

President's Report

Dear Members,

Welcome to our Autumn newsletter. Wow, the year is flying by and seems to be a better year already compared to 2012. Already AMA has made two major submissions to Government. The first on January 31st to Treasurer, Wayne Swan, to consider music education in his May budget and the second on February 15 to the Victorian State Governments enquiry into music education.

Our thanks goes to Jason Aldworth of the Civic Group for giving up some of his holidays in January to prepare the submissions by the very tight deadlines. Thanks also to AMA committee members, especially Richard Snape, Michael Jongerbloed and Micheal Shade, who spent time editing and contributing to the documents. I know you all realise the value of the Association in being able to present to Government for these important projects. For submissions details you can check the members section of our website.

Was the summer season good for you? A number of members have reported excellent back-to-school sales. Our push for 2013 is still for music education to be included in all schools. As well as the submissions we have continued to support Music Futures and are grateful to NAMM for also joining in this support. In December Michael Shade and I attended the inaugural meeting of the Australian Traders Group (my name suggestion). This group is to carry on the work of pushing for a level playing field for Australian traders. Keep an eye on the website for updates and future newsletters for reports. Our third major project for 2013 is AMAC.

On February 14, Valentine's Day, we launched the bookings for AMAC exhibition stands for member wholesale companies. Non-member bookings commenced on March 1st. A number of key exhibitors have registered showing support for the popular format at Jupiters. There are bonuses for 2010 exhibitors and costs have reduced dramatically to ensure a full house. Again, the website has all the details. We plan to have the delegate prospectus out in March with registrations starting in April. Also we are very fortunate to have Rob Walker coordinating this year's AMAC with the team at Stockdale ACS covering the administration. Again, be sure to not miss the event of the year and keep your diaries clear for August 10, 11 and 12.

A special thank you goes to the contributors of this newsletter. Please take a few minutes to read and absorb the material. Our appreciation also goes to the companies who support our committee members.

Hoping you have a great Autumn trading season,



Bernie Capicchiano
President



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Date Line

April

8—10, mtec2013,
Melbourne

10—13, Musikmesse,
Frankfurt

August

10—12, AMAC2013, Gold
Coast

September

29 Sept—1 Oct, National
ASME Conference

October

31, Music Play for Life

November

21—24, World Music
Forum, Brisbane

AMAC 2013

Australian Music Association Convention

10—12 August 2013
Jupiters Gold Coast

Your Industry, Your Show



Exhibition bookings now open!

AMAC is the only convention for the music products industry, providing wholesalers and retailers with a place to exhibit and buy, learn and listen, network and socialise.

Bookings and information now online:

www.amaconvention.com.au

Member Profiles

Retailer: Barossa Music Centre



Barossa Music Centre (pictured above) is situated in Tanunda, the heart of the very famous wine region – the Barossa Valley. Music has always been a part of life here in the Barossa and we're proud to be South Australia's largest regional store.

We established our very successful business 25 years ago, stocking all the leading brands and specialising in high end Yamaha keyboard products. Over the years we have expanded our range (thanks to our talented staff member's abilities) and we now have guitars, drums, PA, brass & woodwind, strings, and computer music all under one roof. Joining the 'World of Music' buying group in 2000 and later an owner of our current buying group, Complete Music, has given the store a competitive edge. Our online store boasts all the products in store and is a great asset to our business.

The shop is run by myself and beautiful wife Cath and we employ 2 full time sales / admin guys, Jamie Blechynden and Sam Brittain. Our abilities combine to create a power team known as BMC.

Our store is coupled with a 300 strong teaching school with 15 teachers that cover a broad range of instruments. The store's philosophy is to sell a great beginner instrument, teach the student to play it, upgrade to a better instrument and ultimately perform on it. Over the years we have won many awards, including 'SA Great' award for business in 2005. In 2010 we also won the Australian award at AMAC for the best presented regional store.

Times have not always been good. After a rather flat Christmas and slow start to January this year, the ship seems to have turned and business is in full steam for 2013. In these turbulent times, it's about keeping positive and riding those retail waves, making sure that you catch them – use the 'flat' times to create busy times ahead.

The business has always been a way of life for us and we have made many friends with a lot of you out there reading this and we thank you for that. So, raise your wine glass & cheers to 2013.

-Pete Koch (Owner/ Director)

Wholesaler: Alfred Australia

Alfred Australia was established in 1990 and has grown to be one of the most respected and successful distributors in the industry. The distribution centre (situated in Sydney) boasts over 20,000 square feet of warehouse space. The team is one of the most respected teams in the print music industry, distributing and marketing not only Alfred Music Publishing but also Barenreiter, Oxford University Press, Faber, A&C Black, Trinity College, ABRSM and the Music Sales Group of Companies.

Alfred Music Publishing, distributed by Alfred Music Sales Distribution Centre, is one of the leading educational music publishers in the world, with over 15,000 titles accumulated since its inception, and a roster of authors and composers which reads like a 'Who's Who' in music education. Alfred produces educational, reference, pop, and performance materials for teachers, students, professionals, and hobbyists spanning every musical instrument, style, and difficulty level.

Alfred Music Publishing began in the heart of the ragtime era and continues into the technologically sophisticated computer age. No other music publishing Company has moved from "Ragtime Cowboy Joe" to computer software while achieving over 90 years of continuous growth.

In June this year, piano teachers can enjoy workshops in most capital cities with acclaimed US author Nancy Bachus – email piano@alfredpub.com.au for more information and to sign up for the free magazine for piano teachers, Piano Perspectives.

Music teachers in Perth and Sydney can also attend professional development days with US and Australian authors in June - email school@alfredpub.com.au for more information.

Alfred Australia are continually hosting workshops, seminars and professional development days across Australia and New Zealand. To receive information on these events, and receive a copy of the Essential Print Music Guide for 2013, email promo@alfredpub.com.au.

(Alfred Australia warehouse pictured below)



Industry News

Yamaha launches RemoteLive™ technology

Celebrating 125 years, Yamaha Music has made history with a landmark performance showcasing its DisklavierTV™, powered by RemoteLive™ technology with Sir Elton John behind the keys during a special concert held at the Hyperion Theater at Disney's California Adventure Park.

Weekend Warriors Restructure

After a hiatus of nearly 6 months the AMA has announced that the Weekend Warriors program, so successful in getting people back into live music, will relaunch in the first quarter. The AMA will share licensing of the program from the copyright holders with the new Recreational Music Making Australia, an organisation that seeks to deliver the program to a wider range of AMA retail member locations.

"The program is resource heavy, but the results are returned", said Dom DiSisto of Holden Hill Music in SA. We intend to make the program accessible to more AMA member retailers by delivering a relatively turn-key solution to retailers who wish to partake in market development programs.

Many previous sites were Allans Billy Hyde stores, and as a result access to the program has been denuded in recent months. Several sites such as Mall Music, Holden Hill Music have continued to operate successfully, but the aim is to spread the program further afield. AMA president Bernie Capicchiano said that Weekend Warriors has an important role in the future of Music Products merchandising. Consumers, particularly the cashed up Baby Boomers, are looking more than ever for the experience of performing with others and the social scene that the program provides.

More news to follow soon. For queries in the meantime please ring Dom on 0412 077 717 or watch the website for updates – www.weekendwarriors.org.au

Coalition delivers cut to WorkCover premiums

We're grateful to Heath Michael of the ARA for drawing this press release on Victorian Worksafe premiums to our attention:

Treasurer Kim Wells said almost 60 per cent of Victorian businesses would benefit from the \$57 million reduction.

"WorkCover premiums have been reduced from 1.338 per cent of employers' remuneration to 1.289 per cent," Mr Wells said. "This will save three per cent on the average insurance premium rate for Victorian workplace injury insurance and will see premiums reduced by more than 10 per cent for almost 59,000 businesses."

Media release available on the AMA website.

NAMM 2013

NAMM Show.

This year registration numbers were quoted to exceed the 90,000 mark. Yet with some changes in showcase entertainment areas and entrances it seemed to be the smoothest run ever. Congratulations to who ever thought of putting the main stage away from the foyer out on the esplanade between the two major hotels. Naturally for the first year of this approach it had to be cold outside with rain for the first two days. However this did not deter the crowds who soaked up the great music as well.

The main part of the Convention Centre has three display floors. A number of other changes made each floor a busy hub. This year for example Roland moved out of the arena, a large space age circular auditorium to the third floor. This with Fender and Gibson made a normally quite area become full of people. The arena area became a stage and lighting display that also was quite spectacular.

This year the seminars started on Wednesday while the exhibition ran from Thursday to Sunday. On Wednesday morning I attended, representing Australia, the NAMM International Coalition for Music Making meeting. It is where representatives of up to 70 countries gather to discuss trends, policies and ideas.

The first panel topic was the implications of the Lacey Act in the use of various timbers in production. The legislation is complex and placing serious obligations on producers and resellers. The next topic was the amazing growth of the music products industry in the 15 newly evolving countries in the former Soviet Union. A profile of Brazil was also well presented showing us an insight in to how big and important music is to their community. At that meeting we were invited to attend a Neo Tech Summit in the afternoon and I am so glad that I went. It actually turned out as a highlight of the trip. This was because the concept introduced is a perfect resource for a project that we have here in our Government relations push for a level playing field for Australian (and American ones too) traders.

The exhibition launched on Thursday morning with a sensational Breakfast of Champions. NAMM CEO Joe Lamond was an excellent host and interviewer, who set the stage for a packed program right through to Sunday. As I have said many times it is difficult to describe the show in words. Every employee in the music products business should attend at least once. It really shows how an industry is built on fellowship, communication and the benefits of great music making.

Bernie Capicchiano, President.

Photo (right): International Coalition meeting

Retail Tenancy

Heath Michael

Australian Retailers Association

For my sins - before I entered the work of policy, corporate management, media and politics I was a businessman - I ran and owned retail stores.

Back then, cost control was critical and like then, today viable rental conditions and the reliance of a retail business on secure tenancy were the bedrock on that business.

There is no doubt the market for retail tenancy space has changed since the GFC first hit in 2008.

There remains strong competition for space in 'high value' activity centre and shopping centres. If reports are to be believed, vacancy rates are still low and the major landlords continue to forecast strong returns for their investors.

While it's true strong competition does exist in 'high value' centres for shop space, much of the real vacancy rates have been wallpapered over with pop-up stores or tenants on holdover clauses.

While the market has improved for some retailers in negotiating with landlords, the landlord/tenant relationship is still skewed heavily towards the landlord, with major oligopolistic landlord groups holding all the cards in negotiations. In addition there are significant information deficiencies for retailers as well as market peculiarities working against Australian retailers.

Following the 2008 Productivity Commission report into retail tenancy leases and since the 2011 Productivity Commission's retail industry report identified many critical issues for the sector and made recommendations on implementing more transparency, very little action has been taken by state governments.

It is only now, with a series of changes of state governments that new governments have commenced, and are looking at, reform. Western Australia was the first state to move with a series of recommendations awaiting implementation. These will no doubt be pursued following the state election this month. NSW has made positive noises about the need for change, with Queensland in the

distance. The first of the major eastern states to undertake a move for greater transparency is Victoria.

The Victorian Minister for Innovation, Small Business and Tourism, the Hon. Louise Asher has asked her Parliamentary Secretary Russell Northe to form a working party to look at the establishment of a retail tenancy registry in Victoria. Many Victorians don't realise Victoria is the only major state without a transparent, publicly- available lease register either in place or underway. While states such as NSW have registers that still need work, Victorians or retailers in Victoria have no ability to assess the real value of leases when negotiating a lease. For most of us we can look up property values when buying a house to assess property values in the area we are buying in-but if you're buying into a retail tenancy in Victoria you can't- even though in many cases the term of your lease can be worth more than the value of your house. Despite this, you are expected to make the exact same critical financial decisions relating to the term of that lease.

Firstly, the Victorian working group inquiry will run over six-months being completed around August. Secondly, even though bodies such as the Shopping Centre Council of Australia have supported public lease registers at the Productivity Commission (and if NSW is anything to go by) information which could be useful to retailers during negotiations could end up being excluded.

The ARA Tenancy Committee is working through these issues to prepare the ARA's case for the Victorian Government working group.

We are asking retailers for input into our case. You're encouraged to contact Russell Zimmerman or myself, as we will be taking evidence to take with us to the working group. While areas such as first and last right of refusal and reporting of turnover aren't specifically mentioned as part of the process there is an opportunity to raise these with the Government as areas which need addressing urgently.

If you would like to provide information related to your experience with retail tenancy, please call 1300 368 041 or email policy@retail.org.au



The Australian Music Association, the voice of your industry; growing music making in Australia.

Member Benefits

Full details of all member benefits are in the member section of the website.

Partnering with

CommonwealthBank



Commonwealth Bank Alliance Partnership: Everyday Settlement offer extended until June 2013.



Certegy Ezi-Pay Express: Give your customers another option – the option of a take home lay by.



Aon business insurances. Business insurance for retailers. Contact Peter Sun: 0414 721 928 / peter.sun@aon.com



Travel services: for some of the best hotel rates to be had in Australia, look no further than Show-Group.



Currency exchange services at preferential rates and free wire fees. For more information, contact Nick Xiradis 02 9268 7635



Music Makes the Difference brochures. For more information about these popular brochures that show why music is so important for every child go to the AMA website.



Weekend Warriors is under licence from the US (through NAMM) and fees apply. Lots of fun, building strong loyalty from new customers who had stopped playing ten and fifteen years ago.



Australian Retailers Association: Offer launched 1 July 2012 providing a substantial discount to AMA members giving access to all the benefits that the ARA provides.

National Insurance Replacement Services (NIRS)

NEW



NIRS via the Regional Replacement Network have been happy to partner with retailers in the recent launch of this new initiative in the insurance replacement sector.

NIRS are one of the largest commercial insurance replacement specialists in Australia, with 20 plus specialist staff members engaging in claim redemption on behalf of RRN members. Member interest has been high to say the least and in the first three weeks of initiation alone, NIRS were proud to provide incremental sales to members in the tens of thousands of dollars. The music products RRN is on a nationwide roll out with insurance corporations and spearheaded by a name familiar to us all with John Keane providing the liaison between our industries. John has had extensive wholesale, distribution and retail experience in our industry and has spent the better part of the last decade developing sales channels within the commercial insurance sector.

For more information on the RRN and the benefits available to AMA members contact John.Keane@nirs.com.au

Commonwealth Bank: Special merchant discounts

By bundling your business transaction account with your EFTPOS terminal you will get further discounts on your monthly terminal rental. Not only this, but you will receive your funds the same day.

We have also recently expanded our member benefits offering with the Commonwealth Bank to include a range of Business Products and Services, with a special offer that may be able to save you money. Contact the AMA office on 03 9254 1019 for more information

Partnering with

CommonwealthBank



Mission and Objectives

Mission:

To be the voice of the music products industry and grow music making in Australia

Objectives:

Provide events and programs that stimulate growth and development of the Music Products Industry in Australia.

Communicate, and promote the industry and the achievements of our association to our members and the community

Deliver six core services:

- Government relations
- Member benefits
- Annual trade show
- Industry statistics
- Member communications
- Promotion of music making

2012/13 Executive Committee

President:

Bernie Capicchiano (Bernies Music Land)

Treasurer:

Tony Burn (Resource Corporation)

Committee:

Richard Snape (Hal Leonard), Damon McMahon (Shriro Australia), Brendan Callinan (Roland Corporation), Greg McNamara (Dynamic Music), Michael Shade (Yamaha), Dom Di Sisto (Holden Hill Music), Craig Johnston (Keyboard Corner), Michael Jongbloed (Fine Music)

**NEW
PHONE
NUMBER**