



Department of Planning,  
Lands and Heritage

GOVERNMENT OF  
WESTERN AUSTRALIA

# MLPPOS36 Screen Production Facility

Problem and Opportunity Statement Evaluation Summary

May 2024



<i>PROD.</i>		
<i>ROLL</i>	<i>SCENE</i>	<i>TAKE</i>
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## Acknowledgement of Country

The Department of Planning, Lands and Heritage acknowledges the Aboriginal people as the traditional custodians of Western Australia. We pay our respects to the Ancestors and Elders, both past and present, and the ongoing connection between people, land, waters and community. We acknowledge those who continue to share knowledge, their traditions and culture to support our journey for reconciliation. In particular, we recognise land and cultural heritage as places that hold great significance for Aboriginal people.

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## Project timeline

- August 20** – Problem and Opportunity Statement for construction and operation of a screen production facility [McGowan Government issues casting call for film studio in Perth | Western Australian Government](#) (www.wa.gov.au)
- September 21** – 'state-of-the-art' film studio in Fremantle [McGowan Government investing in Western Australian creativity | Western Australian Government](#) (www.wa.gov.au)
- November 22** – change of location for film studio to Malaga [Film and TV studio a step closer for Malaga METRONET station precinct | Western Australian Government](#) (www.wa.gov.au)
- March 23** – community consultation for the film studio [Have your say on the State's new screen production facility | Western Australian Government](#) (www.wa.gov.au)
- November 23** – forward works commence onsite in Malaga [Forward works begin on screen production facility | Western Australian Government](#) (www.wa.gov.au)
- January 24** – Home Fire confirmed as proponent to build screen production facility ['Lights, camera, construction' as work begins on new screen production facility | Western Australian Government](#) (www.wa.gov.au)
- May 24** – Home Fire confirmed as operator for the new screen production facility
- Early 26** – Screen production facility open for business

# Project overview

## Project Summary

In August 2020, the Minister for Culture and the Arts released a Problem and Opportunity Statement (POS) under the State's Market-led Proposals (MLP) policy, seeking proposals from the private sector to design, build and operate Western Australia's first-ever screen production facility (SPF).

The lead agency for the project is the Department of Local Government, Sport and Cultural Industries.

The project goals were to:

- grow and develop the Western Australian screen industry to be globally competitive.
- attract domestic and international productions and screen projects to the State.
- develop the local screen industry, boost employment and diversify the State's economy.
- contribute to Western Australia's reputation as a destination and gateway for cultural experiences.
- develop and maintain a facility that is adaptable to the needs of screen production projects.

The project is driven by an identified gap of screen production infrastructure, where, without investment in adequate studio infrastructure, Western Australia will continue to miss out on attracting significant employment-generating screen productions to the State. It also delivers on a 2021 election commitment to create industries to help diversify the Western Australian economy.

Western Australia-based company, Home Fire Creative Industries Pty Ltd (Home Fire) submitted a bid for the opportunity to design, construct and operate the screen production facility. Following a robust three-stage evaluation under the MLP process, Home Fire was selected as the successful bidder, with Home Fire Delivery Pty Ltd as trustee for the Home Fire Delivery Trust (HF Delivery) appointed for the construction of the facility, and Home Fire Operations Pty Ltd as trustee for the Home Fire Operations Trust (HF Operations) appointed as the operator of the facility.

A site on Marshall Road in Malaga was chosen as the preferred site for the studio due to a number of technical efficiencies relating to layout including future expansion capacity if required, functionality, access and proximity to existing and proposed infrastructure. The SPF layout will include four sound stages, production offices, construction workshops, office space, a backlot and supporting amenities.

The facility is anticipated to open in 2026 and will be owned by the Western Australian Government.



## Evaluation Process

The Market-led Proposals (MLP) Policy, enables the private sector to submit unique proposals to the State Government, providing a single channel and a clear, consistent and transparent process.

MLPs are facilitated by the Department of Planning, Lands and Heritage, and provide an innovative opportunity for the State Government and the private sector to work together to create jobs and stimulate Western Australia's economy through atypical, identified development proposals.

When required, the State Government may look to the private sector for innovative ideas or solutions for specific issues, by seeking proposals in response to a published Problem and Opportunity Statement (POS). This option was implemented for the development of the screen production facility.

The MLP process for the screen production facility followed a three-stage proposal and evaluation process. At the end of each Stage, a recommendation was made to Cabinet for decision prior to progression to the next stage of the process.

A total of 12 submissions were received in response to the advertised POS. Stage 1 of the MLP process assessed submissions according to alignment with Government policy objectives and priorities; if the project represents value for money to the Western Australian community; and potential risks including if the proponent has the capacity to carry out the project.

Stage 2 of the MLP process included evaluation of a business case and detailed terms for the proposed project, and due diligence by the State and proponents.

In February 2021, Home Fire was invited to Stage 3 of the MLP process as the preferred proponent to exclusively negotiate with the State. The third and final stage of the MLP process comprised further due diligence, planning approvals and commercial negotiation on contractual terms for the construction and operation of the SPF.

Throughout all three stages of the evaluation process, the proposal from Home Fire was assessed against the evaluation criteria of the MLP Policy, with a final decision made by Cabinet. The State engaged consultants to provide commercial, legal, financial and industry advice as required to assist with the evaluation of the proposal.

For more information on the MLP evaluation process see [Market-led Proposals Process](#).

## About Home Fire

Home Fire was established for the purpose of bidding on the Screen Production Facility POS and is a collaboration between two Western Australia-based entities as follows:

### Campfire Stories Pty Ltd

- Campfire Stories involves individuals directly involved or closely connected with the screen sector collectively known as Campfire Stories and led by Howard Cearns, co-founder of Little Creatures Brewing, Ian Booth, former Screenwest CEO, and experienced film producers, Jamie Hilton and Jon Kuyper.

### Hesperia Property Pty Ltd

- Hesperia employs a world class team of property development and entrepreneurial talent who are highly credentialled in design, construction, and the cultural expansion of our state.

## The journey to Malaga

Home Fire's original proposal sought to develop a screen production facility and creative industries hub at Fremantle's Victoria Quay. However, under the MLP Stage 3 due diligence process, it was apparent that the Victoria Quay site posed significant challenges for the project with consideration for its very specific technical requirements.

Part-way during Stage 3 of the MLP process, Home Fire was invited to submit a revised proposal including an alternative location such as Whiteman Park or an alternative site. A site in Malaga, along Marshall Road, was selected for its proximity to the Perth central business district and the airport, access to future public transport options, the scale of the available land, and its direct access to major roads for travel to regional areas of the State.

Following development approval by the Western Australian Planning Commission (WAPC) in 2023 to change the site's classification, Home Fire submitted its final binding offer to the State to develop the facility in Malaga.



## Site context

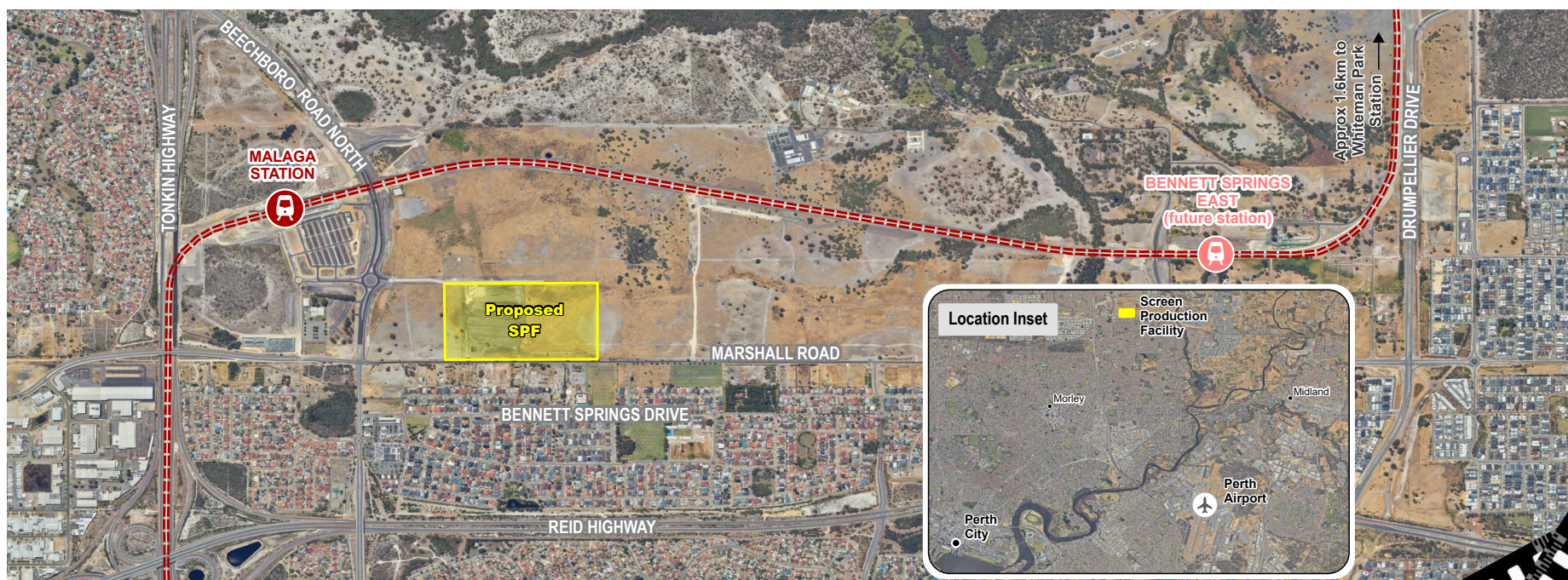
The 16-hectare Malaga site is approximately 15 kilometres from the Perth central business district and roughly 13 kilometres from the Perth airport.

The land, at Lot 811 (233) Drumpellier Drive is held in freehold title by the WAPC.

It is close to the new METRONET station at Malaga and the future station at Bennett Springs East. The precincts surrounding both stations are being planned for transit-orientated urban development.

Once the new Morley-Ellenbrook Line (MEL) is constructed, the site will be physically separated from Whiteman Park by the new rail corridor, creating an opportunity to optimise the underutilised strategic land.

The site is predominantly cleared and degraded as historically it has been used for cattle grazing. Importantly, due to the scale and availability of land adjacent to the site, there is an opportunity to consider expansion of the facility if required in the future.



Base information supplied by Western Australian Land Information Authority SLIP 1447-2023-1

# Contract Details

The State Government has entered into two key agreements to facilitate an arrangement with Home Fire to design, construct and operate the screen production facility.

The total cost to the State for the delivery and construction of the screen production facility is \$233.5 million, with completion anticipated for early 2026.

In addition, the State is committing approximately \$57 million over the pre-operations phase and initial ten-year operating term to underpin working capital requirements for running the facility. Working capital payments will be paid to HF Operations bi-annually and will be repayable to the State each year from excess operating capital.

The Arts and Culture Trust (ACT) will be the asset owner of the screen production facility on behalf the State and as such, a further \$3.1 million to enable the ACT to actively contract manage the leased site, insurance related costs and the operator's performance in the pre-operational and operational phases of the contract has also been committed to by the State Government from 2024-2025 onwards.

## Delivery Agreement

The Delivery Agreement between the State Government and HF Delivery details the design and construction of the SPF.

HF Delivery has engaged Built as their Principal Contractor responsible for the construction of the facility. The Department of Finance represents the State Government as delivery agency for the project on behalf of the Department of Local Government, Sport and Cultural Industries.

The SPF will comprise:

- four sound stages totalling 90,000 sqft
- two annex buildings
- two workshops
- one backlot
- one boneyard; and
- front office.

Each sound stage, workshop and annex will be able to function as a separate, secure and standalone screen production operation to enable multiple screen operators to use the site while protecting intellectual property and production confidentiality.

The State will invest \$233.5 million to build the facility, comprising forward works, construction, State Government costs, contingency, planning and design.





## Breakdown of total costs

Preliminary design and site due diligence planning costs	\$9.5 million
Delivery State costs	\$18.0 million
Delivery construction works (including forward works)	\$206.0 million
<b>TOTAL</b>	<b>\$233.5 million</b>

As part of due diligence and evaluation by the State, analysis of the proposed construction costs was undertaken and demonstrated that the proposal from Home Fire Delivery provided value for money.

The anticipated construction timeline is as follows:

## Milestones

Forward works commenced	November 2023
Main works commenced	January 2024
Practical completion (construction)	December 2025
Handover	January 2026



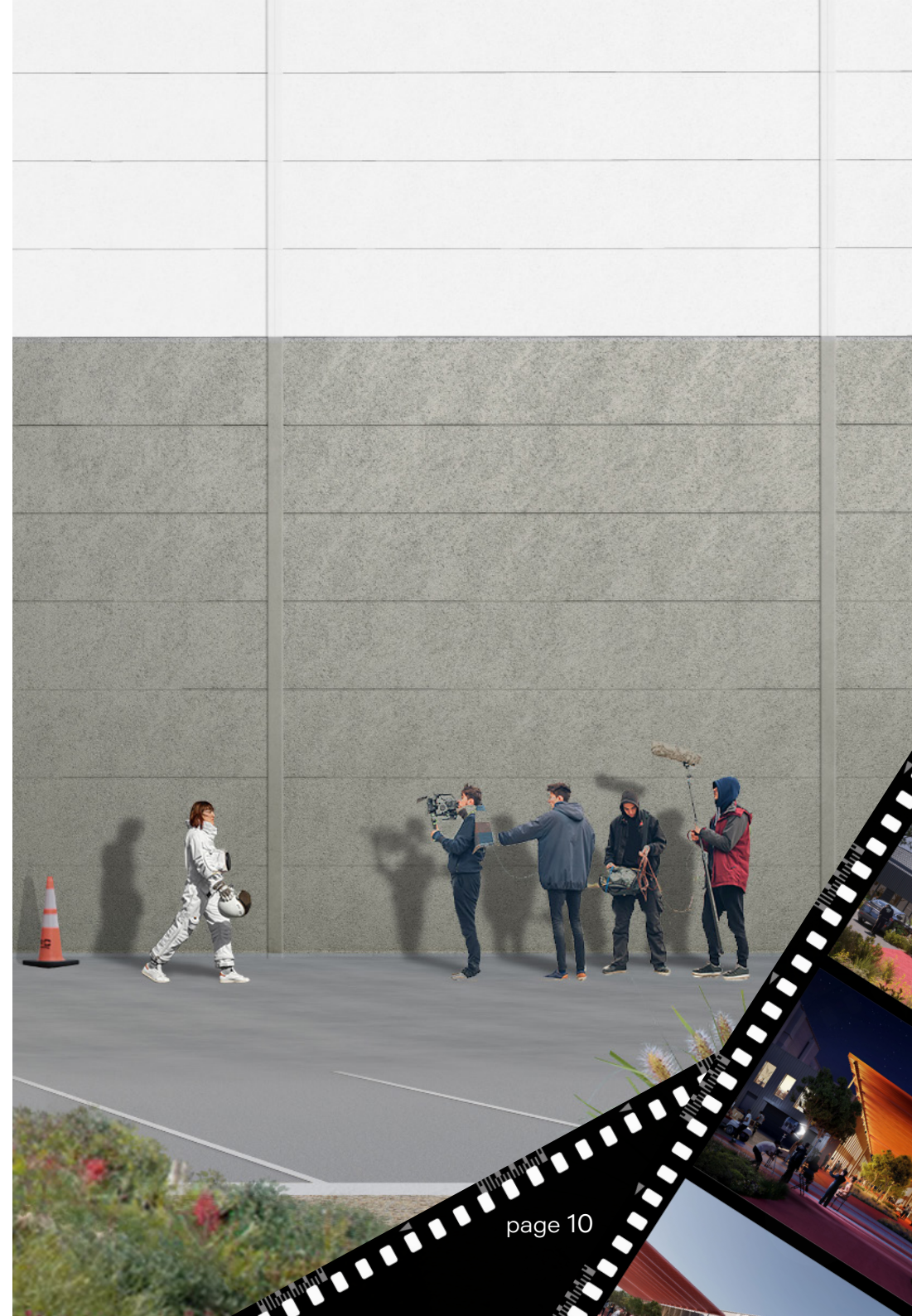
## Operations Agreement

The Operations Agreement between the State Government and HF Operations governs the operation and maintenance of the screen production facility and the site.

In developing the Operations Agreement, benchmarking was undertaken against best practice identified in national and international screen facility operations, with industry input and advice sought as part of that process.

Key terms of the Operations Agreement are:

- An initial term including a pre-operations phase and 10-year operating period, with the option of a further three 10-year periods, subject to satisfactory performance and approval by the State.
- HF Operations will be entitled to withdraw five per cent of gross revenue from the business bi-annually, minus any performance failure abatements against specified key performance indicators (KPIs) applied annually. This amount is subtracted in calculating operating profit. Performance failure abatements which arise are applied annually and may then reduce the amount HF Operations can withdraw by up to 60 per cent if applied in full.
- The State will make regular working capital payments to HF Operations, to underpin operations and management costs in establishing the studio. Working capital payments are estimated at \$57 million in total across the pre-operations phase and initial 10-year operating phase.



- HF Operations will at least partially repay working capital to the State annually during the operations phase, with all outstanding working capital amounts repayable to the State from any operating surplus, prior to any further distribution of funds.
- Following repayment of all working capital amounts, the State will be paid a Facility Fee equivalent to 50 per cent of any remaining excess capital, in return for providing the rights to perform operating activities at the SPF.

Under the agreement, the State has ultimate approval authority for the annual business plan and operating budget, allowing the State to manage its financial exposure under the agreement.

The working capital payment reflects Government's commitment to making the SPF a successful operation that attracts large productions to the state. It is recognised that a film studio is a new offering in WA and, like any new business, it will take time for the SPF and operator to develop a reputation in the industry and gain market share. The working capital payment can be used to cover operating expenses only and is repayable to the State.

## Key Performance Indicators

Key Performance Indicators (KPIs) will monitor the performance of HF Operations against targets, including financial targets, outlined in the annual business plan. Agreed KPIs will track performance against four key areas:

- financial and economic performance
- facilities management
- health and safety
- local industry engagement.

HF Operations' performance will be assessed against the KPIs, and a performance abatement regime will apply where failure to achieve State approved targets occurs in the operational phase.



# Project Benefits

The international screen industry was valued at US\$243 billion in 2023 and it is forecast that the industry will reach US\$247 billion in 2024.<sup>1</sup>

The screen production industry is increasingly important to Australia's national economy with facilities operating in Sydney, Melbourne, Adelaide, Brisbane, Cairns and on the Gold Coast.

Expenditure in Australia on scripted screen productions was AUD\$2.34 billion across a record 213 titles in 2022-23 and AUD\$2.43 billion across 171 drama productions in 2021-22. NSW receives the majority of this investment with Queensland and Victoria next.<sup>2</sup>

While screen production growth has reached record levels across Australia in recent years, Western Australia's growth is a modest proportion of the industry nationally, and limited in comparison to other States due to the lack of world class screen production facilities.

The WA Government's investment in construction of a new screen production facility will enable WA to become a competitive market player in the screen industry. It will assist in attracting international and domestic productions to the State, and support the development of the local industry.

Screenwest reported total screen production in WA, including scripted, documentary and games, reached AUD\$41.5 million in 2022-23.<sup>3</sup> WA has a reputation for producing high quality, internationally successful documentary productions. In 2020-21 alone, WA generated 12 per cent (AUD\$27.5 million) of the total AUD\$226.9 million Australian expenditure on documentary production.<sup>4</sup>

However, WA's current share of scripted screen production expenditure is approximately one per cent of the national spend at AUD\$24 million in 2022-23.<sup>5</sup>

It is anticipated that over the long-term, WA will be able to attract approximately 7 to 10 per cent of the annual scripted screen production spend in Australia, projected to be worth approximately AUD\$180 million to the WA economy per annum. This will ensure the initial investment is returned to the State in the medium-to-long term.

More than 600 local direct and indirect jobs are expected to be created during the construction period alone. In addition, an operational screen production facility offers the opportunity for local talent to work in the industry without leaving the State and provides a range of employment and investment opportunities for complementary businesses.

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<sup>1</sup> Ampere Analysis:  
[www.ampereanalysis.com/insight/content-spend-to-grow-2-in-2024-after-strike-hit-2023](https://www.ampereanalysis.com/insight/content-spend-to-grow-2-in-2024-after-strike-hit-2023)

<sup>2</sup> Screen Australia, Drama Report 2022-23 - Production of feature films, TV and online drama in Australia in 2022-23;  
[www.screenaustralia.gov.au/fact-finders/reports-and-key-issues/reports-and-discussion-papers/drama-report](https://www.screenaustralia.gov.au/fact-finders/reports-and-key-issues/reports-and-discussion-papers/drama-report)

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<sup>3</sup> Screenwest Annual Report 2022-23:  
[www.screenwest.com.au/wp-content/uploads/2024/01/Screenwest-Annual-Report-2022-23.pdf](https://www.screenwest.com.au/wp-content/uploads/2024/01/Screenwest-Annual-Report-2022-23.pdf)

<sup>4</sup> Western Australian Screen Industry Strategy 2024-2034;  
[www.dlgsc.wa.gov.au/department/publications/publication/western-australian-screen-industry-strategy-2024-2034](https://www.dlgsc.wa.gov.au/department/publications/publication/western-australian-screen-industry-strategy-2024-2034)

<sup>5</sup> Screen Australia, Drama Report 2022-23

Western Australia has four per cent of the National production and post-production workforce, with just under 700 people currently employed in the State.<sup>6</sup> There are also many more Western Australian screen practitioners working across Australia and overseas, and this will provide an opportunity for them to live and work in the State.

Nationally, the screen production industry employed around 15,000 people (according to the 2021 census), predominantly in the studio-centred nodes of the Gold Coast, Sydney, Melbourne and Adelaide.<sup>7</sup>

<sup>6</sup> [www.screenaustralia.gov.au/fact-finders/people-and-businesses/employment-trends/summary/each-state-by-industry](http://www.screenaustralia.gov.au/fact-finders/people-and-businesses/employment-trends/summary/each-state-by-industry)

<sup>7</sup> [www.screenaustralia.gov.au/fact-finders/people-and-businesses/employment-trends/summary](http://www.screenaustralia.gov.au/fact-finders/people-and-businesses/employment-trends/summary)



# Western Australian Screen Industry Strategy

The facility will be a key component of the Western Australian Screen Industry Strategy to ensure the State is best placed to grow the film and screen sector over the coming decade.

The Department of Local Government, Sport and Cultural Industries (DLGSC) has developed the first-ever Western Australian Screen Industry Strategy 2024-2034, (the Strategy) to guide the development of the industry for the next 10 years.

The Strategy underpins the State Government investment in the screen production facility. There is an existing State commitment of \$20 million over four years (\$5 million per year) to attract significant screen productions to the State through the Western Australian Production Attraction Incentive Fund.

In addition, the State Government has committed \$31.9 million from 2023-24 to 2027-2028 for critical components of the Strategy that will most directly support the screen production facility, in readiness for the commencement of production at the screen production facility in 2026. This includes additional funding of \$14.4 million to the WA Production Attraction Incentives fund, and investment in production attraction marketing, workforce development, and supporting the growth of screen industry capacity in the state.

The implementation of the Strategy is intended to ensure a strong Western Australian screen sector, the long-term success of the screen production facility, and the economic benefit to the State under Diversify WA.

[www.dlgsc.wa.gov.au/department/publications/publication/western-australian-screen-industry-strategy-2024-2034](http://www.dlgsc.wa.gov.au/department/publications/publication/western-australian-screen-industry-strategy-2024-2034)

Image courtesy WAX Architectural Visualizations



# Planning Considerations

It is important to note that the Market-led Proposals Policy does not replace any applicable statutory approval processes. The successful proponent is responsible for obtaining these approvals, which may include planning, environmental, heritage and other relevant considerations including any requirements for public consultation.

Home Fire was responsible for undertaking the required planning processes to ensure necessary approvals are in place for the construction and operation of a screen production facility.

The site is owned freehold by the WAPC and leased to the Arts and Culture Trust for the purpose of running the screen production facility.

## Environmental considerations

The land has historically been used for cattle grazing and is predominantly cleared. Through the planning and development processes the project was referred to the City of Swan, Department of Water and Environmental Regulation and Department of Biodiversity Conservation and Attractions. As a result of the referral process, Home Fire prepared a Kangaroo Management Plan to ensure that impacts to kangaroos are limited.

Home Fire will improve the amenity of the site through landscape planting and stormwater management. All new trees and plants will be native to the South West Australian bioregion. Vegetation mounding will also provide visual screening from Marshall Road with a green frame (landscape edge) to assist with visual amenity, privacy and noise amelioration.

Home Fire will plant and maintain a minimum of two marri (*Corymbia calophylla*) trees which are suitable for the forest red-tailed black cockatoo, Baudin's cockatoo and Carnaby's cockatoo.

## Aboriginal Heritage

Home Fire engaged Arche-Aus to undertake an Archaeological and Ethnographic survey of the site with traditional owners nominated by the South West Aboriginal Land and Sea Council in 2023.

No new Aboriginal archaeological sites were identified during the survey and there is no requirement for a section 18 approval under the *Aboriginal Heritage Act 1972*. Home Fire commenced works in November 2023, and traditional owners are providing ongoing monitoring of the site works as required.



## Metropolitan Region Scheme

Home Fire submitted a request for Metropolitan Region Scheme (MRS) amendment in 2022 to transfer approximately 15.69 hectares in Whiteman Park from Parks and Recreation reservation to Public Purposes – Special Uses reservation in the MRS.

The amendment also sought to rezone 1.72 hectares to Urban to allow the widening of Marshall Road and align with the abutting zoning.

Following public advertising, the MRS amendment was approved by the WAPC and gazetted in late 2023.

## Development Application

Home Fire submitted a development application (DA) in 2023 to the City of Swan which assessed and referred the recommendation to the WAPC for final determination.

A total of 154 responses were received during the public consultation period, with 85 per cent of these supporting the proposal as outlined in the DA.

The WAPC approved the DA with minor amendments in May 2023, with conditions requiring clearance prior to commencement of construction or occupation respectively.

Image courtesy WAX Architectural Visualizations





THE END

