AUSFILM

SUBMISSION

Productivity Commission: Five Pillars of Productivity interim reports

15 September 2025

1. Introduction

Ausfilm welcomes the opportunity to make this submission to the Productivity Commission (the Commission) regarding the ongoing Five Pillars of Productivity Inquiry, and the Commission's recent interim reports.

Ausfilm is a unique government and industry partnership that drives export service work across the nation and promotes Australia as a leading film and television production destination. We market federal and state government screen sector tax incentives, promote Australia's screen sector businesses, and connect international filmmakers with Australia's screen industry.

Ausfilm's members include eight government screen agencies and 49 corporate businesses that work with global filmmakers across all aspects of content creation. Our business members include Australia's major studio complexes, production service providers, and picture, sound, music, visual effects and animation studios.

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.

This submission responds to the following focus areas of the Interim Reports released by the Commission:

- Building a skilled and adaptable workforce: work-related training
- Harnessing data and digital technology: AI's productivity potential

2. Australia's screen sector

Screen content is culturally important and economically significant. Australians spend more than 20 hours per week watching TV, streaming or short-form screen content, and going to the cinema remains the most popular cultural venue or event in Australia.[1] The cultural and social impact of stories extends far beyond what can be easily measured: Screen Australia's *Screen Currency* project notes "The sharing of stories is a uniquely human characteristic and is common across all nations and cultures. From a very young age we instinctively turn to stories, to imagine worlds outside our own experience, in order to learn, grow, enjoy and innovate."[2] The report goes on to note: "Screen content regularly defines and embodies national pride, cultural identity, social cohesion and points of connection between Australian citizens".[3]

The sector also creates important economic impacts. 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.[4] Expenditure in Australia on the production and post-production of drama reached $1.7 billion in 2023/24.[5]

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[1] Australian Communications and Media Authority (2024), *Communications and media in Australia series: How we watch and listen to content* , slide 2, and Australian Bureau of Statistics (2021-22), *Cultural and creative activities*.
[2] Screen Australia, *Screen Currency 2016: Valuing our Screen Industry* webpage.
[3] Screen Australia, *Screen Currency: Valuing our Screen Industry*, p 9.
[4] Australian Bureau of Statistics (2021-22-financial-year), *Film, Television and Digital Games, Australia*.
[5] Screen Australia, *2023/24 Drama Report*, 2023. 'Drama' includes scripted projects of all genres e.g. comedy, horror, drama etc.

A well-calibrated network of Government policies and programs supports our screen sector, ensuring that Australians have the ability to see and hear themselves on screen, that Australian stories travel the world, and that the sector sustains a dynamic and creative ecosystem of workers, infrastructure and businesses. It is important to note that the screen sector is a global industry that is highly competitive: individuals and companies must continually innovate to meet industry and audience demands.

3. Building a skilled and adaptable workforce: work-related training

Ausfilm broadly supports the Interim Report into a skilled and adaptable workforce's recommendation 2.2: "Better target incentives to lift work-related training rates in small to medium enterprises (SMEs)." New financial incentives and advisory services could strongly benefit the screen sector.

Ausfilm's membership includes a range of SMEs working across all aspects of screen production and post-production. Barriers for SMEs to participate in training are often tied to the project-based nature of screen sector work. Staff may only be contracted for a specific project, and it can be difficult to schedule training when project deadlines can shift rapidly. SMEs also find it difficult to access information about training opportunities.

The screen sector would be a strong candidate for pilot initiatives. The sector:

- is experiencing significant workforce shortages and training gaps
- has a strong foundation of research exploring these issues
- is poised for further growth in future years
- has an existing network of Government programs and supporting agencies.

Significant recent initiatives and research projects have explored long-standing workforce issues. The 2025 Creative Workforce Scoping Study, an outcome of the Australian Government's National Cultural Policy, explores the creative sectors, including the screen sector. It highlighted the need for new or re-invigorated initiatives to strengthen support for industry-led, on-the-job mentoring and traineeships, and found common calls for on-the-job training and industry and education partnerships.[6] Furthermore, Screen Australia has commissioned research company Olsberg SPI to update a Production Infrastructure Capacity Analysis, refreshing research initially commissioned by Ausfilm in 2020.[7] This research will further identify areas of training need in the screen sector, and builds on a comprehensive Australian Screen Workforce Development Framework developed by Ausfilm in 2023.

Australia has hosted strong growth in expenditure on drama in recent years: spend has grown from $1 billion in 2019/20 to $1.7 billion in 2023/24,[8] and Ausfilm expects the spend result for 2024/25 to be very strong. Supporting further growth, in 2024, the Albanese Government finalised major reforms to the Location Offset tax rebate, which is the key policy that attracts large-scale international film and television production to Australia. Projects accessing the Location Offset must now meet a minimum training expenditure requirement, or invest in a long-term structured training program, or contribute to permanent screen sector infrastructure. This policy

[6] Creative Australia and Service and Creative Skills Australia (SaCSA) 2025, *Creative Workforce Scoping Study Report: Addressing the challenges with critical skills and sustainable careers*, p. 20.
[7] Olsberg SPI, *Production Infrastructure and Capacity Analysis (PICA) for Australia's Screen Production Sector*
[8] Screen Australia, *2023/24 Drama Report*

reform provides further opportunities for overall growth and for the Government to leverage business involvement to address workforce and training issues.

Ausfilm would be well-placed to assist the Government with any opportunities to develop initiatives. Ausfilm's members include government agencies and small, medium and large businesses, we have a history of research into this area, and our CEO is a member of the Arts Strategic Workforce Advisory Group for Services and Creative Skills Australia, the Government's Jobs and Skills Council for the creative industries.

4. Harnessing data and digital technology: AI's productivity potential

Artificial intelligence and regulatory frameworks

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.

The provenance, quality and ethics of some AI tools and their training data is strongly debated by some stakeholders in the sector here and overseas. Ausfilm acknowledges important concerns about unethical and unsafe use of AI. However, it is sometimes unappreciated that certain specific 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 notes the concerns that some screen sector workers and organisations hold around the development and deployment of AI. AI tools are predicted to disrupt the development, financing, production, and disruption of content: 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.

Ausfilm supports the ethical and legal creation and use of AI tools. It is important that regulation of AI - whether via existing laws adapted to the current context, or new reforms - enables innovation while avoiding significant harms. Government policy should broadly encourage innovation while protecting rights, intellectual property, and the ability to create screen stories.

Data access

The Interim Report into harnessing data and digital technology raises the concept of a fair dealing exception for text and data mining. Issues of copyright and the use of content impact the importance and viability of creative works. As noted in Section 2, Australia's creative industries are important to the nation – economically, culturally and socially. Such matters should be examined with significant caution.

Ausfilm does not support the introduction of a fair dealing exception for text and data mining that would enable AI platforms to use copyrighted materials to train AI models for commercial purposes without permission or compensation. Creative works such as screen stories, the elements that constitute them, and the people and businesses that create them, have distinct and important value. This value should continue to be recognised. Ausfilm welcomes the recent remarks by the

Minister for the Arts, the Hon Tony Burke MP, restating his view that "Use of (an author's) work for a commercial purpose, for example, for which you have not authorised, is theft."[9]

Successful creative storytellers, businesses and industries are inherently innovative and responsive to technology. The technology sector is renowned for creating innovative solutions to complex issues. Ausfilm encourages the Commission and the Government to continue consultation with stakeholders on paths forward.

5. Conclusion

Ausfilm thanks the Productivity Commission for the opportunity to provide this feedback. We would be very happy to discuss this submission further. Please contact [redacted], Ausfilm's Director of Policy and Research, via [redacted]

[9] Minister for the Arts, *Speech to Book Up Conference*.