Alan Raine
Inquiry Secretary
Senate Environment and
Communications Legislation Committee
Parliament House
CANBERRA ACT 2600

10 August 2021

By email: ec.sen@aph.gov.au

Dear Mr Raine,

Treasury Laws Amendment (2021 Measures No. 5) Bill 2021

Thank you for the invitation to offer comment on the above Bill. As you may appreciate, MEAA's comments are necessarily truncated due to the short period permitted to provide our response to the Bill.

MEAA's comments are confined to Schedule 1 of the Bill — Australian Screen Production Incentive Reforms.

MEAA strongly support increasing the Producer Offset to 30 per cent for screen productions that are not feature films. This measure follows a long and sustained effort by the Australian screen industry to remove the unjustifiable divide in offsets available to feature films and other forms of production, especially television productions. This step is welcomed.

Similarly, MEAA support the removal of the 65 commercial hour cap qualifying Australian production expenditure for a series and seasons of a series. This cap served no purpose other than to suppress claims to recover expenditure for productions that exceeded an arbitrary number of hours.

MEAA do not support the remainder of the measures in Schedule 1. Key among these are the removal of the so-called 'Gallipoli' clause and the doubling of minimum qualifying Australian production expenditure for the Producer and PDV offsets from $500,000 to $1 million.

MEAA is not aware of the policy rationale (or evidence) for these amendments.

It is not uncommon for productions to necessarily incur expenditure offshore when bringing an Australian story to life. This necessity has sustained the 'Gallipoli' clause over an extended period. In the absence of an evidence-based justification, including instances of abuse of the current provision and projected budget savings, MEAA oppose the removal of the clause.

Increasing the expenditure thresholds for Producer and PDV offset eligibility to $1 million also appears to lack a clear explanation. MEAA is concerned that proposals to double expenditure requirements will harm emerging story-tellers and curb investment in the lower-budget screen production sector.

It is puzzling to say the least that a range of harmful measures are again being progressed as the sector seeks to navigate the massive hardship and uncertainty created by the COVID-19 pandemic.
The past twelve months has seen the Government virtually gut commercial television Australian content quotas and attempt to halve the amount of funding required for the New Eligible Drama Expenditure Scheme.

It is MEAA's submission that there is no justification for advancing measures aimed at curbing Government outlays in the screen production sector during a period when work availability and overall levels of production are either unknown or falling.

Accordingly, MEAA believes that all measures in Schedule 1 to the Bill other than the 30 per cent producer offset and removal of the 65-hour cap should be withdrawn from the Bill or deferred for consideration at a time when the screen sector is not being pummeled by a global pandemic.

Yours sincerely,

Paul Murphy
MEAA Chief Executive