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MEDIA RELEASE

Federal Court 'on song' with fitness industry over music rights

The fitness industry has welcomed the decision by the Federal Court to overturn the Copyright Tribunal decision to increase copyright fees for the use of music in group exercise classes by 1,500%, on the basis of procedural fairness.

"This decision will ensure that gyms, fitness and recreation centres remain viable and affordable for all Australians, helping them to maintain a healthy lifestyle", says Laretta Stace, Fitness Australia Chief Executive Officer.

If it had been upheld, the claim made by the Phonographic Performance Company of Australia (PPCA), which represents the international record companies, would have resulted in a typical fitness centre with 1,500 members being forced to pay over \$80,000 in fees per annum, a massive increase on the \$2,000 they currently pay.

"We are pleased that common sense has prevailed and that the Federal Court has seen fit to overturn the Copyright Tribunal decision which would, if successful, have had a detrimental affect on group exercise in the fitness industry", said Stace.

The PPCA case was substantially built on the basis of an economic model that sought to place a value on the use of music in group exercise classes. "Fitness Australia has always maintained that this economic modeling and valuation study was seriously flawed and that was the basis of our case in response", says Stace.

"The decision validates the strong response by Fitness Australia against an unfair and unreasonable proposal", says Stace. "This issue has unified and strengthened the fitness industry and demonstrates how businesses and professionals can work together to take action to protect the industry from threats which potentially damage its commitment to helping Australians lead fitter and healthier lives. I would like to thank all those in the fitness industry who have made a contribution to our legal defense".

Fitness Australia applied for a judicial review of the decision of the Copyright Tribunal given on 17 May 2010 citing issues of procedural fairness in the Tribunal proceedings. Fitness Australia is the national industry association for the fitness industry in Australia, working for a fitter, healthier Australia.

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Note to editors:

The PPCA's claim would have seen a \$4.54 per member charge imposed on all members at all fitness centres. A fitness centre with 1,500 members, for example, will see its annual fee rise to \$81,720. The licence fee increase also has the potential to flow through to APRA, bringing the total annual fee payable by fitness centres to around \$160,000.