

SA Video Games Development (SA VGD Rebate)

Qualifying Expenditure Principles

Qualifying Expenditure for the SA VGD Rebate relates to the costs of creating game content and certain costs after launch when **incurred in South Australia.**

Major updates to the same game can be claimed but only one claim can be made per game, per financial year.

The SA VGD Rebate is a new scheme. Applications may be made for costs incurred between 1 July 2020 and 30 June 2022.

Budgets will be assessed at Provisional Approval Stage to determine estimated South Australian Qualifying Expenditure and the approved rebate amount.

General Principles

	Not Qualifying	Qualifying
Pre-development <i>Generally excluded</i>		
	Concept design/ development	
	Early design	
	Prototyping	
	Development planning (including schedules, budgets etc)	
	Research	
Development <i>Generally included</i>		
		Developers including:
		<ul style="list-style-type: none"> • Lead developer
		<ul style="list-style-type: none"> • Front end developer
		<ul style="list-style-type: none"> • Back-end developer
		<ul style="list-style-type: none"> • Database developer
Design <i>Generally included</i>		
	Concept design	Designers including:
		<ul style="list-style-type: none"> • Lead Designer
		<ul style="list-style-type: none"> • Gameplay Designers
		<ul style="list-style-type: none"> • Level Designers
		<ul style="list-style-type: none"> • UI Designer
		<ul style="list-style-type: none"> • UX Designer
		<ul style="list-style-type: none"> • Design Consultants
Art <i>Generally included</i>		
		Artists including
		<ul style="list-style-type: none"> • Lead Artist
		<ul style="list-style-type: none"> • Character Artists



	Not Qualifying	Qualifying
		<ul style="list-style-type: none"> Level artists
		UI Art
		Animation
Writing <i>Generally included</i>		
		Script/dialogue
Performers <i>Generally included</i>		
Audio & Music <i>Generally included</i>		
		Voice/other
		Sound designers
		Voice recording
		Audio Production
		Composer
		Music recording
QA <i>Generally excluded</i>		
	Debugging after launch	Testing before launch (including testing major updates)
Licenses <i>Generally excluded</i>		
	Unity/Unreal Engine	Licenses paid to South Australian licensors
	SaaS products (e.g. Adobe Creative Cloud, MS 365)	
Hosting/Servers <i>Generally excluded</i>		
	Hosting and operating infrastructure costs (AWS, Azure)	
	Database licenses	
	Online security	
Live Ops/Dev Ops Staff <i>Generally included</i>		
		Dev ops developer/personnel
Marketing and PR <i>Generally included</i>		
		SA based Marketing & PR staff
		SA based Marketing & PR payments
		SA based Community manager and community costs
		Game content made for marketing of the game e.g. trailers (i.e. above costs for developers, designers etc but paid for marketing materials)



	Not Qualifying	Qualifying
Capital Costs <i>Generally excluded</i>		
		Depreciation of equipment to extent used on game (following principles for film in the ITAA)
Overhead <i>Generally excluded</i>		
	Rent/Rates/Utilities	Overheads up to lower of 2% of costs or \$250K for the Project
	Hardware [TBC = does depreciation of capital costs fall within overhead cap]?	
	Admin	
	HR	
	Office costs	
Legal and Accounting <i>Generally excluded</i>		
	Legal for pre-development	Legal for development
	Accounting for pre-development	Accounting for development
Travel <i>Generally excluded</i>		
	Interstate and International Travel	South Australian incurred travel expenditure for Developers/Staff working on an approved project
Other <i>Generally excluded</i>		
	Deferments, costs contingent on revenue, profits shares etc	Audit for the SA VGD Rebate
	Interest, financing costs	Bank costs relating to development
	Entertaining	Above tasks that are outsourced to a SA resident/SA company (which also contribute to the Expenditure Threshold).
	Distribution	

