

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2016

Communications Portfolio

Department of Communications and the Arts

Question No: 64

Program 2.1

Hansard Ref: Page 73-74, 09/02/2016

Topic: Disney and Fox – relative benefits

Senator Ludlam, Scott asked:

Senator LUDLAM: I am just asking whether you have assessed the relative benefits?

Senator Fifield: are employed. There has been work done in terms of the number of jobs and the economic benefit that flow from these sorts of projects.

Senator LUDLAM: Senator Fifield, could you, maybe without tying the committee up too much, point us to some of that work that you have—

Senator Fifield: I do not have it to hand.

Senator LUDLAM: I am saying: if you could take on notice—what I am actually after is any work that has been done on the relative benefits of pushing nearly \$50 million across to these big American corporations as opposed to directly investing that money in the Australian film industry. You cut \$10 million out of Screen Australia over four years and handed more than four times that amount of money across to Fox and Disney. Has any cost-benefit analysis of those two very different strategies been done?

Senator Fifield: I dispute that it is an either-or proposition and that these grants do not actually benefit the Australian film industry.

Senator LUDLAM: After the relative benefits. I am happy for it not to be either/or. If you had stopped cutting Screen Australia's budget, I probably would not come in here quite so stridently, but that is precisely what you have been doing. I am after the relative benefits—

Senator Fifield: Senator, we will take on notice any relevant work about the benefit of these sorts of grants.

Answer:

The Australian Government aims to attract international production to Australia in order to increase our competitiveness as a world-class filming destination through creating jobs for Australia's creative talent and innovative screen production technicians. One of the key findings of the *2010 Review of the Australian Independent Screen Production Sector* was that large budget international production is an important part of film and television production activity in Australia.

- It strengthens the Australian industry's capacity to produce high-quality cultural content for Australian and international audiences by providing skills development opportunities for cast and crew that go significantly beyond what is available on smaller budget productions.
- Australian crew and film production service suppliers that work on these productions, including the studios, also acquire equipment, skills and experience which can then be used to the benefit of local productions.
- In addition to employment generated directly within the screen industry through the engagement of cast, crew and film production service providers, it is also generated indirectly

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through a range of support services including accommodation, catering, transport, security, professional services including legal, financial and accounting, and trades services including electricians, carpenters and hairdressers.

Both Twentieth Century Fox's *Alien: Covenant* and Marvel Studios' *Thor: Ragnarok* are high-profile franchise productions that will provide over 3,000 jobs for Australians and use the services of over 6,000 Australian businesses. In addition both films are technically challenging placing Australian crew at the forefront of filmmaking techniques and opening up opportunities for Australian visual effects companies. These productions will benefit Australia by contributing to a skilled and viable domestic screen industry and providing an opportunity to greatly enhance its reputation through this international exposure. Further, the job opportunities provided on both these large budget productions will prevent a potential flight of skilled Australian practitioners to competitor countries such as New Zealand, Canada, the United States and the United Kingdom as there were no large-budget productions scheduled to film in Australia once principle photography on *Pirates of the Caribbean: Dead Men Tell No Tales* completed in 2015.