

Government may have to weigh options on \$400 million Location Incentive fund

Don Groves | July 24, 2020



Shang-Chi and the Legend of the Ten Rings

The expected flood of applications from overseas producers for the Federal Government's seven-year, \$400 million extension of the Location Incentive Program (LIP) could prove to be a challenging exercise for the authorities.

Given the strong demand, the Department of Communications and the government could decide either to start shoveling out large amounts for projects over the next 12 months to help revive the ailing production sector and post houses – or take a more measured approach to spread out the funding year-by-year until 2026-27.

Recall that the initial \$140 million LIP, which has supported 10 projects worth \$1 billion, was almost fully committed and due to run until June 30 2023.

Before last week's announcement of the funding boost, Ausfilm estimated it had received \$1.2 billion worth of production inquiries from US-backed feature film and TV series looking to film in Australia.

Since then the government/industry agency has received 13 inquiries from Hollywood studios, streamers and traditional media, a mixture of those which had filmed here before and first-timers.

Ausfilm CEO Kate Marks tells IF some are for projects that previously considered shooting here but had decided to look elsewhere as the LIP was all but spent, while others are fresh inquiries.

Some are keen to start production this year while others are aiming for 2021.

"The \$400 million guarantees a steady pipeline of production for the next few years, avoiding the peaks and troughs," she said.

To be eligible, projects meet the criteria for the Location Offset; utilise the services of one or more Australian post, digital or visual effects providers; and secure support from relevant state or territory governments.

The process to assess each application normally takes six-to-eight weeks.

Among the fund's most recent recipients were Dick Cook Studios Australia/AMPCO Studios' upcoming *Rangers' Apprentice* and *The Alchemyst*; currently shut down projects, Tony Ayres Productions/Matchbox Pictures/Netflix's *Clickbait*, Paramount Pictures TV/Apple TV's *Shantaram* and Marvel Studios' *Shang-Chi and the Legend of the Ten Rings*; and Marvel's *Thor: Love & Thunder*.

The constraints of studio capacity could keep a lid on the volume of inbound projects. *Shang-Chi and the Legend of the Ten Rings* is due to resume filming at Fox Studios imminently, while Baz Luhrmann is aiming to get his untitled Elvis Presley movie for Warner Bros. into production at Village Roadshow Studios. ■