



2/16 Salmon Street
Port Melbourne, 3207
0432 578 034
ABN: 12 145 705 497

***Submission to the Senate Economics Legislation Committee inquiry
into provisions of the Treasury Laws Amendment
(Delivering Better Financial Outcomes and Other Measures) Bill 2024***

Dear Senators,

I am writing to you to support the swift review and passage of reforms to the Location Offset. It is very important that this legislation is reviewed and passed as soon as possible. I am requesting that the Committee conduct its review during April and finalise its report in early May. This would build confidence in the reform and support Australian jobs and businesses that work across international productions.

I am Paul Pirola, the company director of Boom Tracks, a business that is based in Melbourne. We were established in 2010 and currently employ five people. Our recent work includes providing full sound post production for Ricky Stanicky and all three seasons of La Brea, as well as providing foley and sound design for Anyone But You, and foley for The Color Purple.

This submission relates to provisions of the *Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024* that will reform the Location Offset, and not other provisions in the bill.

The Location Offset is important for the local industry

Government support is critical for Australia's screen industry, and enables us to develop the capacity to tell world-class screen stories. The Location Offset is a foundational part of Government's support. By attracting international film and TV projects to shoot in Australia, the Location Offset generates work and training opportunities for Australians in front and behind the camera, creates significant spend for local post-production and digital and visual effects companies, and triggers business investment into capabilities that are then used on local screen stories.

International productions are very important for our business. Maintaining a balance of international and local work helps us to remain viable. Importantly, our work on international titles has directly benefitted Australian stories and the local sector. For example, for Ricky Stanicky, Greg P Russell and Tom Marks, two leading Hollywood re-recording mixers, flew to Melbourne to work with us at our mix stage. This was an invaluable learning opportunity for our local team, as they were able to gain first hand insight and experience into Hollywood expectations, which we have been able to implement on all subsequent work.

We support the reforms to the Location Offset

We were delighted when the Government announced it would increase the Location Offset rebate to 30 per cent. The peaks and troughs of international production have made it very difficult for us to properly plan and grow. A 30 percent Location Offset will support a long-term pipeline of international production. We are hoping to further expand our post production sound offerings to more international clients. Having more international work in Australia gives us a better opportunity to promote ourselves and our world class capabilities, and provides more local employment opportunities.



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The reforms have been drafted by Government via a detailed consultation process throughout 2023 and early 2024, and we support the bill in its current form.

Swift review and passage would support the industry

It is very important that these reforms are reviewed and passed as soon as possible. Industrial disputes in Hollywood stopped international production for most of 2023. Because screen productions are complex and have a long lead time, the industry is still recovering. Many Australian workers and businesses lost several months of income. In the 23/24 financial year our business is experiencing a 45% reduction in revenue received from foreign productions compared to the previous financial year. This has resulted in redundancy for some staff members and fewer job leads over the coming year.

These stoppages disrupted the entire industry, and reduced the risk tolerance of international studios, streamers, and independent filmmakers. This is creating a further gap of work for business and workers still recovering from the impact of earlier challenges. The impact of this gap will grow as uncertainty extends.

We are conscious that the Parliament has many issues to consider, but are requesting that the Committee conduct its inquiry as soon as possible. Specifically, we request that the inquiry report as soon as possible, potentially in early May, with a recommendation to pass the Location Offset reform. This would build confidence in the reform and support the workers and businesses that work across international productions.

We have seen that some members of the Committee have discussed the Location Offset reform in association with the Government's plans to introduce content obligations for streaming services. We appreciate that content obligations are a very important issue for the industry and we support their introduction. However, content obligations are a separate issue to the Location Offset. We are also concerned that content obligations are complex and may require a long time for Parliament to resolve, while the Location Offset is a long-standing measure that has support across the Parliament. Any delays to Location Offset reform will impact local jobs and businesses now, and into the future.

This Location Offset reform has broad support from the industry, and has been through detailed consultation. It has been recommended by previous Parliamentary Inquiries in 2017 and 2019. It was announced in the 2023 Budget and we are hoping it can be passed as soon as possible, to provide a real boost to Australian workers and businesses. We appreciate the Parliament's history of collaborative support for the screen sector, and are encouraging this to continue through support for this bill.

As you know, Ausfilm is a unique partnership between private industry and government. We have been Ausfilm members since 2022 and I encourage you to contact Ausfilm and myself with any questions. Please contact me via [REDACTED]

Yours faithfully,
Paul Pirola
12 April 2024