

GUIDELINES

Post-Production, Digital and Visual Effects Rebate



South Australian **Film Corporation**

What is the program?

The South Australia Post-Production, Digital and Visual Effects Rebate (SA PDV Rebate) empowers world-class PDV activity in South Australia that connects our state's diverse voices, stories, artistry and identity to audiences in Australia and around the world. It develops the SA PDV sector with funding that complements the Federal Government's Producer Offset, Location Offset or PDV Offset.

What is on offer?

The SA PDV Rebate is an expenditure-based incentive that provides a 10% of rebate on amounts spent by the applicant company on PDV related activities incurred and retained in South Australia (SA PDV Expenditure). Projects must have incurred at least \$250,000 (Qualifying Threshold) of Qualifying Australian Production Expenditure (QAPE).

The SA PDV Rebate may be accessed in addition to South Australian Film Corporation (SAFC) grant funding, but it must be applied for at the same time and for separate costs. SA PDV Rebate cannot be applied retrospectively to projects that receive SAFC grant funding.

Who is eligible?

The applicant must:

- have read, and be compliant with, the SAFC's Terms of Trade,
- be able to prove that 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.
- not be in breach of any contractual obligations to the SAFC.

The PDV Rebate may only be claimed once for the same PDV activity. Only one party is eligible to apply, and it is the responsibility of the parties involved to determine who will submit the application. Once Provisional Approval has been granted to one party, all other parties become ineligible to claim the rebate for that same PDV activity, except in case of a bona fide takeover of the project as approved by SAFC.

What projects are eligible?

Narrative-driven stand-alone and series are eligible for PDV Rebate – for example:

- Live action
- Animation
- Documentary
- Drama

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- Children's
- Factual
- Comedy
- Mini-series

As an exception to the SAFC Terms of Trade, and unless otherwise excluded by these guidelines, applications for retrospective funding are eligible, noting that funding cannot be guaranteed until SAFC's Provisional Approval is received.

What projects are ineligible?

- Short films
- Advertising programs or commercials
- Discussion, quiz, games, panels, or variety programs or programs of a like nature
- Film of public event
- Training films
- Video games
- Any other ineligible formats as per SAFC's Terms of Trade
- Film Lab: New Voices funded projects.

Calculation of SA PDV Expenditure

SA PDV Expenditure has a dual role for the purposes of the SA PDV Rebate:

- it is the basis for determining whether the minimum Expenditure Threshold has been reached, and
- it provides the basis of the PDV Rebate itself, as the amount of the rebate is 10% of SA PDV Expenditure.

The SA PDV Rebate is designed to complement the Federal PDV Offset. Therefore, all SA PDV Expenditure must comply with the Federal Offset's eligibility criteria. For example:

- all costs being claimed as SA PDV Expenditure must be genuinely incurred by the applicant company and require that a legal liability to pay is in place. Deferred fees are not qualifying expenditure.
- all transactions with interested parties must meet the principle of arm's length or they will not be considered as SA PDV Expenditure.
- overheads for any single project are capped at 2% of the total Production Expenditure or \$500,000, whichever is the lesser. If overheads are only shown as a lump sum amount, applicants may be required to itemise costs and provide evidence that they were incurred.
- the Two Weeks Rule.

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

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Relevant guidance to calculate PDV Expenditure can be found in the Australian Federal Government's PDV Offset can be found here: [Post, Digital and Visual Effects \(PDV\) offset guidelines | Office for the Arts](#) and Federal PDV Offset Glossary: [Post, Digital and Visual Effects \(PDV\) offset glossary | Office for the Arts](#).

In addition to the Federal requirements, the following conditions apply specifically to qualify to SA PDV Expenditure:

- Only PDV Expenditure incurred and retained in South Australia.
For example, expenditure on any non-South Australian travel, including transport, interstate flights, accommodation outside South Australia or per diems relating to time spent outside South Australia will not qualify as SA PDV Expenditure.
- where a producer is undertaking PDV Activity themselves and is the PDV applicant, then:
 - a portion of budgeted overhead may be claimed, apportioned between production or post-production costs. Overhead supported by an SAFC production grant will not qualify as SA PDV Expenditure.
 - Related party costs will be independently assessed, and SAFC reserves the right to adjust if vendor quotes are non-QAPE.

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.~~

How do I apply?

Applications for the SA PDV Rebate are open all year round and must be made via the SAFC's online grants platform safilm.smartygrants.com.au. Applications will be processed in two stages.

Stage One is assessment of Provisional Approval. The application will be assessed for eligibility based on the materials submitted in the application platform. The onus is on the applicant to ensure that all required materials have been supplied to determine eligibility. Additional materials will not be accepted without the prior written agreement of the SAFC.

Eligible Provisional applications will receive a Provisional Approval Letter including the amount the project may be eligible to receive ("Approved Amount"). The actual amount payable will only be finally determined on completion of the actual SA PDV Expenditure and the SAFC's receipt and approval of a completed acquittal from an Eligible Applicant. The SAFC may seek an independent budget assessment to determine the amount of SA PDV Expenditure.

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Stage Two is acquittal and Final Approval. Acquittals must be made within 90 days of completion of the South Australian audit report. For a project making a bona fide application for the Federal PDV Offset this date for acquittal is automatically extended to 30 days from the date the relevant final PDV Offset certificate is issued. In any event, acquittals must be made within 36 months from the Provisional Approval letter.

The SAFC Executive will form a recommendation based on the assessment which will go to the appropriate delegate for decision as per below.

Funding requested (inc. GST)	Responsible delegate for decision
<u>Up to \$1,500,000</u>	<u>Head of Production</u>
<u>Over \$1,500,000 and up to \$2 million</u>	<u>CEO</u>
<u>Over \$2 million</u>	<u>Board</u>

Applications under \$2 million (inc. GST) can be received throughout the year, applications over \$2 million (inc. GST) must be received no later than six weeks prior to a SAFC Board meeting, please check dates here. Please note that SAFC Board dates are subject to change at the SAFC's discretion.

Decisions and Notifications

The timeframes for notification of an outcome of a PDV Rebate are:

Stage One

Applicants will be notified of a Provisional Approval or decline within fifteen business days from receipt of a complete Stage One application.

Stage Two

Applicants requesting less than \$2 million (inc. GST) will be notified of a Final Approval or decline within twenty business days from receipt of a complete Stage Two acquittal.

Applicants requesting more than \$2 million (inc. GST) will be notified of a Final Approval or decline within three business days after the relevant SAFC Board meeting.

Depending on the complexity of the application, the SAFC reserves the right to extend such timeline at any stage. Applicants will be notified of an extension within the above timeline.

Application Materials

Stage One (Assessment and Provisional Approval)

- ASIC Current Company Extract for the Production Company applying
- ASIC Current Company Extract for the Production entity Special Purpose Vehicle (SPV), if formed
- Production company bio
- Warranties confirming the project meets SAFC rights holding and South Australian Residency eligibility

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requirements

- Warranty confirming the project meets SAFC format eligibility requirements
- Qualifying South Australian Expenditure.
- Value of total Production Expenditure and SA PDV Expenditure
- Post-production schedule
- Short form creative materials – logline and synopsis
- Evidence of the project meeting eligible format requirements, if applicable
- Number of SA Resident Crew Employed (PDV)
- Confirmed Post-Production Dates, Completion Date of PDV Activities and release or 1st Transmission Date
- Totals of all jobs working on PDV on the project and Full Time Equivalents (FTEs) and South Australian Resident jobs working on PDV on the project and FTEs
- Any Federal application and supporting documentation (if applicable) (including the related provisional and final certificates together with an addendum to the Auditor's Statement validating the Qualifying Expenditure claimed in the application)
- Audited expenditure statements pertaining to the PDV 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)
- Comparative quotes from non-related party vendors, if applicable
- Any approved Change Orders
- 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

Stage Two (Acquittal and Final Approval)

- Confirmed Post-Production Dates, Completion Date of **PDV Activities** and release or 1st Transmission Date
- **Final Crew List indicating South Australian Residents.** 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
- Totals of all jobs working on PDV on the project and Full Time Equivalents (FTEs) and South Australian Resident jobs working on PDV on the project and FTEs
- Any Federal application and supporting documentation (if applicable) (including the related provisional and final certificates together with an addendum to the Auditor's Statement validating the Qualifying Expenditure claimed in the application)
- Audited expenditure statements pertaining to the **PDV** 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)
- Comparative quotes from non-related party vendors, if applicable
- Any approved Change Orders
- 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 **SA** PDV Expenditure
- Statutory Declaration

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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 [PDV Activity](#), 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] [[Activity](#)] undertaken in South Australia with the support of the
South Australian Film Corporation
[insert SAFC Logo]*

* The nature and extent of PDV [Activities](#) undertaken will be used to determine the exact credit consistent with the above.

[The SAFC may publish the fact that it is providing the rebate and the amount of the rebate on its website and other publications. The SAFC may promote its association with, and its funding of the Project \(including on its website, in media releases and social media posts\).](#)

Next Steps?

[Before applying, all applicants must read SAFC's Terms of Trade and speak to the SAFC regarding your application.](#)

[For SA-led productions speak to the Production Executive – SA Led, and for inbound productions speak to the Production Executive – Inbound and Studios.](#)

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