

News

Three new schools, a cancer hospital, major road projects: What €46.7 million can get you



ALBERT GALEA

€46.7m can get you an awful long way. It is a number which may sound oddly specific, but which has taken on some significance after it was revealed that it was the amount which the government gave to the film company producing the sequel of the Oscar-winning film *Gladiator*.

The *Times of Malta* revealed in August that the rebate, paid through the Malta Film Commission, breaks the record for the biggest amount granted in state aid to cinema in the European Union.

The €46.7m rebate is part of a cash rebate scheme which Malta offers in order to entice major film production houses to shoot their films in Malta. In such cases, the Maltese government offers 40% cash back on expenses, which include the salaries of main actors, producers and directors.

The cash back rate was adjusted to 40% in 2019, having previously been raised to 25% in 2013, and the latter stipulations were introduced last year by Film commissioner Johanna Grech.

The same Malta Film Commission has long been criticised for its spend-friendly practices, including in the hosting of events such as the Malta Film Awards - where freedom of information requests for the actual costs of the ceremony were consistently refused - and the more recent Mediterranean Film Festival, which saw visitors accommodated in the lap of luxury at the cost of the taxpayer.

Film commissioner Grech meanwhile has responded to the latest criticism in a pre-recorded video speech by describing such criticism as an 'attack' on the film industry and an 'attack' on the country.

Beyond Grech's political rhetoric though, the numbers do not lie. An analysis by *The Malta Independent on Sunday* shows that the cash rebate is worth a similar amount - or more - than the budgets granted to three ministries, and the cuts of a number of significant capital investments in sectors such as healthcare, education and the environment.

Film industry budget rises from €17m to €46.7m

Every year in a round-table the Finance Minister of the day rises from his padded green chair in Parliament's plenary hall to detail the government's budget for the forthcoming year.

The financial estimates, which



Projects such as the Central Link road network (top, left), Santa Venera Regional Road roofing (bottom, left), the Sir Anthony Mamo Oncology Centre (bottom, right) and the San Lucjan oil storage facility in Birzebbuga (centre, right) all cost less than the €46.7 million that were given in cash rebates for the *Gladiator* film sequel. The Social Accommodation Ministry (top right) has an annual budget which is below the amount given to Hollywood.



are later voted on by Parliament and published by the government, show what the government's yearly budget is for the many and various ministries, authorities and entities which fall under its umbrella.

Chief among those, for the benefit of this analysis, is the budget for "film industry incentives", where the tax rebate scheme, which *Gladiator 2* took advantage of, falls under.

The financial estimates for 2023 show that the figure allocated to this is of €11m - a figure which is already 18 times more than the €600,000 which the government allocated to local filmmakers to take advantage of.

However, a month after the budget speech, prospective PN MEP candidate Peter Agius then flagged that the government had told the European Commission that it was ready to pay out up to €50m in cash rebates to the international film industry - just over four times what was initially announced in the budget, and over 83 times what was allocated to the local film industry.

The prophecy came through as it later emerged that *Gladiator 2* had been granted a cash rebate of €46.7m by itself.

The *Times of Malta's* report fur-

ther stated that the Film Commission has committed to dishing out €69m in cash rebates this year - a figure that is set to rise to €90m by the end of the year, obliterating both the budget presented by the Finance Ministry and what the government told the European Commission no more than a few weeks later.

Justice, Social accommodation and Planning Ministries all received less funding for 2023.

Even in the context of public spending, the government's financial estimates show that a figure like €46.7m is not an insignificant one.

An analysis of the financial estimates for 2023 shows that this figure, even, eclipses the financial allocation which was granted to three ministries.

These are the Justice Ministry (allocated €43.2m), the Social Accommodation Ministry (allocated €43.1m) and the Planning Ministry (allocated €37.3m).

In the case of the latter ministry, testimony from the public inquiry into Jean Paul Sofia has revealed that authorities regulating the construction industry and workplace safety had asked for more government funding, but weren't given it. The Building & Construction Au-

thority (BCA) for instance had sought an extra €9m in funding in order to increase its staff, while the Occupational Health & Safety Authority (OHSA) had requested an even more comparatively paltry €2m, split across three years so that it can triple its team of inspectors.

The financial estimates reveal that the cash rebate could have easily covered other expenses.

For example, the cash rebate is almost exactly the same amount as the Home Affairs Ministry contributes to nine agencies, commissions and authorities under its remit.

These are the Correctional Services Agency (€28.5m), the Agency for Welfare of Asylum Seekers (€13.1m), International Protection Agency (€1.6m), Residency Malta Agency (€1.3m), Commission for the Promotion of Equality for Men and Women (€40,000), Commission on Gender-Based and Domes-

tic Violence (€500,000), Victim Support Agency (€300,000), the Authority for the Responsible Use of Cannabis (€200,000) and the National Security Accreditation Authority (€25,000).

All of these summed together racks up to a total spend of €46.2m, which is still €500,000 short of what was granted to *Gladiator 2*.

A second example can be found in the National Heritage Ministry where the contributions to the 15 government entities under its wing stack up to a total of €32.5m - around €14m less than what was granted to the hopeful blockbuster.

These entities include Heritage Malta (€8.7m), Malta Libraries (€3.75m), the National Philharmonic Orchestra (€2.87m), Festivals Malta (€2.6m), the Arts Council Malta (€2.5m), the Superintendence of Cultural Heritage (€1.7m) and the National Archives (€1m).