



Australian Government



# FACT SHEET

## THE PRODUCER OFFSET – QUICK GLANCE FACT SHEET

*This information is designed to assist applicants prior to commencing pre-production on projects that will be applying for the Producer Offset.*

### 1. If your company is NOT a Special Purpose Vehicle (SPV)

Any assets owned or bought by your company and used in the making of the film will need to be depreciated. It is the depreciation of the asset (if any) for the period of the making of the film that is considered 'qualifying Australian production expenditure' (QAPE), **not** the purchase price.

'Intra-company' charges are not recognised as expenditure for the purposes of the Producer Offset. Services such as camera hire, office rent, etc must be provided by a third party in order for them to be QAPE. (*This may mean that your QAPE differs from your cost report*).

Read the 'Depreciating assets' entry in the **At a Glance** document, discuss with your company accountant and contact the Producer Offset & Co-production Unit to discuss the implications of this structure before production begins.

*At a Glance:*

Is available to be downloaded from the Screen Australia website under [Producer Offset > Resources](#).

### 2. If your company is a Special Purpose Vehicle (SPV)

All related company expenditure (ie between a parent company and an SPV or provided through Production Service Agreements) must be reported in detail. We expect to see a line-by-line break down of all expenditure at the Final Certificate stage to determine the commercial reasonability of the charges. Lump sum payments that appear in a general ledger are not acceptable and cannot be assessed.

### 3. General points relating to all applicants

**Applicant company** – There can only be one applicant company, which must be responsible either for the making of the film or undertaking the arrangements necessary for the making of the film in its entirety.

**Trustee of a trust** – If your company acts in the capacity of a trustee of a trust it is not eligible for the Producer Offset. It is also important to note that any 'prior company expenditure' incurred by a company acting in the capacity of a trustee of a trust will be non-QAPE as it has not been incurred by an eligible company. Therefore, if any development expenditure is incurred by either the prior company or the new company and either of those companies was acting in the capacity of a trustee of a trust, such expenditure cannot under any circumstances be QAPE.

**Chain of title** – If you **have not** set up an SVP, you will need to demonstrate that your company has the rights to make the film through chain of title

documentation. This may take the form of writer's agreements, director's agreements or employment contracts with staff. If you **have** set up an SPV, you must ensure that all chain of title documentation flows through to your SPV company (ie that the SPV has the rights to make the film).

**Eligibility** – If there is any doubt in relation to the eligibility of a project (ie format or significant Australian content) we recommend applying for a Producer Offset Provisional Certificate.

**General ledger** – The general ledger must be the ledger for the film only and it must contain category headings, sub-totals and an overall total. It must contain the date of payment, the name of the payee, a detailed description of the budget item and the cost of the individual item. Lump sum payments that appear in a general ledger are not acceptable and cannot be assessed.

**Expenditure statements** – There are three core expenditure statements required at the Final Certificate stage: general ledger, final cost report, and final QAPE spreadsheet. Generally, the line items, category headings, sub-totals and overall totals on all three expenditure statements should match. In some cases they may not match due to expenditure in a foreign currency or asset related adjustments.

**Expenditure in a foreign currency** – Carefully read either worksheet (d) of the final QAPE spreadsheet or the *At a Glance* document before commencing production to understand how expenditure in a foreign currency works.

Worksheet (d) in the final QAPE spreadsheets available here:  
[www.screenaustralia.gov.au/producer\\_offset/final\\_certification.aspx](http://www.screenaustralia.gov.au/producer_offset/final_certification.aspx)

*At a Glance:*

Is available to be downloaded from the Screen Australia website under  
[Producer Offset > Resources](#).

**Application forms** – Always remember to download new application forms and QAPE spreadsheets for each application as these are updated frequently.

**Screen Australia's Producer Offset and Co-production Unit can be contacted at:**

Level 7, 45 Jones St, Ultimo NSW 2007

Tel: 02 8113 1042

Email: [produceroffsetenquiries@screenaustralia.gov.au](mailto:produceroffsetenquiries@screenaustralia.gov.au)

Web: [www.screenaustralia.gov.au/producer\\_offset](http://www.screenaustralia.gov.au/producer_offset)