



VILLAGE ROADSHOW LIMITED

Web Site: www.villageroadshow.com.au

19 November 2018

TO: Senate Environment and Communications Legislation Committee

Review of Copyright Amendment (Online Infringement) Bill 2018

In June 2015 the Australian Government, with bi partisan support of the Coalition and Labor party enacted legislation to protect Australian industries against the trade in stolen movies. The site blocking was implemented through the Federal Court to ensure there was no inappropriate actions and has worked exceptionally well.

However, while the front door to piracy has been effectively shut, search engines have simply redirected people to the back door effectively facilitating crime in the face of an Australian government law.

The proposed amendments will address this and will also require a Federal Court Judge to oversee the process. The only people that gain from objecting to this law are:-

1. Pirates

Pirates are not charitable and are seriously bad people (suspected links to organised crime).

They make their money on:

- a) Commissions on scams. Stealing people's credit card details – holding their computers to ransom et cetera.
- b) Rogue advertising including illegal gambling, drugs, sex aids and prostitution.

The analogy is a shopping centre knowing they are getting big traffic to the centre from a store that is using stolen goods to lure people and then robbing them! Of course, the owner would not wait for a court order and would shut them down real fast. As the Koreans do and so should Google!

Finally, all pirates are located outside of Australia and employ not one person and pay not one cent of Australian tax.

2. Search engines and in particular Google

Google say they are up for the fight against piracy. This is a sham. Their sole interest is using a treasure trove of stolen movies as part of attracting people to a business model that is strengthened by theft. I attach examples of this on how Google auto complete and search are used to steal movies. This is no different from stealing a loaf of bread from a 7-11 store.

3. Freedom of the Internet advocates

Those that cry for freedom of the internet, this is a worthy ambition but completely impractical if it is to massively disrupt jobs, taxation and our Australian way of life.

Freedom of the internet is like freedom of the highways and just as it is reasonable to have restrictions for drink driving and speeding, the same is the case with blatant copyright theft.

The effects of piracy are shocking to our Australian employment, economy and way of life.

The Australian film industry is critical to what we are as Australians. My generation grew up with GALLIPOLI, BREAKER MORANT, MURIEL'S WEDDING and the current crew with RED DOG, HAPPY FEET, HEARTBREAK RIDGE, LADIES IN BLACK and LION. Wondrous Australian films are often more important than people we meet in shaping our world.

Village Roadshow is an Australian film producer and has been involved with in the vicinity of 80 films since the renaissance of our local industry some time ago. If piracy continues it's going to be impossible to have any chance of a business model that will enable films to be made. It is impossible to compete with "free".

What follows is the actual number of downloads on two very important Australian films both of which were subsidised by the Australian Government's tax offset arrangements.

Title	Illegal Downloads*	Legal Transactions**
Mad Max Fury Road	1,226,104	602,378
Lion	358,155	352,387

* unique peers and excludes streaming

** includes EST, VOD, DVD & Blu-Ray

The ultimate effect of piracy is not only to damage production and jobs but billows out into the effect on local community cinemas and the thousands that are employed.

Piracy in a nutshell is devastating for our jobs and economy with the loss of tens of millions in taxation revenue.

Critical to the success of solving piracy is that legislation is accompanied by:

- a) **Legally available cheap product** – Australian digital download of movies is amongst the lowest prices anywhere in the world. Services like Netflix, Stan and others have opened and subscription prices are not expensive. Village accepts and understands that people want to get product at the same time as the rest of the world. Three years ago, this was not the case but today 99% of films are released simultaneously with either the American or UK openings. The small exception is a film like LEGO where it is released in holidays when audiences want to see it.
- b) **Hearts and minds** – We must win over the hearts and minds. Our use of site blocking has been accompanied by a series of TV, on-line, newspaper and cinema ads reinforcing that piracy is theft and wrong. Just like people no longer smoke in restaurants and we have "tidy towns", there is no doubt we can win hearts and minds.
 - i) The Bryan Brown commercial was to educate people to the real risks of pirating. This was factual and powerful and in Bryan's Aussie way connected with audiences <https://vimeo.com/219052229>.
 - ii) Our new commercial appeals to the Aussie spirit of doing the right thing. It captures the exuberance and positivity of making films that employ tradies, musicians, writers and creative talent <https://vimeo.com/256002627>.

Both of these campaigns have been supported widely by Channels Nine, Seven, Ten, Foxtel and every cinema screen in the country.

In two years the public perspective has changed and 74% support our position that piracy is theft, and 52% agree more regulation is needed to prevent piracy and only 20% disagree.

Let me conclude with a quote from the late Steve Jobs:

"From the earliest days at Apple, I realised that we thrived when we created intellectual property. If people copied or stole our software we'd be out of business. If it weren't protected there'd be no incentive for us to make new software or product designs. If protection of intellectual property begins to dissipate creative companies will disappear or never get started. But there's a simpler reason. It's wrong to steal. It hurts other people. And it hurts your own character."

Yours sincerely,

Graham W Burke, AO
Chief Executive Officer