

Unified approach key to combating music piracy

by Barnaby Sharp

Illegal downloads from the internet cost New Zealand's music industry \$45 million a year, according to an industry executive — but steps are being taken to halt the theft.

The chief executive of the Recording Industry Association of New Zealand (RIANZ), Terence O'Neil-Joyce, says illegal copying is a worldwide problem with the industry losing more than \$5 billion globally every year.

"Most of the money lost in New Zealand is from illegal downloads and burnt CDs.

"There are more CDs burnt in the country than are imported, with most of the illegal CDs coming in from Pakistan, Malaysia and mainland China," he says.

In New Zealand, RIANZ acts on behalf of members of the recording industry who have signed the rights for their music to be broadcast, says O'Neil-Joyce.

Despite RIANZ acting on the music industry's behalf, O'Neil-Joyce says combating illegal downloads is an almost insurmountable problem.

"There is an enormous amount of investigating — from internet searching to finding unlicensed files," he says.

In July, O'Neil-Joyce attended the Global Anti-Piracy Conference in Dublin, Ireland, attended by music representatives from around the world.

It was decided the best way to combat piracy was through a 'combative approach', by allow-



ing people access to files on the internet, but requiring them to pay a nominal fee to download.

"There are already overseas sites adopting this approach on behalf of the artists, such as the Apple iTunes, and Napster B.

"At the moment there is nothing in New Zealand," he says.

Sony New Zealand chief executive Michael Glading says the public perception that it is acceptable to download music has to be changed.

"The message is that it's OK to copy. That is going to kill our business," he says.

While Glading is concerned with the general public, O'Neil-Joyce is after bigger fish, trying to catch those who are copying music en masse and making money from the sales.

"If someone is found to be copying and downloading more

than what is considered normal for a home user, they will get a 'cease and desist' letter," O'Neil-Joyce said.

"If they ignore that warning, we can then launch legal proceedings with the help of the police, private investigators and Customs."

Whilst most cases of piracy in New Zealand occur on a small scale, O'Neil-Joyce said criminal gangs overseas are playing a large part in the industry, using the proceeds from music sales to purchase drugs and guns.

Currently, New Zealand is covered by the London-based International Federation of the Phonographic Industry, which enables co-operation with overseas music industries to try and halt the illegal production of music.

Small businesses gripe at council

by Andrea Jutson

Business association leaders have criticised Auckland City Council for what they call a short-sighted attitude to small business.

Head of the High St Business Association Heather Gerbic, who runs Pauanesia on High St, says several decisions taken by the council in recent months have encouraged customers away from the CBD towards suburban malls.

The ladies' toilet in Freyberg Square, a feature of the square since the 1950s, was closed without local consultation.

Gerbic says the decision may seem insignificant, but it is a sign of the council's "lack of consideration". She says it makes the area "not pleasant shopping", especially for women.

Richard Florida, an international authority on creativity in business, was brought over in February to address the Auckland City Council as part of the Knowledge Wave conference.

"The council wants creativity, but they don't make it easy for the creative to exist," Gerbic says.

Rising rents in the CBD are being seen as a major issue in the lead-up to the local body election.

Russell's, a china and novelty goods shop on High St, has been forced to close after about 30 years in business. The shop's rent doubled over the past year.

Gerbic says council is "driving out the character operators". Loading zones outside many

stores have been designated courier-only, which means that retailers cannot park their cars outside their stores to offload stock. Stock has to be couriered in, at a significantly higher cost to the retailer.

Successful local designers such as World and Zambesi do not necessarily make huge profits, says Gerbic.

"They put everything back into the business."

"The council wants creativity, but they don't make it easy for the creative to exist."

Most retailers are philosophical about the CBD's limited, expensive parking compared with suburban shopping centres.

A spokesman for Zambesi, on the corner of O'Connell Street and Vulcan Lane, says this has to be expected in the central city.

However, Michael Davies of the Symonds St Business Association says the council has sold public parking above a water tank on Burleigh St, built specifically for commercial tenants.

"It's simply because they can get more money from business parking than the general public."

Within the past year gates have been erected on the tank to prevent public access.

Gerbic says: "Marginal business will just say 'too hard', and move out."

Stock exchange software cuts delays for investors

by Mike Barrett

The New Zealand Stock Exchange says it has moved into the 21st century with software designed to improve the way shares are traded in New Zealand, bringing trading up to a level comparable to other countries.

The software, called Direct Market Access, allows registered firms to trade directly into the New Zealand share market.

"The system will fully automate trading, free up brokers' time, and make it easier and faster for orders to get to the market," says Adrienne Quinn, spokesperson for the New Zealand Stock Exchange.

In practical terms, this means that there will be no delay for investors when they want to execute an order.

Traders and investors will be able to bypass middlemen and take immediate advantage of price fluctuations in the market.

Quinn expects this to increase liquidity and lead to a healthier trading market.

"It's a technical advance which will be

a benefit to all users of the New Zealand capital market. Other countries which have a similar system have experienced increased liquidity," says Quinn.

"This is a real milestone for New Zealand and will encourage more trading activity from a broader range of market participants."

The new system will be implemented in two phases.

Stage one will be a smoothing-out period which will still require transactions to be authorised by a broker.

The second stage will bypass the broker and allow the six firms who are registered to use Direct Market Access to immediately access the market.

So far the six registered users are CitiGroup Global Markets, ABN AMRO, Macquarie, Goldman Sachs, JB Were, First NZ Capital Securities and Forsyth Barr Ltd.

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