

Committee Secretary
Senate Standing Committees on Environment and Communications
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Canberra ACT 2600

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Dear Committee Secretary,

DON'T TURN OUR OFFSET OFF!

The Australian feature film & television industry has enjoyed blockbuster success over the past decade. Government support, and latterly COVID, have accelerated that success, enabling Australia to attract millions in filming and post-production work that would typically stay offshore.

The government's Post, Digital and Visual Effects 30% tax rebate (the PDV Offset) has supported Australian post-production companies to win more international projects and create more local jobs.

However, this hard work is now in jeopardy as the government proposes to raise the Offset threshold from \$500,000 to \$1 million - included in the *Treasury Laws Amendment (Measures for a later sitting) Bill 2021: Film tax offsets*.

With most post-production and visual effects budgets below \$1 million, increasing the Offset threshold to \$1 million risks forfeiting all of this work offshore and handing what remains in Australia back to the few large internationally owned firms - leaving Australian-owned companies unable to compete.

The Australian post-production and visual effects industry:

- Will miss out on the millions worth of post-production and visual effects projects every year with growing export revenues cut off overnight.
- Will lose over 400 full and part-time jobs in Australia.
- Will lose the opportunity to use this investment to cross-subsidise Australian productions and tell Australian stories.
- Won't be able to grow and expand this important industry that showcases and develops Australian talent.



The government's PDV Offset has helped the Australian post-production and visual effects industry punch way above its weight, build our international reputation and grow our export-facing businesses. However, doubling the PDV threshold to \$1 million could wipe us out overnight.

The Australian Post & VFX Alliance (APVA) have come together to represent our innovative industry, urges the government to reconsider this legislative change, and give us a fighting chance both here and in international markets.

To avoid losing another Australian industry and more jobs, we urge you to reconsider this proposed tax change.

Sincerely,

Marcus Bolton

Chair, Australian Post & VFX Alliance

