



performing for you
yn perfformio trostoch chi

Committee Clerk
Smoke-free Premises etc. (Amendment) Regulations Sub-Committees,
Committee Service
National Assembly for Wales
Cardiff Bay
CF99 1NA

5th February 2013

Dear Sir/Madam,

The Smoke-free Premises etc. (Wales) (Amendment) Regulations 2012

Further to our evidence session on the 29th January 2013 you have asked for further evidence to be provided about the experience of our members in England with the current exemption. In consultation with my regional colleagues in Manchester, Coventry, Sheffield, Glasgow covering all of England, Scotland and Northern Ireland, and also our Recorded Media organisers responsible for all of the major broadcast providers in the UK, we do not have any evidence of any issues connected with the exemption and can find no feedback, negative or otherwise, about the realities of usage on the ground. As stated in my evidence last week, Equity is a member led organisation on policy and if the exemption was an issue our members wanted changed then we would have had representation about it.

We also agreed to provide details of our membership in Wales and please find attached the distribution of our members across the UK. As you will see over the last four years our total membership throughout the UK has gone from 36,525 in 2009 to 37,429 in 2012 and Wales' share has gone from 1,402 to 1,418, with the percentage going from 3.84% to 3.79%. What is also interesting to note is that in 2011, when Roath Lock opened, our membership stood at 1,418, 3.85% percent of our actual membership. The actual number of members living in Wales from 2011 to 2012 did not change at all, and whilst we saw a rise in overall membership across the UK the percentage share in Wales fell to 3.79%. There has not been an increase of members living in Wales, which reflects our experience of talking to members who continue to feel that with the lack of local casting by the broadcasters for the majority of productions being made in Wales they have to live in London in order to work in Wales, which does not make sense commercially for any production.

We wanted also to follow up on one line of questioning from some members of the committee where it would seem that the continuation of smoking on screen would encourage smoking and glamorise it, and we would argue that whilst we would not condone that in any way shape or form, smoking will continue on our screens even if the exemption is not granted in Wales – it will just mean that it will have been made in England, or overseas. The investment will have been made somewhere else and not bought into Wales and therefore not providing work opportunities for our members. This leads us onto a further point we would like to make in addition to our previous evidence.

Much of the questioning last week was about proof of productions not coming to Wales because of the current regulations, and as stated last week we are not in a position to offer any such proof because our members are not involved at the time these decisions are being made. However we think the stronger argument here is what productions could be lost in the future, especially with the proposed new tax incentives introduced in Westminster.

The Chancellor George Osborne announced in his Autumn Statement 2012 plans for tax relief for three of the UK's key creative industries from April 2013. The key areas were animation, video games and high-end TV production sectors, subject to state aid approval. The consultation period has already taken place. It is predicted that this will generate an additional £350 million pounds worth of investment in these areas per year into the U.K. economy, creating thousands of jobs and keeping British skills in demand in a highly competitive industry.

The system aims to enable the U.K. to attract international TV production and put an end to dramas telling a British story going overseas to shoot. The Welsh Assembly Government, through its Creative Sector, is already working hard to attract companies to come to Wales with investment available, however if the playing field is not level on historical drama requiring exemption on smoking then it could be lost and with it the skilled professionals, including our members, who work in the industry as well as the investment back into the Welsh Economy.

Productions such as *Birdsong*, *Strike Back*, *The Tudors*, *Camelot* and the Julian Fellowes' drama *Titanic*, were all made abroad in countries including South Africa, Hungary, the Republic of Ireland and Canada in the last year to take advantage of overseas tax incentives. Anecdotally some of these featured smoking by actors and these could not have been made in Wales under the current legislation. *Sherlock* has been a massive success story for BBC Cymru Wales and, as stated in the evidence given by my colleague from the BBC, it actually features the lead character battling to give up smoking as part of the storyline – however had the production not been this modern adaptation, and had in fact been historically correct, it would more than likely not have filmed here in Wales because of the need to smoke as part of the historical accuracy.

Using the film industry multiplier calculated by Oxford Economics, a world leader in global forecasting and quantitative analysis for business and government, the benefit of this new incentive would be £12 to U.K. GDP for every £1 of tax relief given. Therefore, based on a spend of £350 million per year, a tax incentive of 25 percent of qualifying U.K. spend will mean a total return of £1 billion per year to the U.K. economy and wider benefits to regional economies. Not all of that will be linked to the ability to smoke but if there is a small percentage of that investment which could be lost to Wales because of the lack of an exemption, and with it employment opportunities for our members, then it would seem ludicrous to not lobby to grant an exemption in this case.

The lobbying group TV Coalition compiled the following quotes about the proposed Tax incentive:-

Kudos Film and TV chairman Stephen Garrett, whose company's credits include high end spy drama Spooks, said: "This is welcome news and will ensure that high quality British television drama and documentaries are made where they should be - in the U.K. There will be a real injection into the U.K.'s economy as this new tax relief will generate jobs and growth and encourage tourism while giving the U.K. taxpayer good value for money."

Producers' Alliance for Cinema and Television (PACT) chief executive John McVay said: "High budget productions usually run for a number of series investing significant amounts into the local economy and local businesses, creating jobs and keeping local skills at the cutting edge."

Gareth Neame, managing director, Carnival Films, said: "We are delighted with this new tax incentive which will ensure the best British stories are made into quality television on British shores, instead of being filmed abroad. The U.K. economy benefits, British businesses benefit and the skills of our crew are kept at the highest levels. This is a great boost for skills and growth in our sector."

Left Bank Pictures chief executive Andy Harries said: "Left Bank Pictures shot two productions in South Africa this year – Mad Dogs and Strike Back – because the tax breaks available made it a highly competitive destination. We have many other large scale projects in development and this incentive will allow us to make them in the U.K. whilst supporting the U.K.'s creative community."

And Ivan Dunleavy, chief executive of the studio facilities powerhouse The Pinewood Group described the government move as a "massive shot in the arm to the high-end television production industry which will have positive benefits throughout the economy."

Adrian Wootton, chief executive of the British Film Commission and Film London said: "Up until now we have missed out as we were simply not competitive when compared with other territories. This new tax relief is fantastic news for the sector and the U.K. economy and the British Film Commission is looking forward to working with the industry to repeat the success we've had in bringing international feature film production to the U.K."

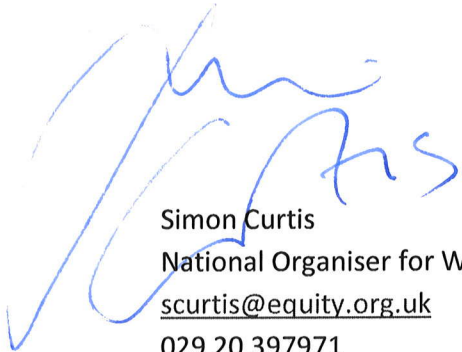
Production Guild of Great Britain chief Alison Small said her organization "will be working closely with our membership and others across the U.K. to ensure that access to relevant information and training is available to support the anticipated new levels of production."

The criteria laid out for the exemption is very strict and restrictive, and could remove obstacles to investment into Wales for TV and Film production which can only be a positive thing for our members looking to find work in the creative industries in Wales who already face difficulties if they wish to base themselves here and work here.

As stated in our original evidence we support this narrow exemption where smoking is integral to the performance and where it cannot be replicated by the use of cigarette alternatives.

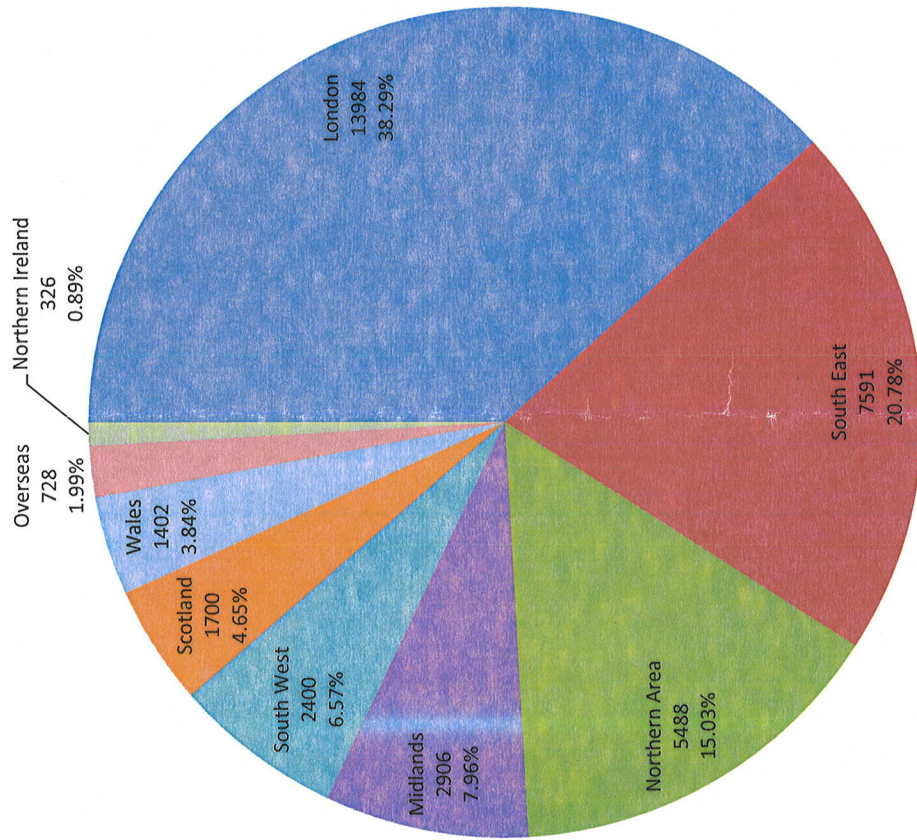
If you have any further questions, please do not hesitate to contact me.

Yours sincerely

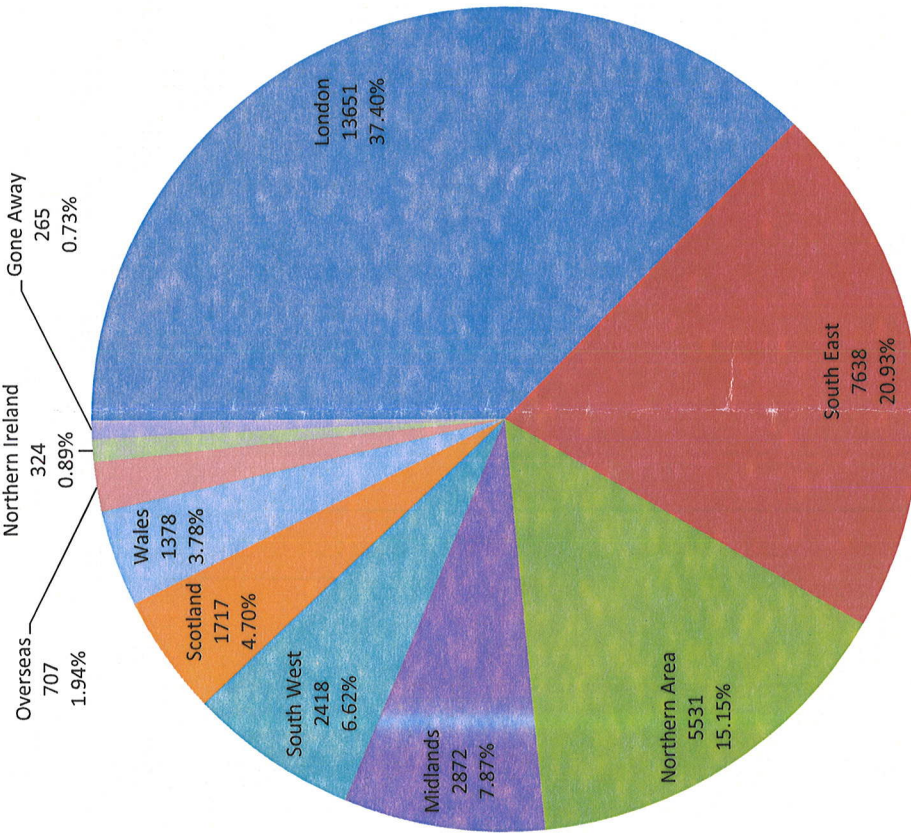


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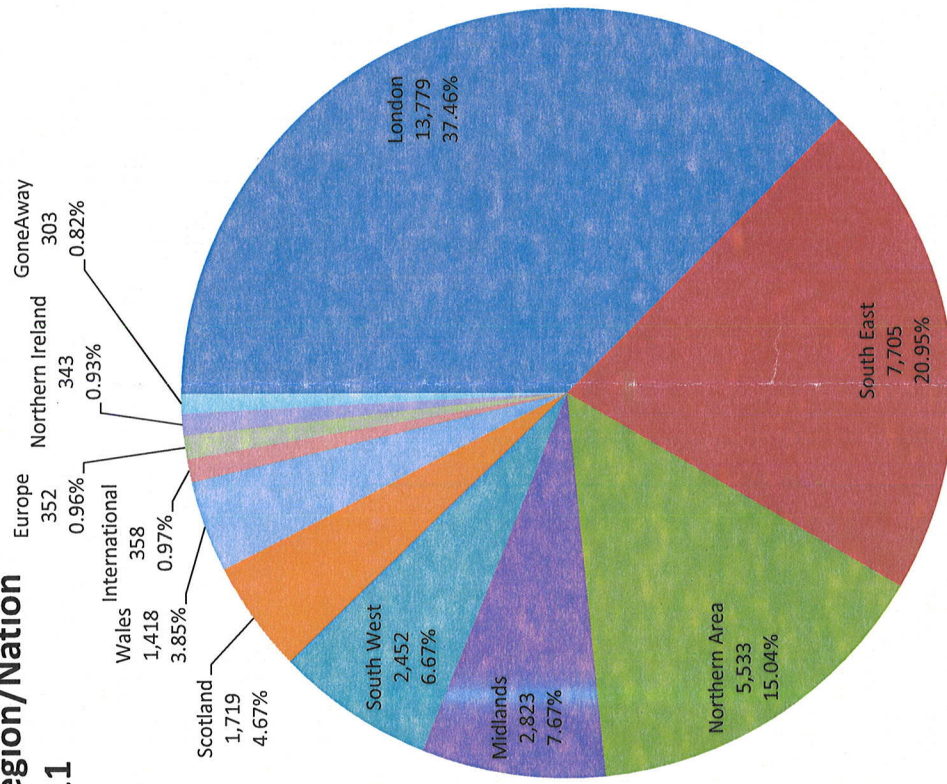
Membership Distribution - December 2009



Members in Benefit - Geographical Distribution - December 2010



Members in Benefit by Region/Nation December 2011



Members in Benefit by Region/Nation December 2012

