

## Opening statement - Inquiry into the Treasury Laws Amendment (2021 Measures No. 5) Bill 2021

Good afternoon.

We thank the Committee for its invitation to appear today, as time is short, I will be brief.

Screen Australia is the Government's independent funding agency for the Australian screen industry. Screen Australia provides direct funding for Australian screen stories, and administers the Producer Offset on behalf of the Government. In 2020/21 Screen Australia spent over \$72.95m on development and production support for the Australian screen sector. In 2021/22 and 2022/23 that support has been bolstered by an additional \$15m in each financial year for production investment and an additional \$1m for script development initiatives. In addition the Producer Offset, managed by Screen Australia, provided over \$175m in support to the sector in 2020/21.

The legislation being considered by committee proposes many positive changes for the Producer Offset and the sector. The Australia screen industry, is undergoing fundamental change. When the Producer Offset began in 2007, there were few SVODs, no iPads, no iView and the theatrical release landscape was fundamentally different. Audiences now have more choice, and higher expectations, than ever before. Competition for audiences and finance is global, and it is fierce. The world has changed. The Offset clearly needs reform.

Content that is not a theatrical feature film will, under this revised legislation, be able to access an increased rebate, from twenty to thirty per cent. This directs more support to where more audiences are: TV and online. Vitally, greater support for smaller screens encourages producers to structure their projects to reach the best audience for that project. This is a very important change. At the same time a forty percent producer offset for feature films with a clear theatrical release remains.

The removal of the 65 hour cap for drama also encourages the ongoing production of successful series, which are important for audiences, business sustainability and training of new talent.

The legislation also includes changes that potentially provide less Offset support to some projects. The intention clearly is, to incentivise productions that can reach a reasonable local audience in the appropriate medium and have the potential to travel.

Producer Offset contributions into the financing of screen projects are a fundamental plank of finance plans and budgets. However financing can come from a variety of sources and changes to the amount of tax claimed by productions will not necessarily make any particular type of screen project unviable.

Changes to the cap on copyright will not prevent projects from claiming copyright against the Producer Offset nor will it prevent those costs being included in finance plans. It will also have no impact on new material. The intended change will incentivise the creation of new culturally important content but have little impact on the operation of the Producer Offset.

Similarly overseas travel costs can be included in budgets and Screen Australia can provide productions with support to travel where necessary. A maximum five percent of overhead costs are already included in budgets and where Screen Australia funds a project it is funding a portion of those costs.

The additional funding provided by Government means that Screen Australia has the capacity to pay for culturally important content and to ensure it will continue to be made. Screen Australia can, and will, fill many gaps via direct funding using the new monies the Government has provided for this very purpose.

The Government has provided an additional \$30 million in production funding, over the next two years, to Screen Australia. This funding is to target quality and culturally important Australian screen content, supporting producers to find a pathway to audiences, resulting in a positive audience engagement.

Some titles were raised in submissions, including documentaries *Backtrack Boys*, *Firestarter*, *Gurumul*, *In My Blood it Runs* and *The Surgery Ship*, and dramas *Jirga* and *Toomelah*.

I am proud to say that Screen Australia has directly funded all of them.

In closing, Screen Australia exists because governments of all persuasions recognise the cultural and economic value of Australian screen content. The world has changed, and in this proposed reform we see significant increases in support and changes for the benefit of major parts of our industry. We see that some changes will create issues and we have been tasked to assist in this transition period. We will continue to support strong cultural and creative projects with archive, copyright or location of filming. We have been given extra funding to assist here, as well as ensuring content made is best able to reach the Australian audiences, who of course are the funders of this content.

Our industry is changing fast – locally, and globally. Screen Australia will continue to assist the industry through these changes and monitor the effects as the industry adapts. Thank you.