

August 2023

MEDIA SECTOR IN AUSTRALIA

Australia's overall media and entertainment industry was significantly influenced by the COVID-19 outbreak, disrupting production activity. The rebound has shaped the industry to adapt and overcome the challenges, leading to new streams to create, distribute and present content.

Having produced the inaugural feature film, "The Story of the Kelly Gang", in 1906, the Australian screen industry has evolved into a hub for exceptional talent both on and off the screen.

Australia has become a magnet for international production, with producers from all over the world being drawn to our variety of locations, landscapes, world-class studio facilities and numerous government incentives.

Australia has official co-production treaties or MOUs with 13 countries including the United Kingdom, Canada, China, Korea and Malaysia. Such treaties aim to facilitate cultural and creative exchange between partner countries, increase the input of high-quality screen production, and allow the partner countries to share the risk and cost of screen production.



Co-producers are eligible to apply for government support in the form of tax concessions and direct investment. Co-productions are considered to be Australian content for the purposes of Australia's broadcast content quotas.

Such incentives have attracted the likes of Universal, Warner Bros, and other industry leaders from Hollywood to the Australian shore. With the Australian Government heavily supporting international industry players to help bring jobs and tourism through the big screen.

The media sector in Australia has historically been influenced by International players, with Government support and state of the art facilities putting Australia in the spotlight. Current Government incentives in the sector include:

The Producer Tax Offset: A refundable tax offset for Australian expenditure in making Australian films. From 1 July 2021, the amount of the producer offset is 40% of the company's total qualifying Australian production expenditure (QAPE) for feature films and 30% for other films.

Criteria:

- Screen Australia has issued a final certificate for the film in relation to the producer tax offset.
- The company claims the tax offset in its income tax return for the income year in which the film is completed.
- The company is either an Australian resident company, a foreign resident company with a permanent establishment in Australia and an ABN.
- The company has **not** been provided with financial assistance for the film under Screen Australia's Producer Equity Program.

The Location Tax Offset: A location tax offset is available to a company for the making of a film of 16.5% of the company's total QAPE on the film.

Criteria:

- Screen Australia has issued to the company a final certificate for the film in relation to the location offset.
- The company is either an Australian resident company, a foreign resident company with a permanent establishment in Australia and an ABN.

State and local government grants: Australia's state and local governments have a variety of programs and grants available to organisations at any given time. Check in with your local advisor to see what may be available.

The PDV Tax Offset: The post, digital and visual effects (PDV) tax offset applies to the production of PDV for a film. It is designed to attract post-production, digital and visual effects production to Australia. The amount of PDV offset is currently 30% of the company's total QAPE which relates to PDV production for the film.

Criteria:

- Minister for the Arts has issued a final certificate for the film in relation to the PDV tax offset.
- The company claims the PDV tax offset in its income tax return for the income year in which the company ceased incurring QAPE related to the PDV production for the film.
- The company is either an Australian resident company, a foreign resident company with a permanent establishment in Australia and an ABN.

Screen Australia: Is the current film authority in Australia, which offers funding to support the development, production and marketing of Australian screen content.

Various funds include: Feature Films, Televisions, Online, Documentary, First Nations, Industry Development, Producer Offset, and Co-Production Program.

Dependent on the fund the production lies within, company's have access to up to \$20 million in support from Screen Australia.

How easy is it to do business in Australia?

Australia is a developed country with low sovereign risk, a strong economy and a competitive, stable currency.

In its most current assessment (2019), the World Bank ranked Australia at 14 amongst 190 countries measured for ease of doing business.

This makes it relatively easy for those looking to invest or establish operations here.

As an example, a company can be established within three days at a cost of approximately AUD 2,500, with no minimum paid up capital.

To find out more about the opportunities for your business in the Media Sector please contact one of our Moore experts below.



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