

post, digital & visual effects

REBATE GUIDELINES 2019



THE LEGO BATMAN MOVIE, FROM WARNER BROS. PICTURES AND WARNER ANIMATION GROUP, IN ASSOCIATION WITH LEGO SYSTEM A/S, A WARNER BROS. PICTURES RELEASE. COURTESY OF WARNER BROS. PICTURES.



SYDNEY
CITY OF FILM

screen.nsw.gov.au

The NSW Government offers a 10% rebate of qualifying expenditure on Post, Digital & Visual Effects (PDV) work carried out in NSW on or later than 1 October 2019 (“**the Rebate**”).

To be eligible, projects must be registered with Screen NSW. Only work undertaken after the date of registration will count as qualifying NSW PDV Expenditure. As a one-off exception, expenditure undertaken in NSW after 1 October 2019 will be eligible on projects that are registered on or before 14 February 2020.

Program objectives

- To grow the State’s reputation as a leading and globally competitive screen production and PDV centre, known for its innovation and excellence
- To increase business activity for the NSW PDV sector
- To promote investment in infrastructure, skills development, and jobs of the future
- To attract footloose PDV projects to NSW (projects that have a post-production, digital effects or VFX destination alternative).

The Rebate complements the Australian Government’s PDV, Producer and Location Offsets, and Location Incentive. It may be stacked with any of those incentives. These guidelines should be read in conjunction with the Australian Government’s guidelines and glossary for the PDV Offset:

- [federal PDV Offset guidelines](#)
- [federal PDV glossary](#).

The Rebate is administered by Screen NSW, within the State’s arts, screen and culture agency, Create NSW.

1. How is PDV defined?

For the purposes of the Rebate, “post-production, digital and visual effects” or “PDV” covers the creation, editing and mixing of audio or visual elements and other necessarily related activities (other than principal photography, pick-ups or the creation of physical elements such as sets, props or costumes).

Only PDV related activities carried out in NSW can qualify for the Rebate.

2. What are the eligibility requirements?

To be eligible for the Rebate, the following criteria must be met:

- the applicant must be an eligible entity (see point 3 below)
- the project must be an eligible format (see point 5 below)
- a project’s qualifying NSW PDV expenditure must meet or exceed the AU\$500,000 minimum NSW spend threshold (see point 4 below)
- the applicant must submit an application to Screen NSW. Only PDV related activities performed on or after the date an application is submitted will be eligible for the Rebate
- the applicant must not be in breach of any obligation under any funding agreement it has with the State including under this Rebate program.

3. What is an eligible entity?

To be eligible for the Rebate the applicant must:

- have an Australian Business Number (ABN)
- be the company that is either carrying out, or is responsible for making the arrangements for the carrying out of all the activities in NSW that are related to the post, digital and visual effects for the project.

The applicant may be:

- a NSW PDV company
- an Australian producer that is not otherwise ineligible under this clause
- an international producer or studio
- a Special Purpose Vehicle (SPV).

Please note, only one company can apply for the Rebate for a particular project.

What is not an eligible entity?

An applicant cannot be a licensee of a service under the *Broadcasting Services Act 1992 (Cth)* or a related body corporate of such a licensee (as defined in the *Corporations Act 2001 (Cth)*).

4. What is the minimum NSW spend threshold per project?

An eligible project must commit to meet qualifying NSW PDV expenditure of at least AU\$500,000 at the time of application.

Multiple projects cannot be bundled to achieve the AU\$500,000 threshold, however, a season of a TV series will be considered as a single project.

A project that does not meet the minimum qualifying NSW PDV expenditure threshold of AU\$500,000 at the time of acquittal will not qualify for any of the Rebate. However, if contracts are issued in foreign currencies the applicable exchange rate for determining whether the threshold has been met will be the exchange rate for the day on which PDV activity commenced on the project in NSW.

5. What formats are eligible?

Eligible formats for the Rebate are:

- Fiction – feature films, telemovies, mini-series, pilots and series
- Documentary – feature films, television one-offs or series.

Feature films must be a minimum of 60 minutes in duration, except for large format/IMAX projects which have a minimum duration of 45 minutes.

Eligible projects must be intended for distribution to the public, which includes theatrical release, television broadcast, streaming or other online distribution.

Ineligible formats include but are not limited to:

- short films – under 60 minutes
- reality programs
- television serials
- advertising programs or commercials
- discussion, quiz, game, panel or variety programs, or programs of a like nature
- filmed recording of public events
- training films
- student films
- computer games within the meaning of *Classification (Publications, Films and Computer Games) Act 1995*.
- projects that are likely to be X18+ or Refused Classification under the *Classification (Publications, Films and Computer Games) Act 1995*.

6. What counts as qualifying NSW PDV expenditure?

Qualifying NSW PDV expenditure must be related to post, digital and visual effects activities that are carried out in NSW and be incurred by the applicant.

The following expenditures qualify for the Rebate:

- payments to PDV suppliers whose principal place of business is in NSW or that have an office or branch in NSW that is supplying the goods or services
- salaries and associated payments to PDV crew, including employees and independent contractors. All PDV crew members, including producers and executive producers, whether Australian or non-Australian residents, must remain in NSW and work on the project in NSW for at least two consecutive calendar weeks for expenditure attributable to their stay to be recognised as qualifying NSW PDV expenditure. Each visit is considered separately. Above the line fees are limited to 20% of qualifying NSW PDV expenditure
- NSW workers compensation payments and payroll tax
- acquisition/licensing of additional material, such as music, used during PDV and where the material is NSW-held copyright or created by a NSW supplier. For projects registered on or after 1 July 2020, fees for acquisition or licensing of archival footage are limited to 20% of qualifying NSW PDV expenditure.
- depreciation of assets, to the extent they are used in the PDV activity related to the project
- business expenses as they relate to PDV such as some insurances, legal, accounting and auditing expenses. General business overheads are limited to 2% of qualifying NSW PDV expenditure.

The following expenditure is specifically excluded:

- payments for PDV services undertaken outside NSW
- expenditure on international or interstate travel or freight
- payments to service providers which are offset by a reinvestment or any other financial contribution to the project

- any expenditure that precedes the date of application for registration
- salaries and associated payments to crew members (including producers and executive producers) who work on the project in NSW for less than two consecutive weeks.

All transactions with interested or related parties must be on an arms-length basis.

Other than exclusions specifically noted above, qualifying expenditure generally follows that as outlined in the [federal PDV Offset guidelines](#), provided it is performed in NSW.

For more information, please read the [federal PDV Offset glossary](#), which provides detailed information on specific qualifying PDV expenditure matters.

7. Can I combine other Screen NSW support with the NSW PDV Rebate?

Applicants with projects that are eligible for the Rebate may be eligible for funding support from other Screen NSW programs. However, if the applicant intends to or has applied for the Rebate, only the non-PDV component of the production budget will be eligible for support from other Screen NSW programs.

Projects which have previously received or been approved for Made in NSW funding or Production Finance are not eligible for the Rebate if any part of that funding related to PDV activities.

8. What if my anticipated NSW PDV spend varies after the time of application?

If the qualifying NSW PDV expenditure advised at the time of application varies by more than 10% or \$5 million, the applicant must request a variation to the Letter of Offer. All requests must be made in writing to Screen NSW within 15 business days of the change. Variation requests will be subject to availability of Rebate funds.

Where the final qualifying NSW PDV expenditure is less than the amount advised at application, pro-rata payments will only be processed if the minimum NSW spend threshold of AU\$500,000 has been achieved.

9. What is the application process?

An applicant must submit an application with Screen NSW prior to the commencement of any PDV work for which the Rebate will be sought. If PDV work has already commenced on the project, only work carried out on or after the date of application will be eligible for the Rebate.

[Applications must be made online here.](#)

10. What material do I need to include with my application?

Applicants are required to complete an application form and submit requested information, which will include the PDV budget for NSW and quotes from NSW PDV suppliers.

11. What is the assessment process?

The Rebate is non-discretionary, subject to availability of Rebate funds. Assessment following application is limited to establishing eligibility, identifying the level of qualifying NSW PDV expenditure and determining the anticipated Rebate amount.

12. Letter of Offer

After an assessment of eligibility, Screen NSW will provide a Letter of Offer based on the information and projected expenditure presented in the application.

The Letter of Offer will set out the qualifying NSW PDV expenditure amount that the applicant will be required to substantiate at acquittal, subject to the permitted variation set out in Clause 8.

13. What are the reporting and acquittal requirements?

Reporting requirements will be set out in full in the Letter of Offer and will include:

- an audited ledger/statement of qualifying NSW PDV expenditure with contracts, invoices, purchase orders and change orders
- number and category of local jobs generated by the project and attributable person days
- full credit list of PDV crew
- federal PDV acquittal (if relevant)
- a statutory declaration supporting the data provided.

The PDV vendor will need to provide a statement confirming that all services were provided in NSW or, if not, the amount attributed to non-NSW services.

Applicants that are also receiving the federal PDV Offset should provide their federal audit certificate within 30 days of its receipt.

Each applicant must participate in any reasonable survey or feedback requests made by Screen NSW, both during the application phase and up to two years following acquittal.

When the applicant is not the PDV company the applicant must include the reporting obligations contained in this clause in its contract with each NSW PDV supplier it engages for the project. It is the applicant's responsibility to ensure that it (and any supplier it engages) creates and maintains full and accurate accounts and records of the project's PDV-related activities.

14. Is there a time limit for making a claim?

Applicants must specify anticipated dates for commencement and completion of qualifying PDV work and final claim in their application. The qualifying PDV related activities need to commence within three months of the nominated start date unless otherwise agreed in writing with Screen NSW. Claims must be made within six months of project completion.

The claim date for applicants receiving the federal PDV Offset is extended to 30 days from receipt of the federal PDV audit certificate. All claims must be made within three years of a Letter of Offer. For projects with a PDV duration of more than three years, applicants must contact Screen NSW at least six months before the three-year deadline to discuss.

15. What are the required delivery items?

Applicants must provide a copy of the completed project and all delivery items specified in the Letter of Offer. Delivery items will include an excerpt of up to one minute from the finished project, still images, digital copies of posters and an HD trailer without watermarks. Delivery items are used by the NSW Government to promote the State's screen industry. The NSW Government may publish the project title, a brief description and agreed project outcomes.

16. Public announcement

The NSW Government reserves the right to make a public announcement for any project which receives the Rebate. Any public announcement will be made in consultation with the applicant.

17. When are claims paid?

Screen NSW will process a Rebate claim within six months of receiving an acquittal that is fully compliant with the project's registration, inclusive of all required delivery items. Payments for successful acquittals received in the 2019/20 financial year will not be made before 1 July 2020.

18. What acknowledgement of funding is required by the NSW Government?

The State must receive the following end credit in the version of the project intended for release: **POST PRODUCED [and/or "VFX SERVICES PROVIDED" and/or "ANIMATION PRODUCED", as appropriate] IN [city] NEW SOUTH WALES, AUSTRALIA, WITH THE ASSISTANCE OF THE NEW SOUTH WALES GOVERNMENT** and include the NSW Government logo.

19. Indigenous cultural material

All filmmakers are reminded of their responsibilities when dealing with Indigenous cultural material. Please familiarise yourself with the [Screen Australia Pathways and Protocols guide](#).

The Screen NSW Post, Digital & Visual Effects (PDV) Rebate Guidelines are not intended to be a legal document.

Contact for further information

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