



Australian Government



# INTERNATIONAL CO-PRODUCTION PROGRAM GUIDELINES

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# FIRST PRINCIPLES

## Introducing the international co-production program

### Purpose of the program

The co-production program has been put in place to encourage production and foster relationships between international filmmakers.

In allowing two or more international producers to come together to make a screen project, it provides them with the opportunities to access the resources required to produce projects that will be internationally competitive. The objective of the program is to foster projects that will be truly international in terms of storytelling, budget ranges and the audiences to which they appeal.

### How does it work?

Agreements between Governments specify how projects can be ‘co-produced’ between partner countries.

These agreements are in the form of either a **Treaty** or a **Memorandum of Understanding (MOU)**. There are differences between the two but for the purposes of administering the co-production program and applying for co-production status, the practical effect is minimal.

In these guidelines we use the general term ‘**Arrangements**’ to refer to these agreements.

A project made under a co-production Arrangement between two countries is treated as a national project of those countries and can access all relevant benefits attached to being a ‘national film’ (see ‘Why would you make a co-production’, page 4).

Each country which is party to an Arrangement nominates a ‘Competent Authority’ to administer the co-production program. Screen Australia is Australia’s Competent Authority and the other Competent Authorities are listed on the [Screen Australia website](#). Competent Authorities work together and must jointly approve projects in order for them to be eligible as co-productions.

### Purpose of these guidelines

While Screen Australia is keen to promote the use of the program to stimulate production activity and provide an avenue to international finance for Australian producers, it must also uphold the integrity of the international co-production system.

These guidelines have thus been developed by Screen Australia in its role as Australia’s Competent Authority, to underpin its administration of the program. They provide information on what is required to make an official co-production – the why and the how – and set out Screen Australia’s processes for assessing and approving a project under the program. The guidelines

must always be read in conjunction with the Arrangement/s applicable to a particular project.

Screen Australia reserves the right to vary these guidelines at any time. The guidelines in effect at the time a provisional application is received by Screen Australia apply to the application, so if your project has been granted provisional co-production approval under a previous version of the guidelines, any final application for that project will also be assessed under the previous guidelines.

Further, Screen Australia reserves the right to depart from the guidelines in exceptional circumstances, but only where there is a strong rationale for doing so, and when the application in question is compliant with the relevant Arrangement/s.

Legal note: These guidelines must not be relied upon as an offer capable of acceptance by any person or as creating any form of contractual, quasi contractual, restitutionary or promissory estoppel rights, or rights based on similar legal or equitable grounds, whether implied or otherwise.

## What is a co-production?

Under the international co-production program, a co-production is a project which has been made under an Arrangement with a partner country, and has been approved as an official co-production by the Competent Authority in each country.

Australian producers can make a co-production with producers from:

- [Canada](#),
- [China](#),
- [France](#),
- [Germany](#),
- [Ireland](#),
- [Italy](#),
- [Israel](#),
- [Korea](#),
- [New Zealand](#),
- [Singapore](#),
- [South Africa](#), and
- [the United Kingdom](#).

These are the countries with which Australia has entered into an Arrangement.

The basic requirement of each Arrangement is that each co-producer must bring a minimum percentage of the financial and creative contribution to the project, and further, these two elements need to be 'reasonably in proportion'.

For example, if you demonstrate a 40% creative contribution to the project, you would also have to contribute 40% of the finance.

There are no requirements that a project be about, or set in, any particular place. Subject matter and setting are irrelevant to co-productions.

Each Competent Authority has its own procedures and guidelines to assess whether the terms of the Arrangements are satisfied.

You can explore the terms of Australia's Arrangements using our interactive Co-production Arrangements Tool, available on the [Screen Australia website](#).

#### **What about countries that don't have Arrangements with Australia?**

Official co-productions can only be made where Arrangements are in place between the countries.

In Australia, the negotiation of Arrangements is managed by the Australian Government's Ministry for the Arts. The status of current negotiations is outlined on the Screen Australia website. Any requests for the Government to pursue new Arrangements with other countries must be made to the Ministry, addressing the Ministry's [Guidelines for Entering New Co-production Arrangements](#).

Entering a new Arrangement is not a simple matter, however, as the negotiation itself is a very long process for Government and there are a number of issues to take into account before even considering whether to initiate negotiations.

You should not assume that an Arrangement would be put in place on the basis of a single proposed film alone.

There is no Arrangement with the US. However, as with any 'non-party' countries, you could still access US finance for an official co-production, as long as this is not conditional on the inclusion of a US producer. Generally speaking, the involvement of non-party countries, including the US, is limited to finance, executive producers, cast agreed to by the Competent Authorities and sourcing underlying work.

It's also worth remembering that you can collaborate with an international producer from any country, including the US, without having to be approved as a co-production. In this case, you would be able to access the Producer Offset if the project met the Significant Australian Content test.

#### **Why would you make a co-production?**

Making a project as a co-production opens a greater pool of resources – by automatically accessing two markets in terms of creativity, finance and audience reach.

An official co-production is considered a 'national' project of each country and is then able to take advantage of the incentives provided to national films. In Australia, the major benefits are that an approved co-production:

- may allow the Australian co-producer to access the Producer Offset (bypassing the significant Australian content test) under Division 376 of the *Income Tax Assessment Act 1997*

- may apply for production funding from Screen Australia and other government agencies (note, however, that approval as a co-production doesn't mean that funding is automatic; rather, it means you are eligible to *apply* for support for your project); and
- is considered 'Australian content' for the purposes of content quotas applying to Australian broadcasters.

Co-productions are also eligible for any support provided to national films of the other co-producing country.

Other benefits may also accrue to co-productions, for example when dealing with immigration and customs requirements. You should check the terms of the relevant Arrangement and for further information, contact the relevant agencies such as the Department of Immigration and Border Protection and Australian Customs and Border Protection Services, and their counterparts in the other country. Information regarding the Foreign Actor Certification Scheme can be found at <http://arts.gov.au/guidelines-entry-to-Australia-foreign-actors>.

## What kind of projects are a good fit for co-production?

The co-production pathway may be a good option where the particular elements of a project lead naturally to a co-production approach. For example, a project which has an Australian director working with a UK writer on a story set in both the UK and Australia would be a 'natural' co-production.

However, not all projects will be suited to the co-production structure.

Arrangements impose terms and conditions on each co-producer, and these may not always be achievable. It is important to note that your project will not be approved as a co-production if you cannot meet the terms of the relevant Arrangement.

Before embarking on a co-production, you should closely assess your reasons.

We welcome discussions with producers early in the planning stage. However, before arranging an appointment with Screen Australia's Producer Offset and Co-production Unit (POCU), please ensure you have read the relevant Arrangement as well as these guidelines.

## STEP BY STEP

- 1. Partner country:** Make sure there is an Arrangement in place with the country you're interested in. If so, read it. If there is not an Arrangement in place then you cannot make an official co-production.

You can make 'multi-party' co-productions between two or more other countries where there are Arrangements linking all co-producing countries together (see 'Multipartite co-productions', page 12).

- 2. Type of project:** Establish whether the Arrangement covers your type of project – the Chinese-Australian arrangement, for example, only applies to feature films and telemovies (but not to series). Check the 'Meaning of film' provision in the [Co-production Arrangements Tool](#). If you are seeking co-production status for interactive screen content such as games, please contact the POCU to discuss.

- 3. Research and advice:** It's a good idea to liaise with fellow Australian producers who are experienced in making co-productions, particularly with the country you are considering. Check the lists of productions available through the partner country pages on the [Screen Australia website](#).

Once you start making contact with potential co-producers, they'll also be able to tell you about the process from the point of view of their country's Competent Authority.

We highly recommend that you seek the advice of a lawyer experienced with co-productions early in the process.

- 4. Producing partner:** Your co-producer must be independent from you, as there can be no common management, ownership or control between the co-producers. The spirit of the co-production program is to facilitate and foster creative relationships between international producers. The program is all about fostering new relationships between producers operating independently in different countries.

It is not the intention of the program for multinational production companies to benefit from making a production with a related entity, for example with a subsidiary or parent company based in another country – such a project will not be considered a co-production.

Ensure your co-producer is aware of their Competent Authority's guidelines and understands its terms of assessment and procedures.

- 5. Project details:** Work out the key elements of the project that will affect its co-production status, such as the financial contributions of the co-producers, nationality of key creatives, budget and location of expenditure, and begin to draft an agreement with your producing partner. You should be aware of any contracted, non-negotiable elements as well as elements that aren't yet contracted which could be adjusted if required.

- 6. Terms of the Arrangement:** Consider whether your proposed project and agreement with your producing partner will meet the terms of the

# CO-PRODUCTIONS

Arrangement and these guidelines. You can check the elements of your project using our interactive [Co-production Eligibility Tool](#). You should have sought the advice of a lawyer experienced with co-productions by this stage.

- 7. Provisional application:** Apply for provisional co-production approval as soon as you are able to demonstrate that you meet the requirements (see page 20) and, in any event, before pre-production commences. If you would like Provisional Offset Certification (for example, you need an assessment of the project's estimated QAPE), you can apply for this at the same time. Your co-producer will lodge their application to their Competent Authority at the same time.
- 6. Pre-production to production:** As your project evolves, keep us informed of any changes that might affect your co-production status, such as changes of the nationality of personnel, or sources of finance. You can use the [Co-production Eligibility Tool](#) to help you monitor the likely effect of such changes, but note that the Tool does not take into account all of the requirements of the Arrangements, so you should consult with us before locking in any substantive changes.
- 7. Final application:** This is lodged once your project is complete. [www.screenaustralia.gov.au/coproductions/final\\_approval.aspx](http://www.screenaustralia.gov.au/coproductions/final_approval.aspx)

Your co-producer will lodge an application to their Competent Authority at the same time.



## **ELIGIBILITY:**

### **The terms of Australia’s co-production Arrangements**

Under each Arrangement, co-productions are jointly granted approval by the Competent Authorities. Approval cannot be given until all Competent Authorities agree that their respective application is in accordance with the relevant Arrangements and their policies and guidelines. The Competent Authorities will consult with each other to ensure that the parameters of the project, as outlined in their respective applications, are the same.

Each Arrangement specifies a number of terms which must be met. Some are absolute and inflexible, whilst others provide the Competent Authorities with a level of discretion to approve specified elements, such as whether actors from other countries can be involved, or whether you can undertake a location shoot outside the co-production countries. This discretion is very limited.

The key terms for each Arrangement are outlined in the interactive Co-production Arrangements Tool available on the [Screen Australia website](#).

### **Minimum contributions**

As outlined above, each Arrangement specifies a minimum financial and creative contribution for each co-producer. This is expressed as a proportion of the total finance plan and total creative contribution.

The minimum is either 20% or 30% for each co-producer depending on the particular Treaty or MOU in place (noting that the MOUs have unique provisions).

- The minimum contribution for Canada, Italy and the UK is 30%.
- The minimum contribution for China, Ireland, Israel, Korea (but see below), Singapore and South Africa is 20%.
- The minimum contribution for Germany is 30%, but this can be reduced to 20%:
  - in exceptional circumstances, with the approval of the Competent Authorities, and
  - in the case of multipartite co-productions.
- The Korean Arrangement is unique as it is an Annex to the Korea-Australia Free-Trade Agreement. Further, the Korean arrangement indicates that the minimum contribution for animated television projects is 20% or ‘the percentage required under each Party’s relevant domestic regulatory or policy arrangements’, whichever is higher. There are no such arrangements in Australia, but your Korean co-producer should consult with the Korean Competent Authority, the Korea Communications Commission (KCC), to confirm the situation in Korea. Please note that there are two Competent Authorities in Korea: the Korean Film Council



(KOFIC) is the Competent Authority for theatrical features (including documentaries and animation) and KCC is the Competent Authority for all broadcast content.

- The NZ-Australian MOU does not specify a minimum contribution, but Screen Australia expects each co-producer should contribute a minimum 20% of the total finance plan. If a co-producer seeks to contribute less than 20%, you should contact the POCU.
- The French-Australian MOU is unique. The minimum contribution of the Australian co-producer is 40%, but the minimum contribution for the French co-producer is 20%.

## Personnel: General Rule and Exceptions

Each Arrangement specifies that every person participating in the making of the project must be a national or permanent resident of one of the co-producing countries.

Cast and crew from countries other than the co-producing countries are referred to as 'non-party nationals'. Non-party nationals can only be involved in specified limited circumstances as outlined in the relevant Arrangement and with the agreement of the Competent Authorities. In summary, these exceptions are as follows:

- Cast – *in exceptional circumstances, where script or financing dictates.* Applicants will need to justify that the script or the financial arrangements require the non-party actor.  
Where the use of a non-party actor has been approved, we would also consider it reasonable that a non-party casting agent be approved. Further, we also allow any 'entourage' who are non-party nationals where they are a contractual requirement of the cast member.
- Locals on location shoots – if location shooting outside the co-producing country is approved (see below at p.11), some specified personnel (as outlined in the Arrangement) may be engaged in the location country, and
- Technical personnel – in some Arrangements, technical personnel that are not available from the co-producing countries may be engaged.

Further, an executive producer on a co-production is not considered to be part of the *making* of the project as their role is usually financial, not creative, which means you can have non-party executive producer/s on your project. Obviously, this does not apply if 'Executive Producer' is the credit given to the creative producer, as is the case with some television projects.

Ensure you check the relevant Arrangement for details, and be aware that the use of any non-party nationals outside the exceptions specifically set out in the Arrangement will mean the project will be ineligible as a co-production. We strongly recommend that you liaise with the POCU before making any decisions about the use of non-party nationals or non-party elements, and remember, approval must be given by all Competent Authorities.

## Personnel: Nationality

You need to take a number of issues into account when considering the nationality of personnel for co-productions:

### Dual citizenship

Where a person holds nationalities of both co-production countries (i.e. dual citizenship), that person must be consistently treated as **one** or **the other** nationality, but cannot be **both**. For example, when a writer/director is a national of both co-producing countries, the co-producers cannot seek to have the person considered to be one nationality as the writer, and the other as the director in order to 'balance' the project. The writer/director must be consistently considered to be of one nationality.

### EU nationals

In the case of all Arrangements with [European Union \(EU\) countries](#), nationals of any EU country are considered to be nationals of the co-producing country. As a result, in the case of an Australian co-production with France, Germany, Ireland, Italy or the UK, any EU nationals may take part in the making of the project. For example, if you're making a German-Australian co-production, you can safely hire a Spanish gaffer and a Belgian editor as these crew members would be considered 'German' for the purposes of the co-production, and for the purposes of the points and spend tests, will be counted as German.

### Australians and New Zealanders

Due to the Australia-New Zealand Closer Economic Relations Trade Agreement, New Zealand citizens and permanent residents are considered to be Australian citizens or permanent residents for the purposes of the co-production program (and vice-versa). This means that New Zealand nationals can safely be contracted onto any Australian co-production and for the purposes of the points and spend tests, will be counted as Australian.

The exception to this is New Zealand-Australian co-productions. In this case, the actual nationality or actual permanent residency of the participants – either Australian or New Zealand – is what's used for the points and expenditure tests.

Note, however, that when determining the amount of Qualifying Australian Production Expenditure (QAPE) for Producer Offset purposes, New Zealand nationals are treated as non-Australians.

## Screenwriters

It is a requirement that screenplays for all co-productions are credited to nationals of the co-producing countries. This means that non-party nationals cannot be screenwriters for official co-productions.

## Non-credited writers

Subject to the terms of the relevant Arrangement and the agreement of all relevant Competent Authorities, a writer who is not a national or permanent resident of one of the co-producing countries can *contribute* to the screenplay, provided that the person is not credited as a writer of the screenplay (as that term is understood by the Australian Writers' Guild or equivalent organisation).

This flexibility can only apply where the relevant co-production Arrangement permits it.

## Underlying works

Note that we do not consider the creation of underlying works to be part of the project's production, so there is no problem with non-party nationals being credited in such a manner as 'story by' or 'based on the novel by', for example. This means that you can option a work from outside the co-producing countries, including countries where there is no Arrangement in place.

## Location of production

Generally speaking, each Arrangement includes a requirement that a co-production is entirely made in the co-producing countries – this means from commencement of pre-production to the striking of the masters, but does not include composing music for the film. Generally, the Arrangements require the majority of the work to take place in the majority co-producer's country. You must check the terms of the relevant Arrangement for the specific requirement.

Co-producers may seek the Competent Authorities' approval to undertake location filming in a non-party country (for drama and documentaries). Generally, this would be approved only where the setting or subject matter requires the use of a specific location. This does not apply to animated projects, as animations are produced in a studio and are not dependent on a physical filming location to achieve their 'on-screen setting'.

Music composition can be undertaken anywhere, but the nationality of the composer is governed by the same rules as the nationalities of all other personnel (i.e. the composer must be a national or resident of the co-producing countries).

## Co-producers' Agreement

Each Arrangement specifies that the co-producers must execute a Co-producers' Agreement outlining the terms for the making of the co-production (the **Agreement**). The Agreement will form part of the financing documentation and, amongst other things, should specify the Arrangement(s) under which the project is being made. It should also include the budget, finance plan, cash-flow schedule, control and copyright holdings, financial splits and dispute resolutions.

Under the Agreement, the Australian co-producer must retain a share of copyright in the co-production, at least by the time that an application is made for final approval. This refers to copyright in the finished film, not copyright in any underlying work.

In addition, please note that each Arrangement specifies a number of provisions that **must** be included in a Co-producers' Agreement. You must ensure that each of these clauses (also set out on our website) is included in the Agreement. Amongst other things it requires a specific credit be included on the project in each co-production. The credit should be in the form 'An Australia-[Country] Co-production' or similar, with the majority co-producing party placed first. This credit provision should be specified in the Agreement.

## Multipartite co-productions

Co-productions with co-producers from more than two countries are referred to as **multipartite co-productions**.

You can only make a multipartite co-production where co-production Arrangements connect all the countries. The countries don't all have to be connected directly to each other, but each must have a formal Arrangement with at least one of the other partner countries.

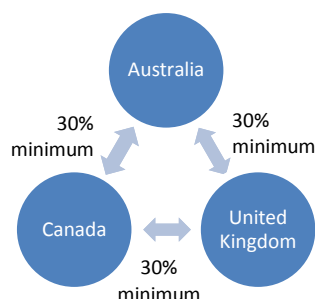
We strongly recommend that you contact the POCU early if you are planning such a production. Your co-producers should also speak with their respective Competent Authorities to ensure any limitations or restrictions are identified as early as possible

### Examples of three-way co-production structures

A three-way co-production can be structured in several ways, depending on the countries involved. (The following scenarios are provided as examples only, and do not amount to legal or accounting advice; you should seek your own profession advice.)

#### 1. All parties directly linked, and common minimum contributions

In this scenario, Arrangements are in place directly between all co-production countries and all these Arrangements have the same minimum contribution. An example would be a co-production between Australia, the UK and Canada, for which all Treaties require a 30% minimum contribution.

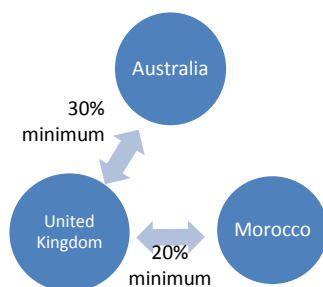


Generally speaking, this is relatively easy to structure as it is clear that each party must contribute at least that required by the Arrangements. The parties just need to meet the terms of the agreement to which they are a party – the most significant being the minimum 30% finance and creative contribution –

as well as the specific terms regarding the involvement of a ‘third co-producer’.

## 2. Two countries linked by a third

In this scenario, two of the countries are **not** linked by a bilateral Arrangement directly to each other, but both **are** linked to a third country (known as the ‘pivot country’). For example, Australia does not have a co-production Arrangement with Morocco, but both Australia and Morocco have Arrangements with the United Kingdom. The UK could then act as the pivot country in a co-production between Australia, the UK and Morocco.



In this situation, it will be important to verify the conditions of the UK-Moroccan Arrangement as well as the Australian-UK Arrangement to ensure the specific terms in which a third co-producer can be involved are met.

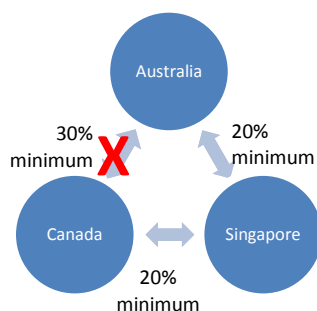
Importantly, each co-producer would need to meet the minimum contribution required by the Arrangement(s) to which their country is a party, so the Australian and UK co-producers would need to meet a 30% minimum, but the Moroccan co-producer need only meet the minimum of the UK-Moroccan Arrangement.

## 3. All parties directly linked, but different minimum contributions

In this scenario there are Arrangements between all co-production countries, but the minimum contributions for each are not the same. For example, in the case of a co-production between Australia, Canada and Singapore:

- the Australian-Canadian Treaty specifies a minimum of 30%
- the Australian-Singaporean Treaty specifies a minimum of 20%
- the Singaporean-Canadian Treaty specifies a minimum of 20%

The higher minimum contribution under the Australian-Canadian Arrangement could present problems for the producers if all parties were seeking to contribute a minimum of 20%.



However, because there are direct links between all three parties, it would be open to the originating producer to *choose* which Arrangements would apply, for example using only the Australia-Singapore and Singapore-Canada Arrangements – effectively making Singapore the ‘pivot country’ in a similar structure to example 2, with all co-producers needing to contribute a minimum of 20%. This would be expected to be reflected in the Co-producers’ Agreement.

#### **4. Involving the European Convention**

Producers may also wish to consider the [European Convention on Cinematographic Co-production \(ECCC\)](#) when undertaking multipartite productions. The ECCC is a convention governing multi-party productions with member and non-member parties.

We recommend that you liaise with your co-producers about the use of the ECCC as well as seek clarity from the relevant Competent Authorities.

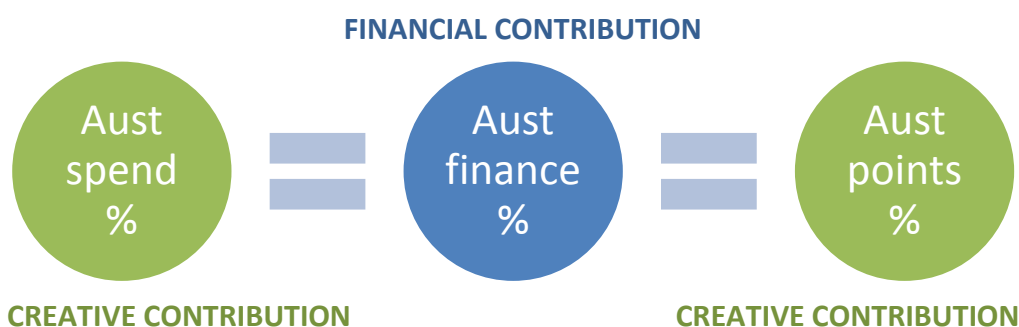
## BALANCE: How we assess the equivalence of the financial and creative contributions

### Reasonable equivalence

As noted above, the overarching principle of co-productions is that the creative and financial contributions of each co-producer are reasonably equivalent. While the financial contribution is easily identified, the creative contribution is assessed in different ways by the various Competent Authorities around the world.

Screen Australia measures the creative contribution of the Australian co-producer using both the proportion of **expenditure** on Australian elements and a **points test of Australian personnel**. We then compare these two measures against the Australian financial contribution to decide if they are reasonably equivalent. Basically, these three metrics must align.

The requirement is that the proportion of expenditure on Australian elements, and the proportion of Australian points (both expressed as a percentage) must not be more than 5% below the Australian financial contribution.



So, if the Australian financial contribution is 60%, the proportions of Australian expenditure and Australian points must each be *no less than* 55%. The 5% leeway is only applicable as a ‘floor’, so you could have your finance contribution at 60%, your Australian spend at 65% and your Australian points at 55%.

Please note that even with the 5% leeway allowed by Screen Australia, contributions must always be above the minimum required by the Arrangement (usually 20% or 30%, see page 8).

### Financial contribution

In your co-production application, you must divide the finance plan between the co-producers to determine the proportion of the finance contributed by each co-producer.

This division is referred to as the ‘co-production split’. Once this is calculated, the co-producers can identify whether the project meets the minimum financial contribution. The way the split is calculated is, however, not solely at



your discretion. Some aspects of a finance plan are inherently connected to the nationality of one of the co-producers, in that the financial support can **only** be provided by a co-producer of a given nationality. This includes:

- equity and financial support provided by national or regional screen bodies are considered contributed by the co-producer of that country (eg, Screen Australia or Australian state screen agency investment is automatically considered a financial contribution of the Australian co-producer)
- tax rebates tied to the nationality of a producer are contributed by that producer (eg, the Producer Offset by definition is a contribution of the Australian co-producer), and
- pre-sales, licence fees and distribution guarantees for each co-producer's 'home' territory must be contributions of that co-producer.

This means that Australian contributions from any of the above sources must be reflected on the Australian side of the 'split' (and the corresponding equivalent applies for your co-producer).

Remaining aspects of the finance plan are not considered to be automatically contributed by either co-producer, which means they should be allocated according to whichever co-producer brought that aspect of finance to the project.

In many cases, however, finance is jointly contributed, and producers can therefore determine the 'split' for these monies as negotiated by the co-producers and then outlined in the Co-producers' Agreement. Contributions such as gap loans, equity from third parties, presales or distribution guarantees from other territories or an advance against RoW sales can be attributed to either, or both, co-producers according to what works for the producers.

Please note that a finance plan in a co-production application cannot be speculative; you must be able to document, to some extent, each aspect of the finance plan (except for contributions which are automatic, such as tax incentives). Screen Australia will accept a Letter of Interest as the minimum documentation.

## Creative contribution

Once the financial contributions of each co-producer are identified, you need to demonstrate to Screen Australia that your creative contribution is reasonably equivalent to your financial contribution.

As noted above, Screen Australia assesses the creative contribution of the Australian co-producer in two ways:

1. Australian points – testing the proportion of Australian nationals in key roles through a points test, and
2. Australian spend – testing the proportion of expenditure on Australian elements.

## 1. Australian points

The points test assesses the proportion of key creatives who are Australian. Key creative roles are allocated a points value in the tables below. If the person filling that role is an Australian national or permanent resident, an Australian point is 'scored' for that role. Note that:

- producers do not attract points because there must be, by definition, one producer from each of the co-producing countries;
- an individual cannot be treated as two nationalities in one application;
- splitting of points may be approved on a case-by-case basis (for example, where each co-producing country has one writer each engaged on a television series);
- re-voicing or narrating in the language of each co-production country will result in the points being split, ie for an animation, voice cast is allocated 3 points, so if one voice track is undertaken in Australia and one track in the co-producing country, then the project scores 1.5 in the points test; and
- for feature films and television drama, if the film is a majority Australian co-production (ie Australian financial contribution is greater than 50 per cent), at least one of the four lead roles must be filled by an Australian national or permanent resident (ie there must be at least one point for key cast).

Different points tests apply for drama (the same test applies to both feature films and TV drama), documentaries (feature or TV) and animation (feature or TV), reflecting the differences in the key creatives or technical personnel for these different types of project. For clarity, if your film is a feature documentary, you complete the documentary points test and if your film is a feature animation, you complete the animation points test.

The tests aim to provide you with a degree of flexibility by allowing you some discretion in how the points test is structured, as follows:

- Each test has a set number of roles that are always counted (top-line key creative roles) in Section A. You must allocate all these roles.
- You must then select roles in Section B to make up the level of points required for the film.

Section B also includes a potential point for 'Other creative role'. If you wish to include the 'other point', you must demonstrate that the role in question is particularly important for the film. For example, if your film is a martial arts feature, it may be possible for you to allocate a point to the fight choreographer; or for a musical, to the musical director or choreographer. You will need to add a brief justification statement in support of your allocation of 'Other' in your provisional application.

Where you select a role for a discretionary point and we do not consider it to be a key creative role, we'll discuss this with you but we ultimately reserve the right not to accept the allocated point.

Please note that while all the points have to be allocated to one party or the other, you do not have to fill up the test with Australians; what you are trying to do is match the percentage of Australian points with the percentage of Australian-contributed finance.

For example, if you are contributing 70% of the finance to a feature film, the Australian share of points would need to be at least 65%, or 10 points out of 15 (if you only had 9 Australian points out of 15, it would equate to 60%, which is outside the allowed 5% margin).

We've created an interactive Co-production Eligibility Tool in Excel to assist with the calculation of your spend and points which can be downloaded from the [Screen Australia website](#).

<b>FEATURE FILMS and TV DRAMA</b>	<b>15 points</b>
<b>Section A</b>	
Writer	2
Director	2
DoP	1
Editor/Picture Editor	1
Cast (four principal roles) – NB if majority Australian co-production, at least 1 role must be filled by an Australian actor	4
<b>Section B (select 5 of the below)</b>	
Composer	1
Costume Designer	1
Production Designer	1
Script Editor	1
Sound Designer	1
Underlying work	1
VFX Supervisor	1
Other senior key role specific to the film such as choreographer, special make-up design etc. (You will need to justify this role)	1
Total points	15
<b>DOCUMENTARY</b>	<b>10 points</b>
<b>Section A</b>	
Writer	2
Director	2
DoP	1
Editor/Picture Editor	1
<b>Section B (select 4 of the below)</b>	
Composer	1
Researcher	1
Narrator	1
Sound Designer, Recordist, Sound Editor or Mixer	1
Underlying work/subject matter	1
Other senior key role specific to the film such as underwater DoP, art director, VFX supervisor etc. (You will need to justify this role)	1
Total points	10
<b>ANIMATION 3D/ 2D</b>	<b>13 points</b>
<b>Section A</b>	
Writer	2
Director/Animation Director	2
Cast	3

Key Animator	1
Storyboard Artist	1
<b>Section B (select 4 of the below)</b>	
Editor/Picture Editor	1
Key Background Artist	1
Composer	1
Sound Designer	1
Underlying work	1
Key Model Designer	1
Voice/actors director	1
Other senior key role specific to the film such as 3D modeller, digital compositor, previs animator etc. (You will need to justify this role)	1
Total points	13

## 2. Australian spend

As an indicator of Australian creative contribution, ‘Australian spend’ refers to the proportion of the budget which is spent on Australians and Australian service providers.

Australian spend includes expenditure on goods provided by Australians, Australian service providers and the use of Australian locations such as the Australian producer’s fee, the preparation of a budget by an Australian line producer and production catering services in Australia. We will look at the Australian spend in comparison to expenditure on services provided by the other co-producer(s).

Note that Australian expenditure does not necessarily equate to Qualifying Australian Production Expenditure (QAPE) for the Producer Offset, but is likely to be similar. For example, the cost of an Australian editor working on post-production in the UK counts as Australian spend for the purposes of the co-production equivalence test, but it would not be QAPE. Our fact sheet *Producer Offset and Co-productions*, available on the [Screen Australia website](#), provides more information.

### Balance over time

As each Arrangement is intended to benefit the economies, industry personnel, film studios and laboratories of partner countries, each Arrangement requires a ‘balance over time’ of the financial and creative participation of partner countries.

We recognise that there is likely to be some imbalance in the participation rates of co-producers from partner countries on particular projects. However, over time the participation of the partner countries should be close to equal. The Competent Authorities in each country are required by the Arrangements to monitor the contributions of each partner country under each Arrangement – over many different productions – to ensure a balance over time.

Screen Australia regularly assesses the relative balance with Australia’s co-production partners and will notify industry if we consider there is problematic imbalance with any of our partners.

## APPLYING FOR APPROVAL

The approval process is in two stages, Provisional and Final. Provisional Approval is not an optional stage for a co-production, as it is for the Producer Offset. All co-production projects must obtain Provisional Approval.

An application is lodged by each co-producer with their Competent Authority and when all Competent Authorities are satisfied that the project is eligible, the Competent Authorities grant approval.

### Provisional Approval

You should lodge a Provisional Co-production Application Form once you are in a position to provide:

- a detailed budget including a breakdown of Australian spend
- a detailed schedule
- a breakdown of the nationality of participants
- documentation (of at least Letter of Interest level) for each aspect of the finance plan and the co-production split
- a draft Co-producers' Agreement, and
- any agreements related to the project's development you have in place.

You will also need to provide a Statutory Declaration to certify the accuracy of all the details contained within the application, a completed Co-production Eligibility Tool, and an 'undertaking' which is attached to the Application Form.

Screen Australia aims to assess Provisional Co-production Applications within six-weeks of receipt of a complete Application. However, it is important to remember that co-production approval can only be granted once all the relevant Competent Authorities have approved the project so you should ensure your co-producer is lodging an application to its Competent Authority at the same time.

Download the application form: **Form A: Provisional Co-production Approval**, at [www.screenaustralia.gov.au/coproductions/provisional\\_approval.aspx](http://www.screenaustralia.gov.au/coproductions/provisional_approval.aspx)

You may also submit an application for a Producer Offset Provisional Certificate at the same time – for example, if you wish to confirm eligibility for the 40% Offset as a feature, or obtain an assessment of estimated QAPE, particularly relevant if the Offset forms part of your finance plan. Co-productions don't need to be assessed for Significant Australian Content (SAC) so a special-purpose form is used:

**Form B: Provisional Producer Offset Certification**, available at [www.screenaustralia.gov.au/coproductions/provisional\\_approval.aspx](http://www.screenaustralia.gov.au/coproductions/provisional_approval.aspx).

Note that we cannot issue a Producer Offset Provisional Certificate until the project's provisional co-production status has been approved.

If you don't need Provisional Offset certification, only Form A need be lodged.

## Reassessment of Provisional Approval

Your project may continue to evolve after you have received Provisional Approval. You can use the Co-production Eligibility Tool to monitor the likely effect of any changes on your co-production status, but keep in mind that it is not determinative.

If you feel the changes will affect your Provisional Approval, you can contact Screen Australia for a reassessment. If the project's eligibility is confirmed, we will issue a letter to that effect.

## Final Approval

You must lodge an application for Final Approval once the project is completed. This allows us to ensure that the project was made in accordance with the Provisional Approval. Along with the required application form, you will need to provide:

- a completed Co-production Eligibility Tool
- the Australian Production Audit
- executed long-form agreements for each aspect of the finance plan
- the executed Co-producers' Agreement
- a copy of the finished project
- a Statutory Declaration verifying the accuracy of the information contained in the application.

If you are seeking Final Producer Offset Certification, this can be applied for at the same time, using Forms A and B. Otherwise, you only need to submit Form A.

We aim to process Final applications within twelve weeks of a complete application and will seek to process both Co-production and Producer Offset applications at the same time. However, we cannot **issue** a Producer Offset Final Certificate until the project's final co-production status has been approved, and all relevant Competent Authorities must issue approval jointly.

See [www.screenaustralia.gov.au/coproductions/final\\_approval.aspx](http://www.screenaustralia.gov.au/coproductions/final_approval.aspx)

## Update log

### 12 November 2015

- Clarified 'Australians and New Zealanders' in 'Personnel: Nationality' section

### 9 February 2015

- Eligibility, Minimum contributions: clarified the roles of the two Korean Competent Authorities KOFIC and KCC.

### 29 January 2015

- Eligibility, Minimum contributions: inserted the correct Korean Competent Authority 'KCC'.