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STUDY REVEALS \$1.37 BILLION LOSS TO AUSTRALIAN ECONOMY FROM MOVIE PIRACY

6,100 jobs forgone in 12 month period

Sydney: On 17 February, the Australian film community held a media conference on the set of Stephan Elliot's new comedy *A Few Best Men* at Fox Studios Australia to reveal that the economic impact of movie piracy equated to \$1.37 billion in lost revenue to the Australian economy and 6,100 jobs forgone over a 12-month period.

The joint study was undertaken by IPSOS and Oxford Economics on behalf of the Australian Federation Against Copyright Theft (AFACT). The key findings indicated the scale of harm caused by movie piracy to the Australian economy in the 12 months up to July 2010.

Speaking at the press conference, actor Roy Billing said: "\$1.37 billion per annum in losses to the film industry is a staggering figure and suggests that we need to act urgently to stem the tide of movie theft. At stake is not only the livelihoods of artists, technicians, laborers and service people, but the ability for Australia to compete as a leader in innovation and creativity. Educating people about the immediate financial impact of movie theft is a good start to motivating change in behaviour."

Antonia Barnard, a Producer on *A Few Best Men* said: "Producing a film is a team effort that utilizes the skill and hard work of hundreds of talented Australians both on and off camera. There is a huge amount of creative and financial investment required, and it is a risky enough business without having to deal with the notion that all of that hard work and creative input will be worth nothing if your film is stolen. We are hopeful that when *A Few Best Men* is released that people will choose to see it as it is intended to be seen – on the big screen – or that they choose to buy or rent a DVD legally rather than viewing it online via illegal downloads."

The Executive Director of AFACT, Neil Gane, said: "The IPSOS research tells us that movie theft has a destructive impact not just on the film industry, but the economic damage also reverberates through our entire community, threatening all types of jobs and businesses. The film community is no different than any other sector of the economy that relies on skill, investment and hard work. The losses are significant and the report highlights the need for urgency in addressing this problem."

The key findings of the survey found that:

1. Allowing for effects on other industries, \$1.37 billion in revenue was lost across the entire Australian economy.
2. 6,100 jobs were forgone across the entire economy.
3. Tax losses to movie piracy amounted to \$193 million.
4. Direct consumer spending losses to the movie industry, ie. cinema owners, local distributors, producers and retailers amounted to \$575 million (equivalent to more than three times the combined revenues - \$178 million - of AFL Clubs Collingwood,

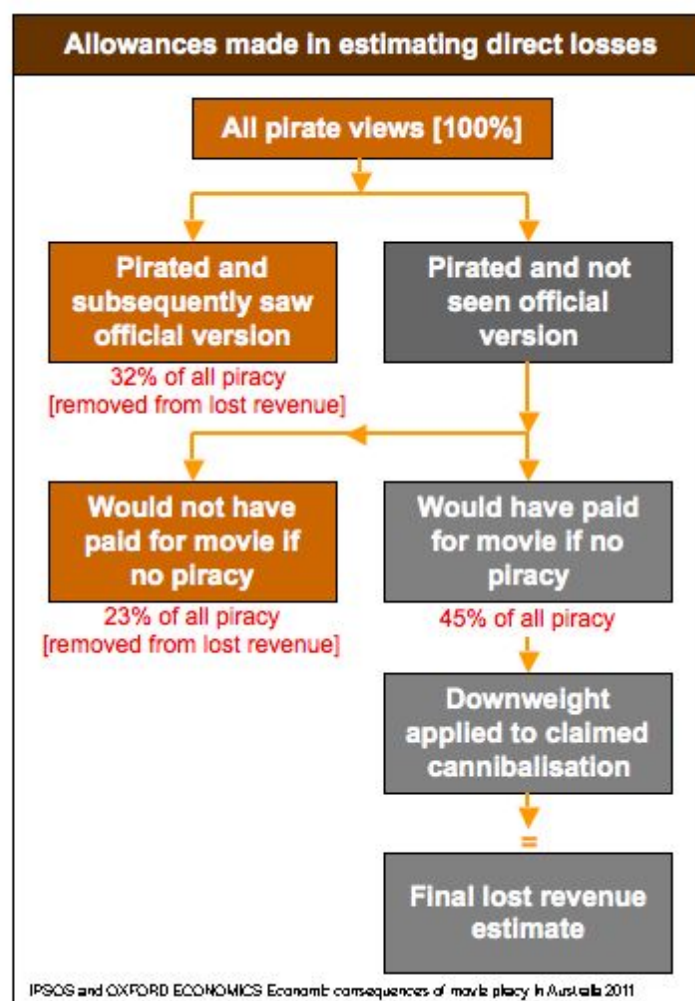
Hawthorn, Carlton and Geelong.¹

5. A third of the Australian adult population has participated in some form of movie theft (downloading, streaming, buying counterfeit, borrowing unauthorized, burning).
6. 92 million pirated movies were estimated to have been viewed or obtained within this period.

The IPSOS study arrived at the figures by conducting a telephone survey of 3,500 adults aged 18 and over, between July and August 2010.

The study defines and measures movie piracy as anyone viewing a full-length movie via unauthorized means, including digital theft (downloading, streaming, digital transfer), physical procurement (buying, counterfeit/copied DVDs) and receipt by secondary means (borrowing or viewing unauthorized copies).

The conservative study allows for the fact that not every pirate viewing is a lost sale.



The release of the IPSOS study follows similar recent research into content theft:

- On 31 January 2011 a report by Internet Intelligence company Envisional concluded that nearly a quarter (23.76%) of all Internet traffic involves digital theft of copyrighted material, with the open source file sharing application BitTorrent accounting for nearly half (11.4%) of the infringing content.²
- On 30 August 2010, the Intellectual Property Awareness Foundation released research through Sycamore Research & Marketing that revealed that 53% of

¹ Combined revenues of Collingwood, Hawthorn, Carlton and Geelong Football Clubs for 2010 sourced in respective Annual Financial Statements www.afl.com.au <<http://www.afl.com.au>>

² Envisional Technical Report: An Estimate of Infringing User of the Internet, http://documents.envisional.com/docs/Envisional-Internet_Usage-Jan2011.pdf
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Australians said that they had participated in some form of movie (or television) theft.

- In July 2010, research conducted by Ballarat University's Internet Commerce Security Laboratory (ICSL) found that at least 89.9% of all BitTorrent files shared were infringing.

About AFACT

AFACT works closely with industry, government and enforcement agencies to address copyright theft and protect the interests of the film and television community as well as the interests of Australian movie fans.

Contact:

Stephen Jenner

02 9997 8011

0409 776 196

info@afact.com.au

www.afact.org.au