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Australian screen industry “can’t compete”

Australia is in danger of losing world class film and television production talent unless urgent measures are taken to make our industry more globally competitive.

The Turnbull Government must act to lock in an increase to the major international film incentive (known as the location offset) in the May Federal Budget, says the Media, Entertainment & Arts Alliance.

The location offset, currently at 16.5%, is internationally uncompetitive and is contributing to a drought of offshore film production in Australia. At least two large-scale international films have applied for ‘top-ups’ to the incentive and have been turned down – forcing them to go elsewhere.

MEAA is aware of a number of high-level screen technicians who are planning to move overseas due to the lack of opportunity in Australia.

The location offset is a 16.5% tax rebate for film and television projects filmed in Australia with a minimum Australian spend of over \$15 million, or \$1 million per hour for television.

Late last year, a bipartisan parliamentary inquiry into the growth and sustainability of the film and TV industry recommended that the location offset be raised permanently to 30%.

“Australia is a desirable location for the world screen industry because it’s safe, and because of our talented actors and crew and great locations, but in an increasingly competitive marketplace, screen producers need to weigh that up against the bottom line,” said the director of MEAA’s Entertainment, Crew & Sport section, Erin Madeley.

“With our incentive so low, we just can’t compete, leaving our industry out in the cold.

“For instance, both the UK and New Zealand have a 25% offset; in some states of the US it is up to 40%, while in Ireland it is 32%.

“Governments have been providing ad hoc top-ups to the location offset since 2011 but that’s a lengthy and uncertain process for producers.

“When top-ups are granted it’s a great short-term boost, but because it’s here today, gone tomorrow, we’re missing out on the long-term investment a permanent increase would attract. We’re actually getting less bang for our buck because of the lack of certainty.

“What is needed is a permanent increase to 30%, which would put Australia on par with our main competitors.”

Ms Madeley said there were no major offshore productions on the horizon in Australia this year, and experienced screen crew were now starting to seek work overseas because of limited opportunities here.

Among them is Arthur Spink, a special effects designer and workshop supervisor who has worked on blockbusters like *Mad Max: Fury Road*, *X-Men Origins: Wolverine*, *The Matrix* and *Pirates of the Caribbean*.

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He is now preparing to move to the United Kingdom, where there is more work due to its more generous incentives.

“I want to stay in Australia and continue to believe our industry is as good as any in the world, but a lot of us haven’t worked for nearly a year, so we have to go,” he said.

“There is no doubt that we are missing out on work because the studios can’t make a strong enough business case to film in Australia.

“Unless there is something done to make us more competitive, I really fear for the future of the industry. If the location offset were raised to 30%, I’m certain the jobs would return here and I’d be back in a flash.

“I just hope this message is getting through to the politicians and we see some action in the Budget in May.”

MEAA members were recently among a delegation from Ausfilm that lobbied federal politicians in Canberra to increase the offset. Competitive offsets are also a key priority in the joint Make It Australian campaign with producers, screenwriters and directors.

“Everyone we spoke to agreed that the policy makes sense, but getting the government to commit to it is the only hurdle,” said SFX supervisor Dan Oliver who was part of the delegation to Canberra.

“Everyone encouraged us to keep up the pressure by contacting our MPs, the Prime Minister, and the Treasurer. With the Budget coming out in May and so many of us out of work, now is definitely the best time to make our voices heard.”

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