

IMPORTANT SCREEN INDUSTRY TAX MEASURES HAVE NOT YET BEEN LEGISLATED

SCREEN PRODUCERS AUSTRALIA



BACKGROUND

- **Australia's Screen Industry Incentives** (Producer Offset, Location Offset, PDV Offset) are tax rebates that are legislated through the Australian Income Tax Assessment Act 1997 to support screen production in Australia.
- Policy changes are legislated by the Australian Treasury, within the portfolio responsibility of the Assistant Treasurer, the Hon. Daniel Mulino MP - but are determined and announced by the Minister for Arts, the Hon. Tony Burke MP.



Funding for children's programming, NFSA in Federal Budget as government removes above-the-line cap for producer offset

May 15, 2024

ABOLISHING THE ABOVE THE LINE CAP?

- In May 2024, the Australian Government announced the abolition of the **"Above the line" (ATL) cap in the Producer Offset**. This measure was **announced in the 2024 Budget** as applying to principal photography that started from 1 July 2024 onwards for the 2024-25 financial year.
- The abolition of the ATL cap was warmly welcomed by the Australian industry at the time, and puts local screen projects on a level footing with international location projects that have no such cap applied.
- This measure removes the restrictions placed on Australian producers when using major creative talent. It also aligns the Producer Offset with the Location Offset now that the Location Offset rebate rate has increased to 30 per cent.
- In the screen industry, "Above-the-line" includes key creatives – lead actors, directors, writers and producers – and "below-the-line" is crew.)



"Just because a project is filmed on location in Australia, with some Australian cast & crew, does not make it an Australian story"

Screen Producers urge the govt to protect Australian storytelling while some streamers stand accused of "muddying the waters."

Published by David Knox on April 16, 2024

BUT NOT LEGISLATED TWO YEARS ON

- Unfortunately, despite these welcome announcements, we are now nearly at the end of the **second financial year** for which these measures are announced as applying, but which are **not yet legislated**.



Australia rolls back Location Offset expenditure hike to attract more mid-budget US films

Brendan Swift · Business Film Funding News · December 19, 2024

WHAT'S THE EFFECT OF THIS DELAY?

- Significant uncertainty amongst Australian screen businesses that rely on international partners to contribute to the finance plans that fund screen programs.
- Additional loan and interest costs to screen businesses that are awaiting this tax payment to address finance gaps, and, if delayed further, will render the change unusable for a cohort of projects that must close and repay their loans.
- Small screen production businesses are facing undue pressure and are caught in a difficult situation.

AUSTRALIAN MEDIA

Screen Producers CEO calls for removal of 65-hour cap on documentaries at AIDC session



Kyle Laidlaw 4 March 2025



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CONCERNS NOT BEING HEARD BY GOVERNMENT

- On behalf of the industry, Screen Producers Australia (SPA) has made regular representations to the relevant Ministers to request that legislation for these measures is enacted as a matter of urgency.
- This ongoing delay is deeply concerning.
- It is unfair to put Australian screen businesses in such an uncertain and risky situation.
- We urgently needed these measures to be legislated at the soonest opportunity.
- Please add your voice to calls for Assistant Treasurer Hon Daniel Mulino MP to legislate as a matter of urgency.

OTHER ANNOUNCED BUT UNLEGISLATED MEASURES IN THE AUSTRALIAN SCREEN INDUSTRY

Location Offset Threshold

- As part of MYEFO, in December 2024 the Australian Government announced the Location Offset threshold would return to \$15 million, after having been raised to \$20 million earlier that year. [SPA welcomed this response](#) to industry concerns about the impact of the higher threshold.

Minimum length requirements

- The Australian Government also announced in May 2024 that it will remove minimum length requirements for most formats under the **Producer Offset**.
- Many of the current minimum lengths are based on a terrestrial free-to-air broadcast system that are no longer relevant for online streaming platforms. For example, minimum lengths include one commercial hour for a single episode of non-feature programs other than documentaries or animations, and a commercial ¼ hour for short-form animation.
- These changes were proposed in recognition of the way the film & TV industry has changed, where even digital platforms air content less than 22 minutes long.
- For online producers, our content length is not determined as an arbitrary figure based on advertising, but informed by audience and the length of content they actually want to watch;
- Making digital content longer just to meet the Offset requirements is detrimental to the number of viewers new platforms such as streamers and YouTube reach and how much they watch.
- This seemingly small change to the offset eligibility requirements would make an enormous difference to how online producers can invest.

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