

Piracy costs \$1.4bn a year: AFACT

By [Darren Pauli](#), [ZDNet.com.au](#) on February 17th, 2011 (5 days ago)

Piracy is costing the Australian economy a whopping \$1.37 billion a year, according to research by anti-piracy organisation the Australian Federation Against Copyright Theft (AFACT).



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[Martin Kingsley](#), CC2.0)*

The figures, of which \$575 million is attributable to damage to the movie industry, are based on a report by [Oxford Economics](#) and [IPSOS](#), which fused market research with a telephone survey of 3500 adults between July and August last year.

Some 6100 industry jobs were forgone over the same time, according to the research. The figures account for the effect of movie piracy from the box office to DVD purchases and rentals, and various content streaming models.

Director Neil Gane said the figures are conservative because they do not account for users who view pirated film that they would not otherwise pay for should illegal channels not exist.

He said internet service providers (ISPs) were best placed to combat online piracy and should send "educational" warning notifications to users who are found to be downloading copyright material.

"There is no one silver bullet. Regarding online piracy, ISPs are the conduit for the disseminating of legal and illegal content, and would have the infrastructure to do something about it," Gane told reporters in Sydney's Fox Studios today.

"A close working relationship with providers in terms of the rights-holders being able to identify accounts holders infringing copyright and that information to be sent to ISPs and forwarded to those account holders, which would enable the opportunity for that holder to amend his or her behaviour."

He said seven out of 10 people who receive warning letters indicated they would stop downloading pirate material.

Soft sentences are another hindrance to the anti-pirate organisations, according to Gane. "The deterrence penalties can be a concern. It is a problem about the judicial system not recognising the damage that piracy causes."

It is not illegal to receive pirate goods in Australia and Gane said any move to outlaw this would be ineffective.

But [actor Roy Billing](#), who stars as drug lord Bob Trimbole in the *Underbelly* series, said it would be helpful and would have a big effect if the receiving of pirate movies was outlawed.

"Downloading movies is stealing. But I can see a point when people will stop going to the movies to see the giant screen," Trimbole said.

Gane said he hopes the Federal Government would move to address piracy before the onset of the National Broadband Network. [Contrary to comments by Telstra](#), Gane said it should be addressed in the government's pending [Convergence Review](#), which will examine how the media landscape is evolving as a result of technology advances.

Cinema tickets sales are divided between cinema owners, distributors and producers, said Gane, meaning film makers rely on DVD and online content sales before they can re-coup production costs. "Piracy damages all those lines of revenues," he said.

Access Economics reported the movie and television industries generated some \$4.4 billion in revenue during 2006.