

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: 65

Program 2.1

Hansard Ref: Page 74, 09/02/2016

Topic: Screen Australia – Company incentives

Senator Ludlam, Scott asked:

Senator LUDLAM: How do you assess, firstly, whether these companies would choose not to have located part of their production in Australia if you had not offered this incentive? And secondly: how do you evaluate whether you could not have got those benefits, or greater benefits, from investing directly in screen culture in Australia rather than these inducements?

Ms O’Loughlin: On the first point, the ministry keeps a very close eye on the incentives that are being offered by other countries. Our incentives are actually low by international standards, and, in most cases, our intelligence in the sector will tell us who else is bidding for these investments. So we usually know who is after them and what they are offering.

Senator LUDLAM: So we are in an arms race with other countries?

Ms O’Loughlin: Not an arms race.

Senator LUDLAM: It is very clever of these companies, is it not, to set us against other countries.

Ms O’Loughlin: That is their business model, but they bring huge productions into the country. In terms of the second question, I am not aware that we have done a huge amount of research in that area, but I would just note, for the \$50 million that the government has supported for these two films, there is an outcome of \$300 million worth of investment in the Australian film industry and Australian economy.

Senator LUDLAM: I think that was something that you mentioned before. Can you provide us with some of the workings of the model that allowed you to arrive at that figure?

Ms O’Loughlin: I am not sure. We can take that on notice for you, Senator.

Senator LUDLAM: I would be keen to know. It sounds as though there has been no benchmarking against how that money could otherwise have been spent, but it would be good to know at least how you worked the \$300 million figure out, or whatever your multiple was—I think it was 6:1 or something.

Answer:

The Australian Government will provide \$47.25 million to Twentieth Century Fox’s *Alien: Covenant* and Marvel Studios’ *Thor: Ragnarok* to secure their production in Australia with filming beginning in 2016.

Information was provided to the Australian Government by Marvel Studios and Twentieth Century Fox on the the total production spend that would occur in Australia, the amount of Australians directly employed and the amount of Australian businesses that services would be purchased from. The detail of this information is commercial in confidence, however the combined total spend in Australia of these two productions will be over \$300 million, over 3,000 jobs will be provided to Australians and the services of 6,000 Australian businesses are expected to be used.