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13 October 2014

Mr David Hatfield
Director
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

By email: adjudication@accc.gov.au

Dear Mr Hatfield

Communications Alliance Ltd application for authorisation A91453 - Interested party consultation

Thank you for the opportunity to respond to the request from Communications Alliance for Authorisation for itself and its members not to advertise on websites that promote, facilitate or engage in online copyright infringement.

AIIA supports the Authorisation requested by Communications Alliance. AIIA submits that the public benefits of the Authorisation outweigh any public detriment. This is on the basis that copyright infringement is a serious issue that robs rights holders and artists of a material amount of revenue and ultimately undermines the sustainability of an effective artistic capability and community.

The substantial public benefit in granting the Authorisation is that it will remove current disincentives to artists and help stimulate an increase in the supply of artistic materials, resulting in increased competition and more choice at a lower cost. The Authorisation will provide a benefit to artists and rights holders, including Australian artists and rights holders and ultimately deliver a more vibrant and competitive market.

In our view reducing advertising revenues flowing to websites that are infringing copyright is a legitimate strategy which has the potential to reduce copyright infringement behaviour. There is also international support for this approach, for example the UK is also pursuing a 'Follow the Money' strategy for the same purpose. A key benefit of the approach is that it does not require any legislative change to current copyright legislation.

The only detriment we foresee is that the market for websites that support and encourage copyright infringement will reduce. There is no loss of public benefit from this as these websites are participating in an activity that does not benefit the public. We do not anticipate any other parties will be negatively affected by granting the proposed Authorisation.



In summary, granting the Authorisation will result in a public benefit and have a positive effect on competition. Not granting the Authorisation leaves the status quo, which perpetuates a situation where a specific industry (i.e. the creative and related industries) is blatantly and adversely impacted by websites participating in illegal practices. This in turn negatively impacts competitiveness within the industry and ultimately the public who are required to pay more for products obtained through legitimate channels.

Yours sincerely



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