



12 June 18

Senate Economics Legislation Committee

Dear Committee

Submission to the Inquiry into Treasury Laws Amendment (Tax Integrity and Other Measures No. 2) Bill 2018 [Provisions]

Thank you for the opportunity to make submissions to the above inquiry.

Matchbox Pictures is a prolific Australian film and television production company with offices in Sydney, Melbourne and Adelaide. We generate substantial economic activity through employment and expenditure associated with the production of films and television programs; and through domestic and international sales of our programs.

Matchbox makes world-class content for a global audience. Our credits include international hit *The Slap*, supernatural drama *Glitch*, children's drama *Nowhere Boys*, and leading adult dramas *Wanted*, *Barracuda*, *Seven Types Of Ambiguity*, *Secret City* and *Safe Harbour*. Our business also produces a host of non-scripted shows including *The Real Housewives of Melbourne* and *Sydney*. Matchbox is one of the most credentialed and awarded producers in Australia. It has won International Emmys, Prix de Jour, AACTAs, Logies and has been twice nominated for a BAFTA. Matchbox has produced over 40 titles since 2012, working with every network in Australia as well as Netflix, Amazon and the BBC.

We have material concerns at the proposed amendments to the Producer Offset provisions in the *Income Tax Assessment Act 1997* (Cth).

We do not understand the purpose of the amendment. On reading and re-reading, and from our discussions with other industry participants, we still do not know what evil this is intended to address.

As our company profile indicates, the Australian screen content production industry *must* compete in an international market – this will necessarily include participation in our productions by international talent both onscreen and offscreen (who may not be Australian residents).

We expect talent with an international profile will be increasingly necessarily to finance our productions at a level that will be competitive with the high-end productions coming out of North America, the United Kingdom and the rest of the world. It is necessary to attach international talent to finance higher budget programs – the types of programs that have the highest cultural impact and generate the most local economic activity.

We must not be penalised for attracting international talent to our productions. We find a proposal to that effect staggeringly out of touch with industry trends and the well publicised internationalisation of film and television.

The proposed amendments do not appear to be supported by a regulatory impact statement; and may have significant unintended consequences. We are especially concerned that these changes could have retrospective application and have not been able to calculate any potential effect on our business.

Please let us know if you would like to discuss or if we can further explain any aspect of our submissions.

Faithfully

/s/ Matt Vitins



**Acting Managing Director
Matchbox Pictures Pty Ltd**