cataloguing thousands of finished DVDs, games and sound tracks, raw discs and high-tech disc copying equipment seized in two Sunday raids.

The equipment was seized in raids on a shop in Newcomb and a house in Hoppers Crossing as police smashed what was said to be the biggest operation of its type in Australia.

The list of ready to sell DVDs included most movies in the cinemas like *Catch Me If You Can* and *One Hour Photo*, and the yet to be released movie *Antoine Fisher* starring Denzel