From: Trevor Watt

Sent: Friday, 31 May 2013 4:32 PM **To:** 'adjudication@accc.gov.au' **Cc:** 'tessmacrae@accc.gov.au'

Subject: APRA's reauthorisation to the ACCC

The General Manager Adjudication Branch Australian Competition and Consumer Commission GPO Box 3131 CANBERRA ACT 2601

Dear Sir/Madam,

Thank you for the opportunity to provide input into APRA's reauthorisation to the ACCC.

The Star is a multi-purpose venue in inner city Sydney. In addition to its casino and gaming operations, The Star provides a diverse range of leisure and entertainment options to its patrons ranging from restaurants, bars, nightclubs, live music, retail and accommodation.

The Star would like to raise a number of concerns that are specific to its own experiences with APRA that we would ask the ACCC to consider when reviewing APRA's request for reauthorisation. We would contend that our experience with APRA's approach to the application of their tariffs, and limited recourse available when questioning APRA's assessments, creates uncertainty around the full cost of entertainment at The Star. Whilst we recognise the benefit APRA's blanket licensing provides, we submit that the aforementioned points raised results in a detriment to our operation of entertainment at The Star.

We also contend that the design of the tariffs does not properly align the way entertainment is used in our business with a fee structure that represents real value for the use of copyright. Further, APRA has unreasonably benefitted from not updating tariffs, like it's screen tariff, to reflect the technological improvements and resultant affordability and therefore proliferation of screens across our property.

After holding differing views with APRA around a number of assessments, we believe that the available resolution alternatives do not provide valid options in terms of long term reliable licensing options for The Star.

Namely:

1. We do not consider the Copyright Tribunal as a viable option for recalibrating the value of tariffs,

nor as an instrument for tariff reform. We feel this option places too much onus on copyright users to advocate for reform, whilst placing no responsibility on APRA.

- 2. Commercial negotiation with APRA produces uncertain outcomes through APRA's inconsistent and discretionary interpretation of how each tariff applies to the relevant use.
- 3. The costs associated with APRA's dispute resolution process renders this option not commercially viable.

In summary it is our view that APRA:

- a) does not consult copyright users in setting it's tariffs, as it is focused solely on extracting maximum royalties to the benefit of its members, and;
- b) The legal protection afforded by the ACCC and the Australian Consumer Competition Act may lessen APRA's need to make the required reforms to it's tariffs.

If the ACCC are to reauthorise APRA, we would ask that they carefully design conditions around how APRA behaves in the market. These conditions should provide more certainty around the application of the tariffs, more effective alternatives for resolving differences in the interpretation of tariffs, and ask APRA to review the structure of tariffs in consultation with copyright users to reflect the value derived from the use of copyrights.

I consent to this submission being placed on the public register.

regards

Trevor Watt

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THESTAR