



CUMULUS
VISUAL EFFECTS

Tuesday 2nd April 2024

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 the Founder and CEO of Cumulus Visual Effects - a privately owned business which has been operating for over 11 years in the Northern Rivers, NSW region.

In that time through hard work and extensive networking around the world, Cumulus has grown into a regional success story employing over 45 staff across 2 studios (one in Ballina NSW and now one on the Gold Coast, QLD). We work with clients such as Disney, Warner Brothers and Netflix to name a few, and our staff range from students fresh out of school, to sought after industry professionals from across the globe working to bring world class visual effects to the screen.

<https://www.ausfilm.com.au/news/an-incredible-journey-for-cumulus-visual-effects/>)

I am writing to express my support for expediting the review and enactment of reforms to the Location Offset. It is vital to the long term health of Australia's film industry (and the business ecosystem that has developed to supply its needs) that this legislation undergoes prompt review and approval. I urge the Committee to commence its review process in April and aim to conclude its report by early May, which would build faith in the proposed reforms and offer crucial backing for Australian jobs and businesses involved in international productions. *(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.)*

Australia's world-renowned film industry has been built off the back of a Government incentive model, which recognises the multiplier effect of drawing film production into our borders. A study released in September 2023 on the impact of film and television incentives in Australia found that for every dollar rebated through the previously offered "Location Offset and Incentive", over \$5 was recouped for the Australian economy (*Table 20, Total Return on Investment - Estimation of Offset Payments; Olsberg SPI*).

Cumulus is able to leverage the larger budgets and creative and technical challenges brought by tent-pole international productions to attract world-class senior artists, provide an inspirational training ground for our juniors to develop within, and importantly, to ensure the continued operation of our Studios through what has been a turbulent time in a notoriously 'feast or famine' industry.

We honour local Australian stories and love being able to help their creators bring them to life, but this would not be possible without the revenue derived from international productions.

For example, the income from Netflix's "Lambs of God" series saw us recruit and train 10 artists, who went on to help bring Damon Gameau's environmentally-themed feature documentary 2040 to life. The skills our crew honed working on Arcadia's Sci-Fi thriller "2067" were then employed in the service of Madman's Australian Indie Film "Bosch and Rockit", and the leading edge technology we invested in to deliver Baz Luhrmann's "Elvis" project was then put to use bringing life to an IMAX documentary set in Tasmania's ancient Tarkine; titled "Fungi; The Web of Life".



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I was particularly thrilled to learn of the Federal Government's announcement of the increase to the Location Offset to 30%, following the NSW Government's sudden removal (and subsequent reinstatement) of the PDV offset in 2023.

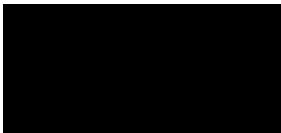
The PDV removal immediately threw into serious question a key project for our studio that was valued at \$5.5M and was to sustain us for the following 12 months, and it cast doubt internationally around our Government's commitment to the film industry. Given the complexity, cost and long lead time of international film projects, having a properly enshrined 30% Location Offset would help to heal that reputational damage and give producers the certainty they need to locate their film and post-production work here.

I note that some members of the Committee have teamed the Location Offset with the Government's plans to introduce Australian content quotas for streaming services. While I strongly agree on the value of Australian stories (particularly culturally and ethnically diverse stories) and support content quotas, these will require consultation and significant debate. The Location Offset however has been well planned, and enjoys industry support and wide-ranging support across Parliament.

The 30% Location Offset presents Australia with an opportunity to expand our famed screen industry, extending our ability to provide employment for current and young, emerging screen practitioners, who otherwise can find themselves 'falling through the cracks' into disengagement. The addition of the high-end technological capabilities called for within significant international productions would be a boon for our leading-edge tech sector.

The enshrined Location Offset would provide the certainty - and consistent revenue stream - our industry needs to sustainably grow, and develop its 'voice', to remain alive and thriving when called on to help craft its own local stories. It is crucial that the offset is passed, and any delays to the reform will impact local jobs and local films now, and into the future.

Yours faithfully



William Gammon
CEO/VFX Supervisor