

ACCC
23 Marcus Clarke Street
Canberra ACT 2601

Ref AA1000433

20 Feb 19

Australasian Performing Right Association Ltd application for the revocation of authorisations A91367 – A91375 and substitution of new authorisation A1000433 – interested party consultation.

To Whom It May Concern:

I am the operator of three hospitality venues in Melbourne providing food, beverage and entertainment and have done so for almost 30 years. I oppose APRA's reauthorisation.

I have a deep concern with APRA and for that matter PPCA. Both of which unduly place my businesses under greater financial burden.

My understanding is that Australia pays the highest rates for copyright usage than any other country in the world. By comparison, if you took the highest paying countries in the world UK, Ireland and France, Australia pays four times that amount.

APRA continues to increase its fees without any real basis to do so other than it simply can. These increases are not related to additional services.

Why, cannot we in Australia, obtain a licence to play music from any other agencies around the world authorised to provide this service and who can provide the service for a more competitive figure, consequently eliminate the anti – competitive nature of the current system in Australia.

From my point of view the genesis of the current condition that exists in Australia begins with the PPCA in 2008 gaining the authority to increase the then current rates from \$0.08 per person per night to \$1.10 per person per night. APRA simply followed the precedent set by PPCA. It is worth noting that the majority of hospitality operators at that time, had no idea that the above had taken place until it was too late.

A 1250% increase with no opportunity from the majority of the industry that it would impact, having an opportunity to raise a position on the matter.

I am aware that the AHA did do a lot of work on the matter at the time. The AHA serves its members as it should rightly do so, which are a small, albeit cohesive segment of the hospitality industry in Australia. But are certainly not the majority in the hospitality sector - which is far less cohesive, nor the many other business sectors that use music as part of their business model.

APRA and PPCA both act on behalf of the copyright owner which for me seems to be less and less about musicians and more about the big record companies. There are doubts in my mind about exactly how the money collected is distributed. Australian musicians at ground level do not seem to receive very much if anything in royalties. My thinking is that the money that is collected in Australia should be paid to Australian musicians and DJ's. It appears that most of the money leaves the country and pays only high profile artists and record companies.

I am very comfortable with the idea of paying for music that I use in commercial environment.

The problem is the very high value that has been placed on that music which is fundamentally flawed. The combined APRA and PPCA fees are 5 times that of a liquor licensing fees. It is perhaps the perception, that small business has less ability to defend itself and are an attractive inexhaustible source of funds.

When one considers what components are involved in creating and operating a hospitality business. Décor, lighting, sound equipment, art, kitchen equipment, bar equipment. Staff that can provide a quality of food, beverage and service. Marketing. Management that oversee the appropriate social environment for its given customers and deal with the real day to day risk of operating a business.

In the case of live music venues and night clubs the symbiotic relationship between a venue that hires a musician or DJ is not granted the value that it truly represents. That in many cases if it were not for the venue taking the interest and risk in the first place in hiring the musician or DJ, copyright fee would not be in the equation.

I feel that APRA is not a business that I simply buy a service from or not. But feel that their desire to impose themselves on my business model in an effort to extract more has become simply the standard. A standard that is overbearing and not an equitable service at all.

A somewhat silly analogy which I hope reflects my point.

I buy a chair at a fixed rate, to have patrons sit on it as it is intended. Sometime later the supplier of the chair happens to note that on occasion I am busy. He approaches me and points out that he believes that his chair has impacted my business. Further, that without a chair who would be prepared to patronise the venue. He now proposes that I pay based on how many people sit on the chair, not simply just make a one off payment for the chair.

Thank you for allowing me to communicate my view point.

Regards
Carlo Colosimo