GUIDELINES
Video Game Development Rebate
(SA VGD Rebate)

The SA Video Games Development Rebate (SA VGD Rebate) enables video games studios to claim a percentage of costs incurred to develop a video game in South Australia. The SA VGD Rebate is paid by the South Australian Government and administered by the SAFC.

A minimum of AUD $250,000 must be spent and retained in South Australia on Eligible Expenditure on an Eligible Project.

The SA VGD Rebate is a new scheme and the first of its kind in Australia. The Rebate seeks to be responsive to the needs of the games industry and to establish South Australia as a leading location for games development by encouraging established South Australian games studios to scale and by incentivising other games studios to establish a base or undertake work in South Australia.

What is on offer?

A discretionary rebate equivalent to ten per cent (10%) of Eligible Expenditure on video game development work undertaken in South Australia on an Eligible Project*, subject to available funds.

Who is eligible?

Applications for the SA VGD Rebate must meet all the following eligibility requirements:

- **Eligible Applicant:** The Applicant for the SA VGD Rebate must be able to demonstrate that:
  - they own or control the necessary rights to develop the game, or;
  - if the Applicant is a service provider undertaking the work, they must demonstrate that they have been engaged to undertake that work by the rights holder. Only one Applicant per game project may apply.

- ***Eligible Project:** Eligible games are those which are intended for public release for a global audience and meet the Expenditure Threshold. Games can be serious games, educational games, narrative and non-narrative format games, free-to-play and premium games. The commitment to develop the project (which may be subject to the SA VGD Rebate) must be confirmed prior to application for Provisional Approval (see below).

- **Eligible Format**: Any digital game including VR, AR, mobile, tablet, console, installation, PC and multiplatform games.

- **Expenditure Threshold:** Qualifying Expenditure on Qualifying Tasks of at least $250,000 (ex GST) on the Eligible Project.

- **Qualifying Tasks:** Tasks directly necessary for the development of the launch version of a video game and/or major update of an existing game (See *SA VGD Expenditure Principles*).

- **Qualifying Expenditure**: Qualifying Development Expenditure (as defined in the *SA VGD Expenditure Principles*) on Qualifying Tasks undertaken in South Australia by South Australian Residents which is incurred and retained in South Australia and which has Provisional Approval (below).

What games are not eligible?

- Gambling
- Pornography
- Games for purely advertising purposes
- Training videos or corporate services
- Non-digital games

Please Note:

The SA VGD Rebate is calculated on the amount of Qualifying Expenditure on Qualifying Tasks on an Eligible Project. Qualifying Expenditure must not exceed cash amounts actually paid for the relevant work.

Qualifying Expenditure may include the following;

- Payments to South Australian games developers, studios or companies for goods and services provided in South Australia in connection with the development, testing and maintenance of the game.
- Salaries and other expenses paid to South Australian residents in relation to the development, testing and maintenance of the game.

Expenditure on individuals engaged on the game must be made in accordance with the Fair Work Act, and otherwise in accordance with law.

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Major updates to the same game can be claimed for the SA VGD Rebate but only one claim per game can be made per financial year. Once the project has met the Expenditure Threshold it does not need to meet it again for any updates however, the costs of further updates are only eligible if an additional Provisional Approval is obtained in relation to those further costs.

Exclusions:

- Interstate or international travel (such as interstate or international flights or other expenditure on transport between states or overseas, accommodation outside South Australia or per diems relating to time spend outside South Australia)

- Deferred fees, contingency, fees based on future revenue, re-investments of fees for service or fees for IP;

- All costs claimed must be on a bona fide arms-length basis. Where a service provider also provides a cash contribution to a project such as a re-investment as above (for example in return for a share of revenue from the project), the amount of that cash investment will be deducted from Qualifying Expenditure.

- Expenditure on the engagement of any individual who is not a South Australian resident. (As an exception to the SAFC Terms of Trade, under these guidelines an individual is a South Australian resident for the purposes of determining Qualifying Expenditure if the relevant costs are incurred while that individual is working in South Australia for two months continuously (including work on the project claiming the VGD Rebate). For the avoidance of doubt, if an individual works on a project partly in South Australia and partly outside Australia, only that portion of their costs relating to work done in South Australia amounts to Qualifying Expenditure.)

How do I apply?

There are two stages to apply for the SA VGD Rebate

1. Provisional Approval
2. Final Approval

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South Australian **Film Corporation**

Eligible Applicants must first apply for **Provisional Approval** to confirm their project is eligible for the SA VGD Rebate, the amount of the approved Eligible Expenditure and approved SA VGD Rebate, and that sufficient funds are available.

At Provisional Approval Stage the SAFC will seek an independent budget assessment to determine the amount of approved Qualifying South Australian Expenditure.

Applicants must apply for **Final Approval** within 90 days of completion of the relevant Qualifying Tasks or when the video game is ready for supply to the general public. At Final Approval Stage, applicants will need to provide an Auditor's Statement, Cost Report and any other information reasonably requested by SAFC validating the Qualifying Expenditure.

The amount of the SA VGD Rebate claimed and payable must not exceed the amount of the SA VGD Rebate indicated in the Provisional Approval.

Payment will be provided after completion of the work and SAFC's receipt and approval of a completed acquittal.

Apply online at safilm.smartygrants.com.au

Timeframe for SA VGD Rebate

The SA VGD Rebate will apply for projects with eligible expenditure incurred between 1 July 2020 and 30 June 2023.

When to apply for the SA VGD Rebate?

Applications can be made throughout the year at regular intervals. Complete applications must be received no later than six weeks prior to a Board Meeting.

Please note that SAFC Board dates may be subject to change at the SAFC's discretion. Applicants should check the SAFC website for latest Board dates and deadlines.

You do not have to wait until the game is completed before applying for Provisional Approval for the SA VGD Rebate. Applicants should apply when the schedule for the game is relatively certain and where funding for the costs of development have been confirmed.

Provisional Approval will be valid for 2 months (i.e. the Qualifying Tasks and Expenditure must commence within 2 months of the Provisional Approval date). Provisional Approval will only be given for Eligible Expenditure that is confirmed to the SAFC's satisfaction at the time of application.

What materials do I need to apply?

- ASIC Current Company Extract
- Chain of Title Documents
- Budget (with SA Spend Column)
- Agreement with SA Games Service Company (fully executed) OR
- Current quote from SA Games Service Company
- Evidence of Commercial Attachment (e.g. Fully Executed agreement with Publisher)
- Any other materials SAFC requires to assess eligibility or expenditure

Assessment criteria

Assessment is limited to validating the elements necessary to determine the application meets the eligibility criteria and to calculate the appropriate rebate amount, and that funds are available.

Terms of funding

The funding is provided as a rebate to the applicant on **Final Acquittal**, effectively a rebate on expenditure. For projects with a schedule longer than 9months, applicants may request an Interim Acquittal after 6 months for costs to date.

Credit

The SAFC must receive the following credit in a form no less prominent than that of any other funder:

Development undertaken in South Australia
with the support of the South Australian Film Corporation
[insert SAFC Logo]

The Applicant shall ensure that the SAFC receives the SAFC Credit in the form specified above:

- on the splash screen
- on any page on which other credits are given; and
- in all publicity and media releases produced by the Applicant or at its direction in respect of the Work and/or the Game (except where giving such credit is not practicable where space is limited and no other credits are given).

Working with First Nations content and communities

Applications involving or dealing with First Nations material should include appropriate permission from the relevant community.

A First Nations consultant may be appointed by the SAFC to provide an assessment of the application to ensure that appropriate consultation is taking place and that the use of the material is appropriate and acceptable to the relevant community and First Nations communities generally.

SAFC recommends that applicants refer to the guidelines developed by Screen Australia entitled "Pathways & Protocols: a filmmaker's guide to working with Indigenous people, culture and concepts" which can be downloaded from the following link:
https://www.screenaustralia.gov.au/getmedia/16e5ade3-bbca-4db2-a433-94bcd4c45434/Pathways-and-Protocols

Where can I find more?

For initial enquiries, please contact Elyse Lawson, Production Executive
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