



MEDIA RELEASE

17th May 2010

AUSTRALIAN ARTISTS AWARDED BETTER DEAL FOR FITNESS CLASS MUSIC

Australian recording artists and record labels have welcomed today's decision of the Copyright Tribunal which will see improved rates paid for licensed music when it is used in fitness classes.

After hearing evidence over five weeks, the Tribunal has ruled on a new fee structure for licensed sound recordings used in fitness classes which will see profit-driven fitness operators pay a new rate of \$15.00 per class or \$1.00 per attendee in a fitness class.

Previously, Australia's \$1 billion dollar a year fitness industry paid a recorded music tariff of just 96.8 cents per class. For a class of 25 attendees, this worked out at approximately 4 cents per person. This scheme was reviewed after an application to the Tribunal by the Phonographic Performance Company of Australia (PPCA), representing Australian recording artists and record labels.

PPCA Chief Executive Stephen Peach said, "Today's decision by the independent umpire represents an important improvement for artists and labels whose music is widely used in fitness classes to attract and motivate participants. The Tribunal has recognised the previous scheme undervalued the undoubted contribution music makes to the fitness industry."

In its judgment the Tribunal found:

This application to the Tribunal has permitted the first comprehensive examination of the use of music in fitness classes. It has revealed that recorded music is an essential accompaniment to such classes. Without it the classes would not function in the manner in which they are presently conducted and which fitness class attendees have come to expect. No evidence was provided of satisfactory alternatives to the provision of music as an accompaniment to the classes. In the Tribunal's view, the amount currently being paid does not reflect this essential nature of music in classes. The Tribunal believes that it is appropriate that users of recordings in fitness classes should pay an amount that reflects the value of music to such classes.

Mr Peach said the fitness industry had “waged war” against any increase in the music tariff. The multinational chain Fitness First admitted it largely bankrolled the courtroom fight which saw an enormous amount spent in opposing fair returns to artists and labels.

Bizarrely, however the Fitness First chain announced last month that regardless of the outcome of today's ruling it was not prepared to abide by the umpire's decision on a fair price and will force the introduction of second-rate cover version music in all its fitness classes.

Mr Peach said, “Fitness First has treated both its members and recording artists with utter contempt. We've seen a groundswell of discontent from gym members and fitness instructors who've been ordered to use cover music and who are even being encouraged to dob in colleagues who try to use real music in classes.

“Of course, fitness centre operators have a choice about whether to use real music in their classes. We are confident that many fitness centres will choose to continue to use real music and that they will have a strong business advantage over those that take what we think would be a very short-sighted decision to switch to low quality cover versions”.

Responding to the Copyright Tribunal decision, Lindy Morrison (PPCA Board member and former drummer from the Go-Betweens) said, "This demonstrates that the license fees paid for the use of recorded music in gyms were inadequate and did not reflect the value of the music. Bands are small businesses and like all small business need to be rewarded for their product, which requires specialist skills, time, and costly resources to create."

At the start of the Copyright Tribunal hearing artist Marcia Hines added her support saying, "I do believe musicians should be paid for the music they create: it's only fair."

End

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About PPCA

PPCA is a national, non-profit organisation established in 1969 to provide non-exclusive licences for the public performance and broadcasting of protected sound recordings and music videos. PPCA distributions are made directly to copyright owners and to Australian recording artists registered with PPCA under its artist direct distribution scheme.

The fitness tariff applies to all recordings (**both Australian and international**) which are protected under copyright law. This is the vast majority of all recordings typically used in fitness classes.

About the fitness industry

The fitness sector is dominated by Fitness First with more than 70 centres nationally and other high profile operators including Fernwood Women's Health Clubs, Curves and Contours.

According to industry reports, the fitness industry is experiencing strong growth of around 10 to 15 per cent with many fitness centre chains growing above the industry rate. Australia is the 11th largest market in the global fitness industry.