

GUIDELINES

Post-Production, Digital and Visual Effects Rebate ("SA PDV Rebate")



South Australian **Film Corporation**

Supporting post-production, digital and visual effects ("PDV") work undertaken in South Australia.

What is the scheme?

This scheme aims to develop the South Australian post-production, digital and visual effects sector with an incentive that complements the Federal Government's Producer Offset, Location Offset or PDV Offset .

What is on offer?

A rebate equivalent to 10% of approved expenditure on post-production, digital and visual effects work undertaken in South Australia on an Eligible Project, subject to available funds.

Eligibility?

Applications must meet all the following eligibility requirements:

- **Eligible Applicant:** any producer or co-producer credited on the project and able to demonstrate they own or control the necessary rights to produce the project and/or an eligible applicant under the Federal PDV Offset, and/or any bona fide South Australian resident company providing post- production digital and visual effects services on the project.
- **Eligible Project:** any project eligible under the SAFC General Guidelines and Terms of Trade and in an eligible format under the Federal PDV Offset (regardless of content platform). Documentary feature projects are eligible under the SA PDV Rebate.
- **Expenditure Threshold:** Qualifying Expenditure on Qualifying Tasks of at least \$250,000 on the Eligible Project.
- **Qualifying Tasks:** those post-production digital and visual effects tasks eligible under the Federal PDV Offset.
- **Qualifying Expenditure:** Qualifying Australian Production Expenditure (QAPE) incurred and retained in South Australia (SA PDV QAPE).

GUIDELINES

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South Australian **Film Corporation**

Eligible SA PDV Rebate Spend

The SA PDV Rebate is designed to mirror the Federal PDV Offset.

The rebate is calculated on the amount of Qualifying Expenditure on Qualifying Tasks on an Eligible Project, (PDV-QAPE) incurred in South Australia.

Relevant guidance on the detail of the Australian Federal Government's calculation of qualifying expenditure can be found here: <https://www.screenaustralia.gov.au/funding-and-support/producer-offset/guidelines/qualifyingexpenditure>

Relevant guidance on the detail of the Australian Federal Government's PDV Offset can be found here: <https://www.arts.gov.au/funding-and-support/tax-rebates-film-and-television-producers>

Only work undertaken and expenditure incurred since 1st July 2017 is eligible.

As an exception to the SAFC Terms of Trade, applications for retrospective funding are eligible, noting that funding cannot be guaranteed until formal confirmation of approval is received.

Exclusions

Qualifying expenditure must not exceed amounts actually paid by the production company incurring the expense and must be calculated net of any investment in the project by the service provider or a related party. Reinvestments or deferred fees are not qualifying expenditure and must be deducted from the SA PDV calculation.

Where a producer is undertaking PDV work themselves and is the PDV applicant, that producer may claim a proportion of the budgeted overhead (i.e. as approved by the production financiers) as part of the Eligible Expenditure. In this case budgeted overhead must be apportioned according to production or post-production costs. Where overhead is apportioned in this way, it is only Eligible Expenditure if it is incurred and retained in South Australia and is not included in production costs which are subject to a production grant from SAFC.

Qualifying Expenditure does not include expenditure on 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). Qualifying Expenditure includes per diems relating to time spent in South Australia and transport and

GUIDELINES

Post-Production, Digital and Visual Effects Rebate ("SA PDV Rebate")



South Australian **Film Corporation**

accommodation within South Australia.

For the Federal PDV Offset, a “two-week” rule applies to non-cast members when calculating QAPE expenditure. As an exception to the SAFC Terms of Trade, for the purposes of determining Qualifying South Australian Expenditure, if the relevant costs are incurred while an individual is working in South Australia for two weeks continuously on the project claiming the PDV Rebate, then incurred costs may count as qualifying expenditure (the “Two Week Rule” see ITAA97 para.376-155(b)).

At Final Approval stage, applicants will be required to provide a complete PDV crew list and warrant that personnel counted under this rule have critical skills essential to the relevant project which are not otherwise available in South Australia.

For the avoidance of doubt, if an individual works on a project partly in South Australia and partly outside South Australia, only that portion of their costs relating to work done in South Australia amounts to Qualifying Expenditure.

Project expenditure that is receiving any other financial support from SAFC, such as the Screen Production Fund, is excluded from this support (it is possible to combine incentives on the same project when applying them separately to production and PDV expenditure).

If also applying for a SAFC Screen Production Fund grant, producers spending over \$250,000 in South Australia on post-production, digital and visual effects must apply for the SA PDV Rebate for this portion of their budget at the time of application.

Applicants may also be able to access a payroll tax exemption for this work – see www.safilm.com.au.

What is the application process?

Eligible Applicants must first apply for approval to confirm their project is eligible for the SA PDV Rebate (“Provisional Approval”). The amount the project will be eligible to receive will be indicated in the Provisional Approval (“Approved Amount”). The actual amount payable will only be finally determined on completion of the actual Qualifying Expenditure and the SAFC’s receipt and approval of a completed acquittal from an Eligible Applicant.

The SAFC will not pay out more than the Approved Amount unless an increased amount has been applied for and has received Provisional Approval.

At Provisional Approval stage the SAFC may seek an independent budget assessment to determine the amount of Qualifying South Australian Expenditure.

GUIDELINES

Post-Production, Digital and Visual Effects Rebate ("SA PDV Rebate")



South Australian **Film Corporation**

Where an applicant is also applying for a SAFC Screen Production Fund grant and the SA PDV Rebate both applications should be made at the same time.

Applications should be made when the schedule for the production is relatively certain.

What materials do you need to apply?

Projects also applying for a SAFC Production Fund grant funding will need to provide relevant quotes from South Australian post-production, digital and visual effects suppliers in their applications.

Projects that do not qualify for the SAFC Production Fund grant funding but that are in receipt of the Federal PDV Offset, will need to provide copies of the project's PDV Offset application, abridged to pertain only to the relevant expenditure, and the related provisional and final certificates together with an addendum to the Auditor's Statement validating the Qualifying Expenditure claimed in the application.

What is the acquittal process?

Acquittals must be made within 90 days of completion of the relevant post-production, digital and visual effects work. For a project making a bona fide application for the Federal PDV Offset this date for acquittal is automatically extended to the earlier of: (i) 30 days from the date the relevant final PDV Offset certificate is issued, (ii) 18 months from the project's first public release, or (iii) 36 months from the date of the SAFC approval letter.

What materials do you need to acquit?

- SAFC Online PDV Acquittal Form (note: includes some of the deliverables below)
- Confirmed Post-Production Dates, Completion Date of Qualifying Work and release or 1st Transmission Date
- Final list of SA and Non-SA residents employed, their roles and days worked by each. If the "Two Week Rule" is being applied to any crew member, this list must contain detail of their specialist skills and a warranty stating that such skills were not available in South Australia and were critical to the work in a form provided by SAFC and signed by the PDV supplier
- Any Federal application and supporting documentation (if applicable)
- audited expenditure statements pertaining to the qualifying expenditure
- All agreements signed with South Australian PDV vendor ("Vendor") pertaining to the expenditure
- The Vendor's full quote (including budget breakdown/cost per shot)
- Any approved Change Orders

GUIDELINES

Post-Production, Digital and Visual Effects Rebate ("SA PDV Rebate")



South Australian **Film Corporation**

- All invoices issued by the Vendor pertaining to the expenditure and proof of payment
- Full and final credit list that will appear on-screen on the completed project
- Audit of PDV Expenditure
- Statutory Declaration

The Audit and Statutory Declaration documents must be delivered in the approved SAFC templates which you can find [here](#).

Terms of funding

The funding is provided as a rebate to the applicant on completion of the work, effectively a rebate on expenditure.

The SAFC must receive the following end credit on all copies of the project in a form no less prominent than that of any other government funder:

[Post-Production],[and] [Digital and Visual Effects] [work] undertaken in South Australia with the support of the South Australian Film Corporation
[insert SAFC Logo]*

* The nature and extent of PDV work undertaken will be used to determine the exact credit consistent with the above.

How do I apply?

Apply online at: <https://safilm.smartygrants.com.au/>.

When can I apply?

Applications for the SA PDV Rebate are open all year round and are considered by the SAFC Board.

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](#).

Where can I find out more?

Contact Jess Cahill, SAFC Program Manager on 08 8394 2012 or jess.cahill@safilm.com.au

GUIDELINES

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Working with First Nations content and communities

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

First Nations consultant will most likely 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.

The SAFC recommends that applicants refer to the guidelines developed by Screen Australia entitled “*A Guide to Protocols for Screen based Practitioners working with Indigenous Content and Indigenous Communities*” which can be downloaded [here](#).

This guide is intended to provide practical advice about the ethical and legal issues involved with the transfer of cultural material to the screen.

The fine print

As with all South Australian Film Corporation programs, these guidelines take precedence but must also be read in conjunction with the South Australian Film Corporation Terms of Trade and relevant application form. At its sole discretion the SAFC may vary its Guidelines and Terms of Trade, including variations to percentages and levels of contribution. Please check our website for any updated guidelines. Applicants are required to discuss their applications with the South Australian Film Corporation prior to applying. SAFC Terms of Trade can be found at www.safilm.com.au