



Australian Government



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# GUIDELINES

## DOCUMENTARY – PRODUCER EQUITY PROGRAM

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**RELEASED 1 August 2016**

For projects that start pre-production on or after July 1, 2011

View the [Documentaries section](#) on the Screen Australia website.

# Producer Equity program

The Producer Equity program provides a direct payment of funds to producers of eligible low-budget Australian documentaries, equal to 20 per cent of the approved budget. The payment is available with or without other Screen Australia documentary production funding.

Projects are not assessed beyond establishing eligibility.

The program is administered by Screen Australia's Documentary Unit, and is subject to Screen Australia's [Terms of Trade](#) eligibility requirements (section 1 only).

## Eligibility

To be eligible, a project must:

- have Significant Australian Content
- be a linear documentary of any length (please see [General Information for Applicants](#))
- have a confirmed finance plan totalling a minimum of \$125,000 up to a maximum of \$500,000 (and not be eligible for the Producer Offset, PDV or Location Offset)
- be produced for distribution to the Australian public, with a demonstrated arm's length commercial arrangement for distribution (e.g. broadcast licence, distribution agreement, VOD agreement, a confirmed Australian film festival screening or cinema on demand screening).

Change to linear length reflects trend towards more diverse documentary formats and Screen Australia's support of innovation.

Low-budget documentary forms are eligible for PEP previously the \$250k/per hour threshold excluded short form & interstitials.

Previous requirement of 'intended for' has been strengthened to ensure that PEP goes to projects that are of genuine interest to an Australian audience.

### Significant Australian Content

Screen Australia considers the following during assessment:

- the subject matter of the film
- the place where the film was made
- the nationalities and places of residence of the persons who took part in the making of the film
- the details of the production expenditure incurred in respect of the film, and
- any other matters that Screen Australia considers to be relevant.

Applicants should note that:

- All relevant letters of offer, signed deal memos and signed term sheets in relation to funding (including state agency funding) must be attached to the application. Where letters, deal memos and term sheets are supplied with the application, Screen Australia requires the execution of corresponding long-form agreements to be on no less favourable terms and may request the applicant submit these to help assist eligibility.
- PEP will be calculated on the cash component of the finance plan only. In order to reach the budget threshold of \$125,000 deferred fees or in-kind

We no longer require long-form agreements Letters of Offer, signed deal memos and terms sheets are all now accepted.

Previously in-kind contributions formed part of the finance plan to enable projects to reach budget threshold. Relaxing the format and length eligibility, requires a minimum cash budget to ensure PEP remains viable

A Solicitor's Opinion on Chain of Title is now a part of PEP **only** applications. We know this is an added cost but it will ensure Screen Australia is able to reduce the amount of time in assessment and contracting.

- Where stock footage is acquired from a related entity to the applicant (e.g. parent company), Screen Australia will examine whether the arrangement is at arm's length, and only an arm's length amount can be included in the calculation for PEP. Further, where a significant amount of footage is reused from a previous film (for example in a 'best of' episode of a series), the film may not be eligible for PEP.
- Screen Australia requires a solicitor's opinion on the chain of title as part of PEP only funding applications.
- Applications for a season of a series must demonstrate that it is an application for the entire season of a series and not part thereof.
- One-off such as 'Best Of' special episodes, of existing or ongoing series are *not* eligible.

## Application process

Applications can be submitted at any time. The average turn around for decision is six weeks **from receipt of a complete application**.

### ***Projects with Screen Australia funding***

Producers applying to Screen Australia for documentary production grant funding can apply for the Producer Equity payment as part of their production funding application. The project's finance plan should include the Producer Equity payment as twenty (20) per cent of the total budget (excluding any deferred fees or in-kind support). For example, the Producer Equity **included** in a budget of \$400,000 would be \$80,000.

Once funding is approved, Producer Equity will be included in the agreed finance plan and drawdown schedule. Producer Equity payments will be paid in line with the terms of the Production Grant Agreement.

### ***Projects without Screen Australia funding***

Producers not applying to Screen Australia for documentary production grant funding will need to satisfy the eligibility criteria above as well as the following additional criteria in order to access the Producer Equity Program.

- The project must have commenced pre-production on or after 1 July 2011.
- The project may be at any stage of production (pre-production, production, post-production or complete) when an application is made; however, an application cannot be submitted more than six (6) months after the project is completed.

Successful applicants will need to enter into an agreement with Screen Australia, which among other things, outlines the producer's obligations. If the project is not yet complete, the successful applicant will invoice Screen Australia for:

- Fifty per cent (50%) of the approved amount on signing the agreement; and
- Fifty per cent (50%) of the approved amount on delivery of a copy of the completed film, a final cost report approved by Screen Australia with supporting statutory declaration, and proof of distribution to the Australian public by way of an arm's length commercial arrangement.

If the project is already complete, the successful applicant will invoice Screen Australia for:

- One-hundred per cent (100%) of the approved amount on delivery of the completed film, a final cost report with supporting statutory declaration, and proof of distribution to the Australian public by way of an arm's length commercial arrangement.

In its sole discretion, Screen Australia may require an applicant to obtain and provide an independent audit report of the final cost report at the applicant's expense. Screen Australia may also withhold payment/s until satisfied that the film is/will be genuinely distributed to the Australian public by way of an arm's length commercial arrangement.

**Important points to note**

- Screen Australia will not increase the amount of the Producer Equity payment, once approved, even if the budget subsequently changes.
- Projects approved for Producer Equity cannot apply for the Producer Offset, even if the project budget increases to the level of the applicable QAPE threshold.

## Change log

### 1 August 2016:

Wording in boxed text on cover page deleted.

Additional wording to clarify the funding program is subject to Screen Australia's Terms of Trade eligibility requirements.

Boxed text on page 2 deleted in its entirety.

Removal of the 30-minute restriction to minimum length. All documentary lengths are now eligible for a PEP payment Budget thresholds remain but no longer attached to minimum length of 30 minutes.

Amendment from 'clear and demonstrable path to audience' to 'demonstrated arm's length commercial arrangement for distribution'. Strengthened pathway to audience in funding criteria with applicants needing to demonstrate arm's length commercial arrangement.

Amendment from 'all funding must be confirmed' to 'all relevant letters, deal memos and term sheets in relation to funding must be attached to the application'. Letters of offer, signed deal memos and terms sheets are all now accepted.

Clarification of deferred fees or in-kind support. In-kind support can no longer form part of the budget or finance plan to reach the budget threshold of \$125,000.

Solicitor's Opinion on Chain of Title required for all **PEP only** applications.

Amendment to clarify stock footage licences must be an arms-length arrangement.

Clarification of applications for series; requirement that a season of a series must be the entire season of a series.

Clarification that one-off specials and existing or on-going series are ineligible.

Amendment to change references of 'investment' to 'funding' to reflect to increase in Screen Australia grant threshold.

Clarification that applications can be made at any stage of production.

Clarification that successful applicants will need to enter into agreement with Screen Australia.

Clarification that final cost report must be delivered with supporting statutory declaration.

Clarification that Screen Australia may require independent audit report at its discretion but at applicant's expense.

'Important points to note' box; language amended from 'we/you' to 'Screen Australia/the'.

PEP payments cannot increase (previously cannot 'vary').

### 13 November 2014:

Guidelines included in suite of Documentary programs

### 6 June 2012:

Clarification of eligibility relating to interstitials, budget and financing, and website production.

Applications now accepted at any time.

**27 February 2012**

‘Eligibility’; clarifying dot point regarding eligible durations to read ‘be a single-episode program of at least a commercial half hour in length, or a series of at least two episodes each of which is at least a commercial half hour in length’

**4 August 2011**

‘Important points to note’ box; first dot point amended for clarification.