



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 Roger Savage, the CEO of Soundfirm, a business with facilities based in Melbourne and Sydney. We were established in 1984 and currently employ 36 full-time people with an average of 15 contractors at any given time. Our recent work includes box office success *Anyone but You* for Sony Pictures.

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 vital for the local industry.

Government support is not just beneficial, but critical for Australia's screen industry. It enables us to develop the capacity to tell world-class screen stories. The Location Offset, a foundational part of this support, is instrumental in attracting international film and TV projects to shoot in Australia. This, in turn, generates work and training opportunities for Australians in front and behind the camera and creates significant spending for local post-production and digital and visual effects companies. Moreover, it stimulates business investment into capabilities that are then used on local screen stories, thereby fostering a thriving and self-sustaining industry.

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International productions are not just important, but essential for our business. Without the opportunity to work on international projects, our business would not be viable, as we rely on a balance of local and global work to sustain our operations and support our employees.

Significantly, our work on international titles has directly benefitted Australian stories and the local sector. This work and the associated income allow us to commit to permanent infrastructure. This enables us to regularly hire graduates from Australian educators and further develop their skills. This work also drives workflow techniques used by our peers in North America and the UK. These techniques offer efficiency and innovation and allow easy business scaling to meet demand. These attributes then flow on to improving how we deliver domestic content.

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. This will allow our existing services to achieve incremental revenue growth through investment in people and technology. It will also allow us to introduce new services supported by an expanded international market. This will include funding innovations that include relevant elements of AI to enhance productivity.

The Government drafted the reforms through 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. Our business experienced a drop in sales activity, which is now resulting in a 'soft' revenue forecast for the coming financial year.

These stoppages disrupted the entire industry and reduced the risk tolerance of international studios, streamers, and independent filmmakers. Several studio contacts have made us aware that international productions are reluctant to commit work to Australia until the legislation is passed. This creates a further gap in work for businesses and workers still recovering from the impact of earlier challenges. The impact of this gap will grow as uncertainty extends. On the upside, several productions are poised to start shooting as soon as the legislation is passed.

We know that the Parliament has many issues to consider, but we request 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 with support across the Parliament. Any delays to the Location Offset reform will impact local jobs and businesses now and in the future.

This Location Offset reform has broad support from the industry and has been through detailed consultation. Previous Parliamentary Inquiries in 2017 and 2019 recommended it. 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 encourage 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 2000, and I encourage you to contact Ausfilm and myself with any questions. Please contact me via [REDACTED].

Yours faithfully,

[REDACTED]

Roger Savage

9th April 2024