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mation contained in these commercials is part and parcel of watching television.

To be denied access to this experience causes concern to deaf and hearing impaired Australians.

But in saying this I would not want to overlook the awareness-raising and marketing exercise conducted by the Australian Caption Centre, particularly over the past two years, so that now 10 per cent of ads are captioned.

The expectation is that this will rise to 40 per cent in the next two years, as there is a snowball effect among advertisers.

As with all developments in this area nothing comes easily or automatically.

After the good idea there has to be a lot of planning, persuading, negotiating and just plain hard work for the management and staff of the Caption Centre.

I'm sure this will continue to be so as the number and diversity of broadcasting services expand.

I know that the Centre has been thinking about the implications of the advent of pay TV for the deaf and hearing impaired.

They have made submissions to government on the need for subscription services to ensure that the technology that is used can carry closed captions.

This brings me back to the significance of access to television and video services and to the entertainment, education and information provided by these services.

Equality of access to services is an issue which will have more not less importance as specialist audio-visual services proliferate and assume greater significance in our homes and schools and workplaces.

Supertext captioning is an example of previous technological development with the potential to benefit a significant proportion of the population 15 per cent, who have a degree of hearing loss.

However the experience of captioning in Australia indicates that the existence of technology alone will not ensure that potential benefits are realised.

There is a range of other factors which come into play.

Not least of these is the capacity of consumers and service providers to pay for services and the role of government in furthering goals of access and equity in the community.

These are familiar issues for the Caption Centre.

Issues they have addressed with professionalism and dedication over the past ten years and the experience gained will provide the basis to successfully respond to the future broadcasting environment.

You should be justifiably proud of the quality of the work of the Centre, your profitability and the calibre of your staff.

Congratulations to you all on the achievements of the past ten years and best wishes for the future.



BOOK REVIEW

THE AUSTRALIAN MUSIC INDUSTRY: AN ECONOMIC PROFILE PREPARED FOR THE MUSIC INDUSTRY ADVISORY COUNCIL BY THE ECONOMIC STUDIES AND STRATEGIES UNIT, PRICE WATERHOUSE, CANBERRA, APRIL/MAY 1993
BY PAUL MYERS, INFORMATION AND ANALYSIS BRANCH, LICENSING DIVISION, ABA

The Music Industry Advisory Council (MIAC) has recently released an economic profile of the Australian music industry. It is the first report to Government by MIAC which was established in 1992 and follows an earlier Prices Surveillance Authority (PSA) report that was the basis of proposed copyright amendments discussed in the report.

Broadly, the profile contains a description of the industry structure, original data on the financial flows within the industry and factors affecting its future operations. The stated purpose of the profile is to provide a basis for advice to Government and concentrates on possible changes to copyright. This review aims to describe some of the key points made in the profile and convey some of the original data it contains.

IMPORTS AND COPYRIGHT

As music is not a physical good, legal rights are a key element in defining the goods and services that are traded. The Copyright Act prevents parallel imports by giving Australian copyright owners a territorial right to prevent (through withholding authorisation) importation of material authorised by the copyright holder in the country of origin. It also makes illegal imports and materials manufactured in Australia without authorisation. In effect the Australian copyright holder has exclusive control of the material sold inside Australia. The proposed changes to copyright embodied in the *Copyright Amendment Bill 1992* include:

- the removal of importation rights on sound recordings first published or released after 1 July 1994 that would allow parallel importation from the

US, UK, NZ, France and Denmark. This change would not apply for Australian or predominantly Australian performers but does apply for Australian composers and songwriters;

- parallel importation would be permitted after 1 July 1994 for orders not filled by the Australian copyright owner within 30 days. It is anticipated that this provision will mainly affect back catalogue;
- stronger piracy provisions that shift the onus of proof from the copyright owner to the importer.

The intention of these changes would be to allow price competition from imports leading to lower prices and freer trade. At the same time illegal reproductions would be pursued by stronger legal sanctions. Parallel impor-

tation was a key change factor identified in the report and was seen by industry representatives as increasing the risk of investing in the development of Australian artists. The effect of increased risk may increase reliance on overseas artists. In terms of the balance of trade the impact of these developments may be increased royalties flowing overseas and increased imports of physical product. MIAC has recommended that the Government reconsider the decision to allow parallel importation.

means of distribution.

The rental rights concept is advocated by the industry and supported by MIAC as a general solution to deal with the immediate issue of rental of CDs. It would also cover new distribution means such as subscription broadcasting and narrowcasting services and point to point communications via cable.

THE BLANK TAPE ROYALTY SCHEME

The High Court's rejection of the

1991-92 sourced from a survey supplemented by ABS data on imports/exports. Total output of the Australian music industry was estimated at \$1.4 billion for 1991-92. Of that, domestic sales of recordings was \$717m, exports of goods and services was \$120m, live performances in Australia was \$522m and commercial broadcast was \$10m.

To illustrate the productive significance of the industry, the profile includes calculations of the value added by the industry to domestic production. Value added shows how much an industry

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AN ECONOMIC PROFILE
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April/May 1993
Price Waterhouse
Economic Studies and Strategies Unit
Canberra

Price Waterhouse



NEW DISTRIBUTION PATHWAYS

A second issue that the profile identifies as a source of uncertainty for the industry is the potential revenue loss due to the growth of CD rentals. There are however a range of new distribution means that will emerge which may also be outside the control of record companies. The established system of record production and distribution through record companies and retail sellers is seen as a potential casualty of these new

Blank Tape Royalty Scheme is a related issue of concern to the industry. The scheme was intended to provide compensation for reproduction to originators, publishers and recording companies. MIAC has recommended the scheme be reintroduced in a new form as a tax.

THE VALUE OF THE AUSTRALIAN MUSIC INDUSTRY'S OUTPUT

The profile includes industry data for

produces as opposed to simply transferring or acting as a conduit for the output of other industries or imports. In 1991-92 the Australian music industry added value of \$698m to domestic production, equal to about half its total output of \$1.4 billion. The difference of \$671m represents the inputs supplied by other industries and from overseas. Value added by the industry was paid out as wages and salaries \$267m, gross operating surplus (profit, interest, etc.) \$331m and indirect taxes \$100m.

By sector, live performances accounted for about one third of industry value added at \$212m compared to retail/distribution \$110m, record companies \$87m, studios/manufacturers \$1m, collection agencies \$4m, publishers \$17m, managers \$8m, artists \$66m and songwriters/composers \$19m. The high value added of live performances would be attributable to the high labour content and minimal infrastructure costs. However, artists do contribute \$58m to live performances. A reallocation would give value added by artists as \$123m or 18 per cent of the industry total.

Value added is influenced by a number of factors including the relative strength of different sectors in the marketplace. Though artists and songwriters/composers make a low contribution to value added it may be due to limited market power which means that components of value added, such as profits, may be made downstream. To illustrate this point, estimates of employment for artists and songwriters/composers place over half of the industry's employment in these areas.

Rights controlling live performances and retail distribution (plus record companies) are associated with the two largest components of industry value added. Changes in distribution could have a major impact on the allocation of this value added between sectors and industries such as the music industry, broadcasting and telecommunications.

BALANCE OF TRADE

Australia's music industry had a balance of trade deficit of \$144m in 1991-92 on exports of \$121m and imports of \$265m. The overall trade deficit consisted of deficits in both trade in physical product (records, cassettes, CDs) and trade in services (royalties, performances, etc). The trade in physical product deficit of \$67m was recorded on exports of \$4m and imports of \$71m. CDs accounted for \$61m of imports, by far the preferred format for imported recordings. The deficit in trade in services was \$78m on exports of \$116m and imports of \$194m. While the deficit is

large given the size of the industry, it should be seen in the context of a significantly larger total balance of trade deficit.

CD PRICES

At the time of the Prices Surveillance Authority report, parallel importation was advocated as a means of delivering cheaper CDs to consumers through increased competition. However in the profile, industry members did not envisage price reductions from parallel importation.

The profile indicates that Australian CD prices are among the cheapest in a group of 23 developed nations. Comparisons were qualified however, because relative prices in Australian dollars may be influenced by changes in exchange rates, and I would imagine differing import duties and indirect taxes may have some influence as well.

Copies are available through MIAC secretariat, Department of Industry Technology and Regional Development, GPO Box 9839, Canberra ACT 2601, for \$12.



NEW IN THE LIBRARY

THE AUSTRALIAN BROADCASTING AUTHORITY LIBRARY ALLOWS PUBLIC ACCESS TO ITS COLLECTION DURING NORMAL BUSINESS HOURS FOR RESEARCH PURPOSES, HOWEVER BORROWING IS NOT PERMITTED. THE FOLLOWING TITLES HAVE BEEN SELECTED FROM THE RANGE OF NEW ADDITIONS TO THE LIBRARY. THESE ENTRIES ARE INDICATIVE OF THE SUBJECT MATTER, BUT ARE NOT INTENDED AS CRITICAL COMMENT OR REVIEW.

'WELL, I HEARD IT ON THE RADIO AND I SAW IT ON THE TELEVISION...': AN ESSAY FOR THE AUSTRALIAN FILM COMMISSION ON THE POLITICS AND AESTHETICS OF FILMMAKING BY AND ABOUT ABORIGINAL PEOPLE AND THINGS

Marcia Langton. - North Sydney: AFC, 1993.

'Australians do not know and relate to Aboriginal people. They relate to stories told by former colonists'

Marcia Langton.

In this major work of social and cultural criticism, Marcia Langton analyses the making and watching of films,

videos and television programs by Aboriginal people in remote and settled Australia. She introduces theoretical perspectives to investigate concepts of Aboriginality and presents case studies of films such as *Jedda*, Tracey Moffatt's *Night Cries*, Brian Syron's *Jindalee Lady* and Ned Lander and Rachel Perkin's film of the Warlpiri Fire Ceremony *Jardhwarnpa*. The central requirement, she argues, is to develop a body of knowledge on representation of Aboriginal people and their concerns in art, film, television or other media and a critical perspective to do with aesthetics and politics, drawing from Aboriginal world views, from Western tradi-

tions and from history.

ELECTRONIC MEDIA RATINGS: TURNING AUDIENCES INTO DOLLARS AND SENSE

Karen Buzzard. - Boston: Focal Press, 1992.

Electronic Media Ratings is an accessible guide to the methods, services, and day-to-day applications of ratings for radio, television, and cable. This book explains concisely how broadcast and cable audiences are defined and calculated. It details how ratings are used within the industry to evaluate programs and sell advertising time. It