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A NEW NATIONAL CULTURAL POLICY

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Summary

- Australia's screen sector is creative and innovative, and generates important cultural and economic benefits.
- The screen sector is a dynamic ecosystem that hosts a combination of work across local and international projects. This mix of projects is necessary to sustain the industry, drive creativity and innovation, build capability, and support a robust sector to thrive and globally compete.
- International projects drive unique and important benefits across employment, business income and investment, opportunities for key Australian creatives, training of local talent, technological development and innovation, infrastructure expansion, soft power and tourism impact, and several other factors.
- Landmark reforms to the Location Offset achieved under *Revive* have created exceptional benefits for the sector, attracting 41 projects with an estimated spend of $2.96 billion.
- While Australia is attracting strong levels of international project work, the global and local screen sectors are facing a range of challenges, as well as exciting opportunities.
- The Location and PDV Offsets play a pivotal and foundational role for the sector and are working well overall. Key policy settings for these Offsets should be maintained. Progress regarding previously-announced reforms would be welcomed. The eligibility of documentary formats could be clarified and made consistent.
- The next National Cultural Policy should consider a range of cultural export opportunities:
    - Official Co-productions provide further potential for success. Arrangements should be modernised and updated, and new, strategically selected agreements could be considered.
    - Broader Government trade diversification efforts and opportunities could be leveraged, including work to increase trade with territories in Asia.
    - Export initiatives should consider the important role of creative export service work and Australian innovations and ingenuity.
- Artificial intelligence poses difficult challenges, but also strong opportunities for the sector. Government initiatives could assist with adaptation, while ethical and legal innovation should be encouraged.
- Sector growth has driven workforce shortages. Recent research provides an important platform for Government to consider further steps.
- International workers can help to fill areas in shortage, including by assisting with the training of local workers, but some migration policies and processes are creating unintended consequences, particularly regarding workers that wish to become permanent residents and Australian citizens. The next National Cultural Policy provides an opportunity to support sector growth and update key processes.
- There are also opportunities to modernise data frameworks and processes.
- The screen sector is evolving quickly. To respond to future challenges in a timely fashion, policies may need to be reformed outside of the five-year National Cultural Policy cycle.

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1. Introduction

Ausfilm thanks the Australian Government for this opportunity to contribute to consultation on Australia's next National Cultural Policy (NCP). Ausfilm welcomes the Government's strategic approach to Australian culture, and the NCP is of central importance to Australia's screen sector.

This submission focuses on Ausfilm's work to maximise international investment and project spend in Australia's screen sector and influence its impact, enabling the sector to grow. As a result, the submission relates most directly to Pillars 3, 4 and 5 of the NCP: *Centrality of the Artist*, *Strong Cultural Infrastructure*, and *Engaging the Audience*. Ausfilm also recognises the importance of Pillars 1 and 2: we support the ongoing recognition and importance of *First Nations First* within the NCP, as well as the goal to support *A Place for Every Story*.

2. About Ausfilm

Ausfilm is a unique partnership between government and industry that drives international investment into Australia's screen sector and throughout the economy. Ausfilm serves as the gateway to international film and television content creators seeking to film, post-produce, or co-produce in Australia, and in 2024/25 we received enquires worth $4.4 billion. Ausfilm promotes Australia as a leading film and television production destination by:

- marketing federal screen sector tax incentives: the Producer, Location and Post, Digital and Visual Effects (PDV) Offsets
- promoting Australia's Official Co-production program
- marketing state and territory government incentives, services and locations
- providing expert advice to international content creators seeking to shoot or post-produce content in Australia
- connecting international filmmakers with Australia's screen industry
- promoting Australia's screen sector, including Ausfilm member businesses.

Ausfilm also has a role to advise Government departments and agencies on issues that affect the screen industry. This role is one of the activities funded by the Australian Government under an annual Government grant to Ausfilm.

Ausfilm is a membership association. Our members include government screen agencies and 55 of the nation's leading commercial screen sector companies, including Australia's:

- major studio complexes in Sydney, Melbourne, Perth, Brisbane, and the Gold Coast
- main production service providers
- foremost visual effects, animation, and picture, sound and music post-production studios.

While Ausfilm specifically promotes and assists its members, it also promotes Australia's broader screen sector to the world. Ausfilm has a small team of six staff based in Sydney, and three in Los Angeles, co-located with the Australian Consulate.

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3. Australia's screen sector is culturally and economically important

Screen content is culturally important and economically significant. Screen stories are incredibly popular with Australians,[1] and their cultural and social impact extends into areas that cannot be easily measured, such as defining and embodying national pride, cultural identity, social cohesion and points of connection between Australian citizens.[2] Ausfilm looks forward to Screen Australia's upcoming Screen Currency project, which will further explore the vital cultural and social impacts of screen stories.

The screen sector also creates important economic impacts. According to the most recent ABS data, which is from 2021/22, film and video production and post-production businesses alone employ more than 30,000 Australians and generate nearly $2 billion in value-add to the economy.[3] Ausfilm expects these results would be much higher if measured today. Expenditure within Australia on the production and post-production of drama alone reached $2.7 billion in 2024/25, a new national record and a clear demonstration of the financial impact of the sector.[4]

The economic impact of screen production spreads well beyond the screen sector. Importantly, screen production benefits a wide range of creative workers and industries in fields such as music composition and performance, fashion and textiles, and design.[5] Screen project work also benefits the broader economy: attracting foreign investment that is spent quickly and disperses through sectors such as construction, catering and accommodation.[6] For example, an Oxford Economics Study of the international TV show *Apples Never Fall*, made in Queensland, found that for every $1 million that the production's own activities contributed to the economy, it supported a further $2.4 million along its supply chain and through the payment of wages, with a total GDP contribution of $135 million.[7]

4. The screen sector is a dynamic ecosystem of local and international productions

Australia has a creative and innovative screen sector that is an interdependent ecosystem of:

- Australian screen stories such as *Talk To Me*, *The Australian Dream* and *Bluey*
- international productions that are filmed or 'shot' in Australia such as *Apex*, *Anaconda* and *All Her Fault*
- international projects shot elsewhere that undertake PDV work in Australia, such as *Lilo & Stitch*, *Sinners* and *Stranger Things: Tales from '85*.

This combination of work across local and international projects is necessary to sustain the industry, drive creativity and innovation, and ultimately ensure Australian stories and voices are seen and heard at home and abroad. The sector's mix of local and international projects creates a more resilient and varied pipeline of work, supporting a robust sector to thrive and globally compete.

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[1] Australians spent just under 20 hours per week watching TV, streaming or short-form screen content in 2025: ACMA (2026), Communications and media in Australia series: How we watch and listen to content, slide 2. Going to the cinema remains the most popular cultural venue or event in Australia: ABS (2021-22), Cultural and creative activities
[2] Screen Australia (2016), Screen Currency: Valuing our Screen Industry, p. 9
[3] Australian Bureau of Statistics (2021-22-financial-year), Film, Television and Digital Games, Australia
[4] Screen Australia, 2024/25 Drama Report. 'Drama' includes scripted projects of all genres e.g., comedy, horror, drama etc.
[5] Olsberg SPI (2017), Film and the Creative Economy: How Film and Television Drama Productions Grow the Creative Industries
[6] Olsberg SPI (2023), Study on the Impact of Film and Television Production Incentives in Australia, p. 50-54
[7] Oxford Economics (2025), Economic Impact of Apples Never Fall in Australia

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5. *Revive* contained pivotal reforms for international production work

Revive: A place for every story, a story for every place generated historic reform for international film and TV production in Australia. Following commitments under Pillar 5 of *Revive*, the Government made pivotal reforms to the Location Offset tax rebate for large-scale screen productions, replacing an existing 16.5% Location Offset tax rebate and 13.5% Location Incentive grant program with a simpler, more predictable 30% Location Offset rebate. The reforms also introduced new requirements for projects to support training and industry capacity building, and to use local providers of PDV services.

These reforms had been requested by Ausfilm and other stakeholders for several years and were widely supported by the Parliament and the screen sector. The reforms were legislated in July 2024, and have already led to exceptional results, attracting 41 projects with an estimated combined spend in Australia of $2.96 billion.[8] Further benefits from the reforms are detailed in Section 6 below.

Ausfilm reiterates its thanks to the Australian Government and Parliament for these reforms, and looks forward to continuing its work with the Government to maximise the benefits of international production for the screen sector and broader economy.

6. Work on international projects creates vital and unique benefits

International productions are generally large-scale projects. Their presence in Australia provides a range of vital benefits for our screen sector and the broader economy, including:

- **Well-paid, highly-skilled employment for Australian cast and crew:** Ausfilm estimates that the 2023/24 reforms to the Location Offset have supported 41 projects that have directly employed 14,000 crew and 44,000 extras. Very large budget productions can each directly employ from 800 to 2,000 crew, with further employment of hundreds of actors and more than 1,000 extras. Global PDV projects also employ hundreds of artists, with Ausfilm estimating its PDV members currently employ more than 2,800 staff.
- **Income and investment for Australian businesses:** across the financial years 2020/21 to 2024/25, foreign dramas that shot in Australia or undertook PDV here spent a total of $5.6 billion.[9] This spend extends across physical production and PDV work, enables businesses to invest in equipment and facilities, and significantly flows to other sectors of the economy such as catering, transport and construction. Ausfilm estimates that since 2023/24, Location Offset projects have engaged 20,000 businesses across the economy.
- **Opportunities for key Australian creatives:** the production of international projects in Australia enables 'above the line' Australians to step up to large-scale projects for the first time, work on large-scale projects closer to home, or return home to work on these projects, which can lead to further work on local productions. For example:
    - director Kate Dennis, director of photography Earle Dresner and actor Sarah Snook played pivotal roles on the television series *All Her Fault*
    - Grant Sputore directed *Godzilla x Kong: Supernova*
    - Joanna Werner executive produced and Kris Mrksa wrote and executive produced the Australian-set *Last Seen* (previously titled *The Dispatcher*)

[8] Estimates based on Ausfilm project monitoring and information from the Office for the Arts. Estimates include projects in production and projects committed to Australia but yet to commence production. Estimates based on spend that qualifies for the Location Offset. Estimates will vary from data from the final certification of projects.
[9] Screen Australia, *2024/25 Drama Report*

  - Jeffrey Walker, Daina Reid and Cherie Nowlan directed episodes of *Young Rock*
  - Patrick Hughes directed the upcoming biopic of Navy SEAL Mike Thornton
  - Australian actors appearing in recent international productions include Eric Bana and Aaron Pedersen (*Apex*), David Field (*The Bluff*), Alycia Debnam-Carey (*Godzilla x Kong: Supernova*), Bryan Brown (*Anyone but You*), Rachel Griffiths (*Anyone but You*, *The Wilds*), Joel Jackson (*Play Dead*), Chris Pang and Xavier Samuel (*Send Help*), Georgia Flood (*Apples Never Fall*, *I Know What You Did Last Summer*), Matt Nable (*Thrash*), and Richard Roxburgh and Felix Kammerer (*Eden*).
- **Training opportunities for local crew:** large-scale productions have larger crews, creating more opportunities for workers to be employed and step up into different roles, and for trainees to get their first start. Furthermore, international productions that access the Location Offset tax rebate must spend 1% of their qualifying Australian production expenditure on training of Australian workers (capped at $500,000), or invest in long-term training programs or sector infrastructure.[10] These contributions are crucial to addressing skills shortages in the local industry. Ausfilm estimates that since this requirement was introduced, Location Offset projects have invested $16 million into training of workers.
- **Technological development and innovation:** international productions expose Australian workers and businesses to industry best-practice and drive local investment into world-class capabilities. These innovative capabilities are then available to Australian projects. To cite just three examples:
  - Australia's world-leading aerial drone camera and lighting technology enhanced the impact of local stories *Ride Like a Girl* and *True History of the Kelly Gang*
  - Melbourne hosts the world's largest virtual production stage, which was used for bushfire scenes on Australian family film *Windcatcher*
  - the nation's world-class visual effects capabilities are used by Australian projects such as *The Narrow Road to the Deep North* and *Together*.
- **Expanded infrastructure:** Australia has a comparative lack of dedicated sound stages.[11] Australia's growing pipeline of international productions has triggered investment in recent years: Screen Queensland has opened a new studio in Cairns, the Western Australian Government's new Perth Film Studios is hosting its first major production, the Gold Coast City Council and Shadowbox Studios are preparing a new complex, and the NSW Government has allocated $100 million for a potential new facility in Sydney.
- **Expenditure throughout Australia:** international productions are primarily filmed in the Gold Coast, Sydney and Melbourne, but productions also spend significant amounts elsewhere. *Last Seen* was predominantly filmed in regional Victoria and spent more than $50 million in the state,[12] *The Mongoose* spent an estimated $2 million in regional Victoria,[13] *Apex* was shot in regional NSW and the ACT, and the UK version of *I'm a Celebrity … Get Me Out of Here!* regularly shoots in northern NSW. Perth Film Studios opened earlier this year and is hosting the large-scale production *Two Birds*, with WA also hosting its first international Netflix series, *Breakers*. Adelaide is a major visual effects hub, with leading VFX company Rising Sun Pictures named by the Australian Government as 2024 Exporter of the Year, and capacity is building across other areas.[14]
- **Investment into Australian productions:** revenue from international projects can enable Australian businesses to invest into local stories. For example, KOJO completed post-production and effects work on the South Australian independent film *Talk To Me*, and invested in the film, which helped to complete its finance. *Talk To Me* was the world's breakout horror movie of 2023 and has grossed more than USD $90 million.

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[10] Office for the Arts (2024), *Location Offset—Minimum Training Expenditure Requirement and Training Program*
[11] Olsberg SPI (2023), *Study on the Impact of Film and Television Production Incentives in Australia*, p. 67-73
[12] Victorian Government, *The Dispatcher Delivers Economic Boost For Victoria*
[13] ABC News, *Hollywood star Liam Neeson praises Aussie film crew while filming The Mongoose in regional Victoria*
[14] Minister for Trade and Tourism, *Rising Sun Pictures named 2024 Australian Exporter of the Year*

- **New revenue streams for production companies:** international projects that film in Australia often engage a local producer and/or production company to facilitate the project. This production service work generates diverse revenue streams for local producers and strengthens their connections with the international market.
- **Soft power and tourism benefits:** international productions raise Australia's profile and can provide unique tourism benefits. Stars such as Chris Hemsworth are some of Australia's most globally recognised citizens and have led tourism campaigns to promote the nation, and the Location Offset attracts projects to Australia such as *Kockroach* and *Subversion* that see these actors working on our shores. Global hit *Anyone but You* was set in Sydney and saw star Sydney Sweeney feature the city extensively across traditional and social media. *The Fall Guy*, starring Ryan Gosling and Emily Blunt, was also set in Sydney and featured amazing set pieces on landmarks such as the Sydney Harbour Bridge. Upcoming production *Runner*, starring Alan Ritchson and Owen Wilson, is set in south-east Queensland, showcasing the state's locations to the world. The 2016 Screen Currency project demonstrated how screen content attracts 230,000 international tourists per year, generating $725 million in spend, and Ausfilm expects the upcoming update to further explore the important tourism benefits that screen stories provide.[15]

Australian stories have unique cultural power and a critical role in the screen ecosystem. International projects across physical production and PDV work also bring unique benefits across the factors described above. It is important for policy to continue to support all areas of Australia's screen ecosystem, to strengthen the sector's resilience and enable it to grow and flourish.

7. Globally and locally, the sector faces disruption, challenges and opportunities

The local and global screen sectors have been significantly disrupted by the rise of digital platforms. New technologies and evolving audience preferences are influencing all aspects of the industry. This disruption has generated new opportunities as well as significant challenges, new content platforms and some business consolidation, and greater uncertainty across the global sector. Workers and businesses have both been impacted by this worldwide industry disruption.

Globally, production levels have reduced from the 'peak TV' era of the early 2020s, and feature film financing has been challenged by the rise of streaming and events such as the COVID-19 pandemic. These disruptions flow through to project financing and scheduling, with particular impacts for smaller and independent businesses working across production and post-production. However, it is important to note that very significant levels of international activity remain: global TV commissioning is down from its peak, but at similar levels to the pre-COVID era.[16] This activity represents an opportunity for Australia. Our share of worldwide projects is a fraction of the global market, even with expenditure by international projects in Australia reaching very strong levels.

Locally, the disrupted nature of commissioning in Australia is a key topic for the Government and the sector. Ausfilm's remit focuses on international projects and co-productions, and consequently, this submission does not focus on local screen content. However, it is important to note that some Ausfilm business members have experienced significant challenges from the disrupted and evolving state of local drama commissioning. These challenges can be acute for smaller

[15] Screen Australia (2016), [Screen Currency: Valuing our Screen Industry](), p. 6. Screen Australia's next Screen Currency research is due for release this year.
[16] According to industry estimates, the production of English-language scripted shows peaked at 599 shows in 2022. Around 500 shows were produced in 2024 and 2025, which is similar to levels in 2017-2020, and significantly above the count in 2009 of 210. FX research cited by Stat Significant (2025) [Is TV's Golden Age Officially Over?]()

businesses, and independently owned companies, which often derive a greater share of work from local Australian projects.

Current challenges are significant, but there are many compelling opportunities ahead for the sector. Ausfilm is optimistic about the future, with international project work playing an important role in supporting the sector's sustainability and growth.

8. The Offsets provide foundational support for the sector

International projects choose Australia because of the nation's renowned crew and actors, world-class production and post-production businesses, diverse locations, leading studio complexes, and the nation's well-calibrated policies and systems of support. Ausfilm appreciates the long-standing and cross-party support provided to the screen sector from governments across federal, state and territory jurisdictions. This support has enabled Australia's screen sector to grow into a robust industry that thrives here and abroad.

Pivotal support is provided by the Australian Screen Production Incentive, which includes three tax offsets for screen projects:

- The Producer Offset, for productions with significant Australian content and for Official Co-productions
- The Location Offset, for large-scale international productions filmed in Australia
- The PDV Offset, for projects that only undertake PDV work in Australia.

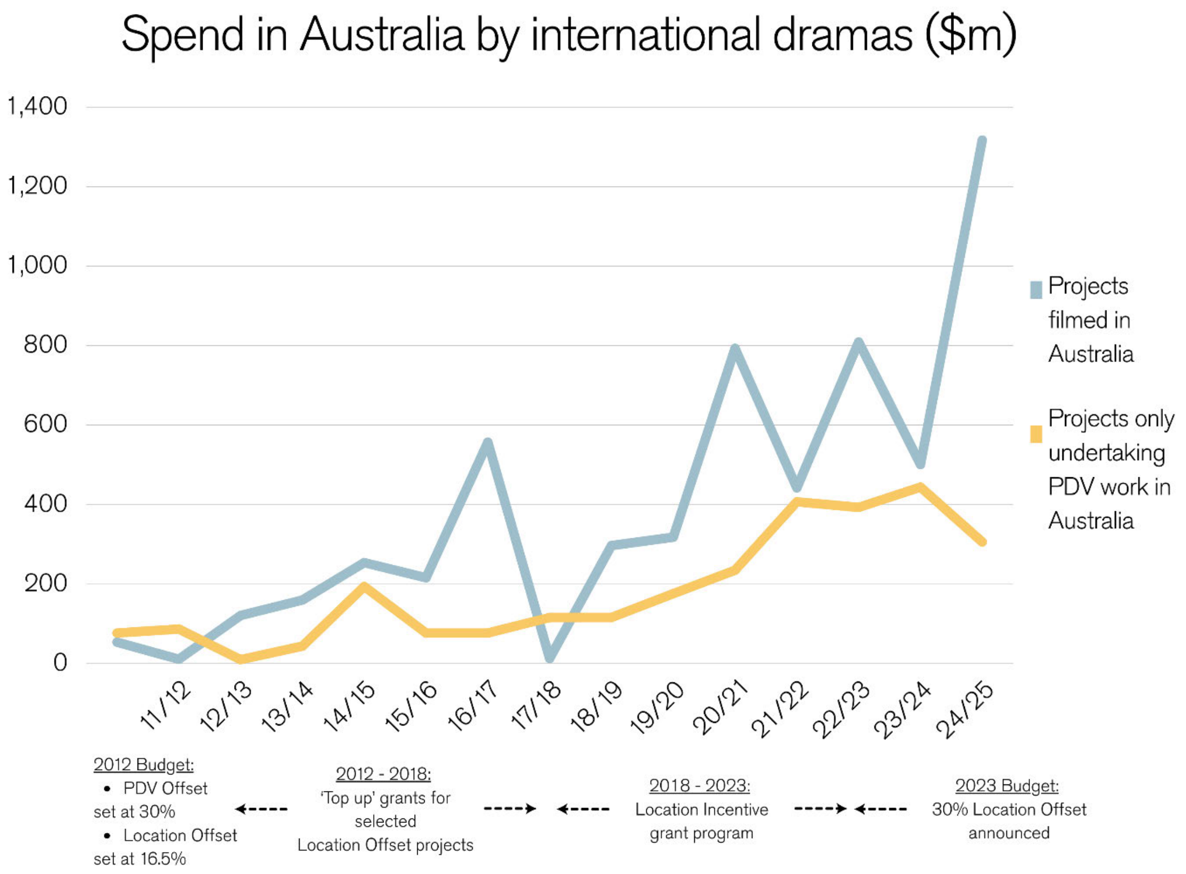
Each offset provides a refundable tax rebate to the applicant based on a project's qualifying expenditure in Australia.

The offsets provide a certain, stable and consistent foundation for local and international screen projects in Australia. The Location and PDV Offsets in particular generate a virtuous cycle of international investment and foreign expenditure into Australia's screen sector and broader economy. This spend disperses throughout the economy and creates strong economic benefits, while projects incur tax obligations such as state payroll, federal withholding, GST and fringe benefits tax. An Oxford Economics study of the recent international production *Apples Never Fall* found that for every $1 of tax incentive received for local spend, the production supported $4.2 in domestic GDP.[17]

It is important to note that this expenditure would not occur in Australia without the Location and PDV Offsets. Film and TV work is highly portable, and Australia competes against other jurisdictions to attract projects and secure their benefits. The Location and PDV Offsets play a foundational role: without them, most international projects would go elsewhere, with highly negative impacts for creative workers and businesses, and the broader economy.

Spend by international drama projects in Australia has risen significantly over time. PDV work has grown consistently, but spend by projects filmed in Australia has been less stable in the past, as per the chart below:

[17] Oxford Economics (2024), *Economic impact of Apples Never Fall in Australia*. The broad benefits of rebates were also examined in Olsberg SPI (2023), *Study on the Impact of Film and Television Production Incentives in Australia*.



Source: Screen Australia *Drama Production Statistics*

Offset policy settings have played a significant role in the evolution of international spend. From 2012 to 2018, titles that shot in Australia were supported by a 16.5 per cent Location Offset and, at times, discretionary grants. Announced in the 2018 Budget, a Location Incentive grants program effectively 'topped up' the Offset to 30 per cent, but only for successful applicants. The 2023 Budget included reforms to set the Location Offset at 30 per cent, which were passed in June 2024, encouraging a strong uptick in work. By contrast, the PDV Offset has been set at 30 per cent since the 2012/13 financial year.

Ausfilm submits that the stable, certain and competitive 30% PDV Offset has fostered steady sector growth. Australia's PDV sector has evolved to become a thriving ecosystem of businesses and creative workers that provides world-class work to local and international projects. Local PDV companies can attract projects shot anywhere in the world: making PDV work a critical component of the sector that enhances its resilience and export potential. The growth in expenditure highlighted above has driven new employment. Many of Ausfilm's members report strong growth: for example, Industrial Light & Magic now employs around 700 staff, and Framestore's Melbourne studio has grown in the last four years from 220 employees to around 350. Growth and stability have also enabled Framestore to shift its workforce hiring model, with around 80 per cent of staff now ongoing permanent employees, compared to a prior period when around 40 per cent of staff were permanently employed. It is important to note that while general growth has occurred, the sector has also been negatively impacted by the disruptions to both local and global commissioning discussed in Section 7 above. This disruption makes the stability of tax rebate support particularly important. The PDV sector's overall growth has been critically supported by the stability of the PDV Offset, as well as reforms to the Location Offset.

It is clear that consistent, effective and certain incentives foster growth and stability. With the Location Offset now set at 30 per cent, Ausfilm expects a more stable pipeline of productions to select Australia, generating cascading benefits for workers and businesses, and triggering investment into new capacity and capabilities.

9. Offset reform considerations

Australia's screen sector has experienced significant policy change in recent years. Changes include reforms to the Location Offset in 2024, and reforms to the Producer Offset in 2021 and 2024. The sector has also experienced changes to content obligations across traditional television and streaming services. Beyond the policy environment, sector changes include disruptions created by the rise of digital platforms and events such as the COVID-19 pandemic.

Screen production is a high-cost, high-risk, project-based activity. Business confidence and policy certainty are key factors, and competition is fierce. Screen projects are developed and financed over many years, compete for limited investment, and if they go into production, projects spend many millions of dollars on production and post-production before their release to the market. PDV companies bid to win post-production projects against studios based all around the world, adapting to project demands and relying on their record of work and reliability. In an overall sense, Australia competes against other territories to attract international investment and host specific projects. In all these contexts, competition is high, and confidence and certainty are key enablers of success in a sector that involves significant creative and financial risks.

Ausfilm submits that it is important for the Government to commit to a period of consistency for the key settings for the Location and PDV Offsets. The main policy settings of these Offsets are working well and should be maintained. The Location and PDV Offsets are currently providing an effective level of support: if they remain stable and consistent, they will generate the certainty needed to plan projects, and generate cascading benefits and overall growth.

Ausfilm requests that the Government progress reforms to the Producer and Location Offsets that have previously been announced. The sector would benefit from clarity around these reforms.

Ausfilm appreciates that the Government has a broad legislative agenda to coordinate, but consideration could also be given to the **resolution of an inconsistency in the treatment of documentary formats under the Location and PDV Offsets.** Documentary series are eligible for support under these Offsets, but documentary feature films are not eligible, and there is potential ambiguity around telemovies and miniseries. Ausfilm is aware of one large-scale, highly innovative 3D documentary feature project where the majority of PDV work went to a competitor country rather than Australia largely due to offset eligibility. There is potential for further, innovative international work in the important documentary genre as feature filmmaking evolves. Ausfilm submits that broadening Location Offset and PDV Offset eligibility to all documentary formats would create consistency with the Producer Offset and provide new income opportunities for businesses, at a modest cost.

Ausfilm would also like to take this opportunity to thank the Office for the Arts (OFTA) for their administration of the Location and PDV Offsets. Screen sector growth has understandably increased demand for the Offsets, and it is important for Government to monitor this demand to provide appropriate resources.

These recommendations relate to Pillar 5 of the NCP: *Engaging the Audience*, though the Offsets create benefits that flow throughout other Pillars.

10.Cultural exports, Official Co-productions, and market diversification

The Consultation Paper for the new NCP (the Paper) explores the growth in global demand for cultural content, and references several key themes and opportunities. The Paper states "Australia's position in the competitive global environment will influence our ability to retain creative talent and connect with international markets over time," and also states "Our creative exports … contribute to diplomacy and how Australia is seen and understood globally."[18] The Paper calls for suggestions to strengthen cultural infrastructure and systems, and make sure our stories connect with people at home and abroad.

Despite significant challenges, Australia's screen sector can look ahead with optimism. Australia has a compelling track record: we host some of the world's largest and most ambitious productions, deliver world-class post-production outcomes, and create break-out global hits such as the phenomenon of *Bluey*. Our cast, crew and businesses have a strong reputation working here and abroad, government support is competitive and consistent, and Australia is, quite simply, a nation that others seek to partner with, visit and learn more about. Australia's screen sector is being elevated on the global stage, and Ausfilm's core message for 2026 is straightforward: this is the time to partner with Australia.

This context creates significant opportunities for increased international partnerships, stronger connections to foreign finance, and ultimately, greater export of Australian culture. Ausfilm is the world's gateway to working with Australia's screen sector, and plays a key role in connecting Australian and international screen sector stakeholders. Ausfilm markets Australia's sector to the world, attracting inbound physical production and post-production projects, and promoting Australia's Official Co-production program. In collaboration with Screen Australia and other stakeholders, Ausfilm also connects international and Australian producers to explore official and unofficial co-production opportunities. There are several opportunities to strengthen this work.

Ausfilm requests that the Government modernise and update Australia's existing Official Co-production arrangements. The Official Co-production program encourages creative exchange and collaborations, and fosters projects with international ambitions across finance, audience and culture. Australia has 14 agreements (treaties or Memoranda of Understanding) with partner countries. Some of these arrangements do not reflect modern industry practice. Updating these agreements would open access for a greater range of projects and unlock greater international finance and cultural partnerships.

The Government should also consider, in a strategic fashion, opportunities for new Official Co-production agreements. Co-production arrangements are complex to create and take time to complete. However, they can drive substantial opportunities. Ausfilm recommends the Government consult with key stakeholders including agencies and industry organisations on the most beneficial potential partnerships. Upcoming Ausfilm research, detailed below, could inform this consideration.

The next NCP should leverage broader trade diversification efforts. Ausfilm is a member of the Australian Government's new Trade Diversification Network, which is part of the Accessing New Markets Initiative (ANMI). Under the initiative, Ausfilm will receive funding to deliver enhanced

[18] Australian Government, [Towards a new National Cultural Policy: Public Consultation Paper](), Office for the Arts, p. 4, 5.

events and research future opportunities. Ausfilm greatly appreciates this support by the Government, facilitated by Austrade, which is strengthening Ausfilm's existing efforts to diversify the sector's markets. Funding under this initiative is a temporary measure due to conclude in June next year. Continued support to undertake these activities would capitalise on important momentum and greatly enhance outcomes. The next NCP could tap into opportunities such as the Trade Diversification Network and encourage their continuation, or directly support such activity.

There may be opportunities for the next NCP, and Government's broader trade diversification agenda, to deepen trade and investment with Asia. Ausfilm appreciates broad Government recognition of the important cultural and economic role of screen stories in trade efforts, including in Asia. This recognition has been demonstrated by actions such as support of Ausfilm via the ANMI, Australia's new Official Co-production Treaty with India, and the recommendation under *Invested: Australia's Southeast Asia Economic Strategy to 2040* to encourage film and digital games co-productions. Efforts to diversify markets and examine opportunities in Asia were also recommended by the 2026 Production Infrastructure and Capacity Analysis, published by Screen Australia.[19] During 2026/27 Ausfilm will conduct focused research on opportunities in Asia and looks forward to reporting these outcomes to the Government. This research could identify further trade and export opportunities for the NCP to consider.

Lastly, it is important to note that **efforts to enhance exports of Australian cultural and creative endeavours should not be limited to original intellectual property**. Homegrown Australian screen stories have vital and unique cultural importance, but other work has significant impact and should also be considered. Australian ingenuity and creativity contribute to the world's largest and most renowned productions: from Academy Award-recognised actors, directors and cinematographers to the thousands of artists working in animation and visual effects. The screen sector develops an incredible range of world-leading innovative goods and IP: from VFX technologies empowered by AI to aerial drones and camera systems. Australia's reputation as a nation of innovative screen storytellers enhances the nation's overall creative reputation and cultural ambition. Furthermore, Australia's hosting of international projects can directly create 'soft power' and tourism outcomes: as noted in Section 6, productions set in Australia such as *Anyone but You* and *The Fall Guy* showcase the country to vast audiences, introducing people to Australia, growing their interest in the country and enhancing tourism. While original Australian IP creates unique power within the 'cultural export' of our screen sector, the industry's cultural impact is a combination of on-screen depictions (including in international projects shot here), the 'ambassador' role played by high-profile screen creatives such as actors and directors, and the creative excellence of our behind-the-scenes stars.

These recommendations relate to Pillar 4: *Strong Cultural Infrastructure*, and Pillar 5: *Engaging the Audience*. Additionally, Pillar 2: *A Place for Every Story* aligns with the potential for co-productions and global partnerships, particularly with countries in Asia, to foster greater diversity and inclusion in screen stories.

[19] Olsberg SPI, *A Production Infrastructure Capacity Analysis (PICA) for Australia's Screen Production Sector: Recommendations and Future Trends*, p.10-11.

11. Opportunities and challenges from artificial intelligence

The Paper discusses changes in digital tools and platforms, new audience engagement with digital platforms, and the evolution of creative practice, technology and work patterns. A key factor across these important trends is the rise of artificial intelligence (AI).

The screen sector is widely considered to be facing significant disruption by artificial intelligence. The creation of professional film and television is often a high-cost activity that involves thousands of people. AI tools can now be used to augment this process, and some AI platforms promise the creation of content entirely generated by AI.

Ausfilm understands that the uptake of AI continues to vary. Some machine-learning processes were in use before the public debut of ChatGPT, some recently-developed bespoke tools are being used for focused purposes, while fully 'generative' platforms are yet to create content that is 'cinema quality'. While some AI-powered tools and processes are already in use, there are questions around the capabilities and costs of others. However, there is general agreement that the capabilities of AI tools will continue to improve.

The provenance, quality and ethics of some AI tools and their training data has been the subject of strong debate and in some instances, legal action. Ausfilm acknowledges important concerns about unethical and unsafe use of AI. However, it is sometimes underappreciated that certain AI tools have been safely and ethically used by the sector for several years: including innovative and world-leading machine learning tools developed in Australia by visual effects businesses.

Ausfilm appreciates the concerns that some screen sector workers and organisations continue to hold around the development and deployment of AI. AI tools are predicted to disrupt all aspects of screen content creation, potentially impacting jobs, businesses, and the essence of what it means to create a work. Ausfilm also notes the potential for AI tools to reduce the time spent on tasks - particularly manual or repetitive tasks - creating more efficient workflows, reducing costs, and enabling new projects that could not have previously been created.

Government initiatives to assist with adaptation to AI should have regard for the screen sector. As the broader economy adapts to AI tools and opportunities, there is potential for small businesses and sole traders to be left behind due to a lack of time and resources. This issue could be particularly acute in creative sectors, where workers and businesses rely on project-based work and there is pressure to secure the next opportunity, rather than focus on the horizon ahead. Ausfilm appreciates that the Government is aware of this issue, and has shared the Government's National AI Centre resources with members. There may be further opportunities for Government support, particularly in funding training for workers to adopt new tools, and for businesses to experiment with and adapt to new systems. Ausfilm suggests that any such initiatives be market-led and responsive to demand, perhaps via a voucher system or tax-based support. A grants-based program with competitive and detailed applications may not be appealing to small businesses and sole traders, and could struggle to remain current with the fast-paced nature of AI.

Ausfilm supports the ethical and legal creation and use of AI. Ausfilm submissions to Government consultation on AI have supported Government policy that broadly encourages innovation while protecting rights, intellectual property, and the ability to create screen stories. For example, Ausfilm advocated against the proposal for a 'fair dealing' exception for text and data mining that was included in the Productivity Commission's interim '5 Pillars' report. Ausfilm appreciates the Government's decision to rule out such a move, and recommends the Government maintain this position and reject proposals that would have similar effects. It is vital to reinforce the distinct and important value of creative works, the elements that constitute such works, and the people and businesses that create them.

In conclusion, it is important that regulation and Government policy regarding AI - whether via existing laws adapted to the current context, or new reforms - enable Australia to maintain its status as an innovative provider of world-class work, while avoiding significant harms. Government policy should broadly encourage innovation while protecting rights, intellectual property, and the ability to create screen stories. As the pace of AI adoption accelerates, policy settings, including those relating to funding, may have to respond quickly to ensure Australia remains competitive.

These recommendations relate to Pillar 3: *Centrality of the Artist.*

12. Workforce and infrastructure capacity

Australia's screen sector has grown substantially in recent years: spend on drama in Australia has risen from $1.06 billion in 2019/20 to $2.7 billion in 2024/25,[20] and ABS data indicates growth in overall employment and wages.[21] This growth, which includes production and post-production activity, has created high demand for skilled workers and acute skills shortages in certain positions, particularly mid to senior-level roles.

Many screen sector businesses and leaders invest into training of local talent: from productions and leaders that take on trainees or mentees, to sector organisations such as Screen Careers specifically working to address capacity issues, to businesses such as Rising Sun Pictures, Netflix Animation Studios and Entertainment Partners that have formal partnerships with universities, TAFEs and screen training institutions (detailed in Section 13 below).

Significant research and policy efforts have been undertaken to measure and address these issues, including:

- Industry development programs administered by screen agencies for several years
- A 2020/21 Production Infrastructure and Capacity Analysis (PICA) by Olsberg SPI, commissioned by Ausfilm
- A 2023 Workforce Development Framework and Research Report, created by Ausfilm
- The 2023/24 reforms to the Location Offset, which require projects to meet minimum training obligations or contribute to the broader workforce and infrastructure capacity of the sector. Ausfilm estimates that these reforms have led to investment of $16 million into training of Australian workers
- The 2025 Creative Workforce Scoping Study, created by Creative Australia & Service and Creative Skills Australia (SaCSA), an important outcome of *Revive*
- The 2026 PICA report, commissioned by Screen Australia, which updated the 2021 report and conducted a more detailed examination of capacity.

Despite efforts by industry and governments, significant skills shortages and other capacity constraints remain. The 2026 PICA details issues facing the sector, and potential opportunities. It would not be efficient for this submission to echo the many findings and recommendations found within the PICA. The NCP provides an important platform for Government to focus on the recommendation to bridge industry and education – a longstanding concern in the sector. Ausfilm

[20] Screen Australia *Drama Production Statistics*
[21] See Tables 3.4 and 4.3 re. employment, and tables 3.3 and 4.2 re wages: Data Downloads, Australian Bureau of Statistics (2021-22-financial-year), *Film, Television and Digital Games, Australia*

also strongly supports the recommendation for improvements to visa systems, discussed in Section 13 below.[22] Ausfilm broadly supports a nationally coordinated approach to addressing shortages and alignment of funding programs to current needs.

In relation to infrastructure, Ausfilm celebrates the recent opening of Perth Film Studios, and supports planning for further soundstages on the Gold Coast and in NSW. Federal Government support via mechanisms such as the Offsets has a major role in unlocking and encouraging infrastructure investments. It is important for governments across Australia to provide support (via financial or other instruments) into strategic investment into soundstages and supporting precincts and infrastructure, and also into digital facilities. An Ausfilm member working in PDV suggested that *"The NCP should also recognise that infrastructure now extends well beyond sound stages and physical production facilities. Modern screen production depends on digital infrastructure, secure data environments, rendering capability, storage, connectivity, pipeline technology and emerging production tools. If government wants Australia to remain globally competitive, it must think about infrastructure in a more contemporary and comprehensive way."*

These recommendations relate to Pillar 3: *Centrality of the Artist* and Pillar 4: *Strong Cultural Infrastructure.*

13. Opportunities to support local growth via targeted migration policy

The strong sector growth and consequent skills shortages noted above have increased demand for talented workers. There is strong demand for workers at all levels - but particularly workers that can lead teams, execute critical work immediately and deliver to deadlines. Screen production and PDV work is highly skilled and specialised, and significant 'on the job' training is required before graduates and trainees make meaningful contributions in entry-level roles.

Businesses seek to use local talent wherever possible: beyond the many business benefits of retaining key talent and hiring locally, companies are keen to nurture and support the next generation of screen storytellers. Ausfilm's many members with commitments to training include:

- Rising Sun Pictures' longstanding partnership with Adelaide University delivering accredited courses including a Bachelor of Visual Effects degree, and postgraduate courses[23]
- the UTS Animal Logic Academy, which offers a 1-year accelerated, industry-led Master of Animation and Visualisation, as well as graduate certificate and research opportunities[24]
- Flying Bark's training efforts, including a partnership with the NSW Government's Jobs Plus Program to add 150 roles[25]
- Framestore's establishment of the GameChanger Academy, in partnership with the Victorian Government[26]
- FIN Design + Effects partnership with SAE University College[27]
- ILM's Jedi Academy, which offers internship and trainee programs[28]

[22] Olsberg SPI, *A Production Infrastructure Capacity Analysis (PICA) for Australia's Screen Production Sector: Recommendations and Future Trends*, p.19-21, 12.
[23] Rising Sun Pictures, *Study With RSP*
[24] University of Technology Sydney, *UTS Animal Logic Academy*
[25] Inside Film, *NSW government supports Flying Bark Productions expansion*
[26] Victorian Government, *Melbourne To Be Home To New Visual Effects Academy*
[27] SAE University College, *New SAE x FIN partnership puts industry experience at the heart of VFX curriculum*
[28] Ausfilm, *It's All About Animation – Up Close With Industrial Light & Magic's Newest Jedi Academy*

- Entertainment Partners' training programs and partnerships with stakeholders such as Netflix, screen agencies, and the Australian Film, Television and Radio School.[29]

Despite significant efforts by companies to train local talent, the sector's strong growth has created skills shortages, particularly in mid-level and senior roles. As a result, businesses also rely on foreign talent to bridge shortages by:

- building capacity, enabling businesses to meet strong demand
- bringing new and specific skills needed for certain projects
- training local staff, including on new and emerging technology.

It is important to note that the industry is internationally competitive, and talented and specialised workers are in high demand around the world. Australian businesses must work hard to attract new workers and retain their staff, while pivoting their businesses to adapt to technological developments such as the rise of AI. In this context, it is important for Government policy to work harmoniously to support industry growth and resilience.

The sector has a well-understood pathway for temporary entrants: the Temporary Activity Visa (subclass 408) – entertainment activities stream. This visa enables workers to temporarily enter Australia, facilitating screen sector workers such as directors and actors for inbound physical productions, and workers required to fill gaps in PDV work. While there are concerns around the occupation framework used by the 408 (detailed below), this pathway works well overall.

There is industry concern regarding pathways for skilled workers to become permanent residents and Australian citizens. A visa pathway to permanent residency is very important in the PDV sector. To attract the best international talent, companies rely on visas that provide clear and stable pathways and long-term prospects. Workers are also seeking a long-term career, and Australia is an attractive country to settle in.

Unfortunately, there is uncertainty around the accessibility of key pathways to permanent residency, and related concerns:

- the Skilled Nominated (subclass 190) visa is out of reach for most workers. Demand across the economy is high, and requirements are unclear but understood to be out of reach: Ausfilm has been informed that to be successful, eligible applicants require factors such as post-graduate university qualifications including PhDs. Such qualifications are not relevant to screen sector capabilities. Furthermore, pathways differ across states and territories, with screen sector occupations not eligible in some jurisdictions
- other pathways such as the Skills in Demand (subclass 482) visa and the Employer Nomination Scheme (subclass 186) visa involve costs that can be met by some businesses for some individuals, but cannot be met for all workers
- processes for skills assessments and uncertainty around processing times can place workers and businesses in difficult positions, particularly as visa periods run down and businesses plan for future projects.

Employers are concerned that visas are not available or affordable for skilled artists already working in Australia. The status quo risks a paradoxical situation where creative sector policy facilitates growth, skilled migrants working in areas of skills shortage wish to settle in Australia, but visa pathways are not practically available. This concern was featured in the 2026 PICA, which found *"Australia's current visa processes need to be re-examined to attract and retain top global*

[29] Ausfilm, [Entertainment Partners Powered By Moneypenny: Expanding Opportunities Through Training And Capacity Building]

talent to address gaps that could not be filled by domestic talent or local training, particularly in the PDV & animation and digital games sectors. The current system is widely viewed as lengthy, expensive, and administratively burdensome, often deterring international professionals from accepting roles in Australia or limiting studios' ability to fill critical senior gaps quickly."[30] Ausfilm appreciates that immigration policy and strategy is a complex issue with different views across key stakeholders. **The NCP provides an opportunity for Government to prioritise immigration policy that better supports the growth of Australia's creative sectors.**

The Government should also move quickly to update key visa processes. Important visa pathways continue to use the outdated Australian and New Zealand Standard Classification of Occupations (ANZSCO), rather than the current Occupation Standard Classification for Australia (OSCA). This is a consequential concern. The ANZSCO is acknowledged by all stakeholders as out of date. It was created in 2006, and does not include occupations such as Animator or VFX Artist or Digital Game Developer. The Australian Bureau of Statistics created the OSCA to address such concerns, and released the OSCA in 2024. However, some migration processes including processes for the 408 and 482 visas continue to use the ANZSCO, meaning companies seeking world-leading animation and VFX talent must structure their advertisements around the ANZSCO descriptions of "Illustrators" or "Graphic Designers". Ausfilm greatly hopes that this situation is resolved before the Government rolls out the next NCP, but the situation is one example of how outdated processes have real-world implications.

These recommendations relate to Pillar 4: *Strong Cultural Infrastructure*, as well as Pillar 3: *Centrality of the Artist.*

14. Improvements to data frameworks

The NCP should encourage cross-governmental efforts to modernise data frameworks and processes. *Revive* contained a welcome commitment to improve data collection, with a focus on the Cultural and Creative Activity Satellite Accounts, and the upcoming State of Australian Culture survey. These initiatives are welcome and Ausfilm looks forward to their future benefits. The new NCP can move further to enhance data processes that impact the sector.

A key example is the Occupation Shortage List (OSL), which purports to report shortages at the national level and in each state and territory. However, the method for the OSL does not align with the creative sectors, in part because the method is based on the ANZSCO system described above. As a result, occupations in clear and acute shortage in the sector, such as Animator or VFX Artists and Production Managers, are classified on the OSL as not in shortage. Ausfilm, Screen Australia and Creative Australia have communicated concerns to Jobs and Skills Australia, the creators of the OSL. We hope to see future improvements, but it is clear that key issues will require significant reform. Until improvements to the OSL are made, Ausfilm suggests that Government disregard the OSL for the purpose of the screen sector and rely on the 2025 Creative Workforce Scoping Study (an important outcome of *Revive*), and the 2026 PICA. The NCP presents an opportunity for the Government to examine the consequences of such issues, and emphasise to Government stakeholders that reforms to outputs such as the OSL are vital and should be prioritised.

[30] Olsberg SPI, *A Production Infrastructure Capacity Analysis (PICA) for Australia's Screen Production Sector: Recommendations and Future Trends*, p. 12.

There are other opportunities for systemic improvements to data frameworks. *Revive* reinstituted intergovernmental meetings between cultural ministers and local government stakeholders, and the next NCP could facilitate a body such as the Statistics Working Group (SWG) to examine and drive further opportunities for reform. It is also important for the Government to continue to resource the ABS to update the OSCA framework, and there could be potential for further work following the 2026 Census.

These recommendations relate to Pillar 4: *Strong Cultural Infrastructure.*

15. Conclusion

The NCP process provides a welcome and unique opportunity for the Australian Government, and all stakeholders across governments and industry, to consider reforms that will drive long-term success. It will also be necessary for federal, state, territory and local government policy settings to respond to short-term opportunities and challenges that arise quickly. For example, new AI tools may create new and different ways of working across production and PDV, and these changes may fall outside the existing settings of the screen sector's tax offsets. The final request in this submission is **the Government should leverage the NCP for strategic reforms, while remaining responsive to challenges and reforms that may fall outside of the NCP's five-year cycle.**

Ausfilm thanks the Government for the opportunity to provide this submission and for its continued commitment to strategic support for Australian culture, and the cultural and creative sectors. We would be very happy to discuss these matters further. Please contact Patrick May, Ausfilm's Director of Policy and Research, via [redacted]