



GUIDELINES

PRODUCER EQUITY PROGRAM (PEP)

Issued 1 July 2017
Updated 1 July 2018

Screen Australia reserves the right to change its program guidelines from time to time. Please ensure you check the website for the latest version. These guidelines should be read in conjunction with Screen Australia’s [Terms of Trade](#).

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CONTACT PROGRAM OPERATIONS: We encourage you to contact the Program Operations team before you submit your application to discuss any eligibility questions and ensure all the required supporting material is in place. This will mean we can process your application as smoothly and efficiently as possible. Program Operations: **1800 507 901**

Producer Equity Program (PEP)

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).

Who can apply?

To be eligible, a project must:

- have Significant Australian Content (see box below)
- be a linear documentary of any length: Please refer to the [ACMA guidelines](#) for the definition of a documentary
- 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.

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.

Projects with Screen Australia funding

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

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 PEP.

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

What we don't fund through the PEP

Screen Australia does not apply PEP funds to programs that are a part of any Screen Australia initiative. In addition, PEP funding is not available for programs such as:

- reality, magazine television cooking, 'how to' or games
- light entertainment, infotainment, travel, sports, or panel
- current affairs
- extensions to film or tv programs and 'Slow' TV
- corporate, training, community access and public service projects or those whose primary market is the education sector.
- one-off such as 'Best Of' special episodes, of existing or ongoing series

What is the process?

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

All financing MUST be confirmed at the time of submitting your application.

Incomplete applications will be ineligible.

You must apply using the [Application Portal](#), providing the following materials:

- A complete [finance plan](#) using the Screen Australia template
 - 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 support cannot form part of the finance plan.
 - The full value of PEP must be contributed to the production budget.
- All evidence of all arms-length commercial arrangement(s) for distribution to the Australian public e.g. broadcast licence, distribution agreement, VOD agreement, a confirmed Australian film festival screening or cinema on demand screening.
- All relevant signed letters of offer, signed deal memos and signed term sheets for all marketplace or equity attachments for every line of the finance plan, including state agency funding, must be attached to the application. Where letters of offer, 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.
- A detailed budget and budget summary using the Screen Australia [A-Z Budget template](#). Production budgets must include:
 - **Contingency:** Contingency is set at 10 per cent.
 - **Delivery items:** Allowance must be made for delivery items specified for Screen Australia, the broadcaster and NFSA, as well as for sales company deliverables and other delivery items as required. See Terms of Trade for details.
 - **Study guides:** The cost of a study guide must be included in the budget as a line item of \$2,750 per hour. If the publisher decides not to create a study guide, the \$2,750 can be applied to marketing expenses. The producer must seek Screen Australia's approval of the choice of publisher (ATOM is pre- approved).
 - **Promotions and marketing:** Budgets should allocate an appropriate marketing spend fit for purpose.
- A letter from a certified accountant for any producer contributions listed on the finance plan.
- If the project is complete,
 - an online screening link to the completed project

- a final cost report
- statutory declaration confirming the final cost report
- 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.

Incomplete applications will not be accepted and will be considered ineligible.

Unless invited to reapply (in the context of managing available funds), projects can only be submitted more than once if substantial changes have been made, and more than two applications for the same project will not be accepted.

Terms of funding

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.

If successful, PEP will be included in the agreed finance plan and drawdown schedule. PEP will be paid in line with the terms of the Production Grant Agreement.

At 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.

With the exception of official Co-Productions, it is Screen Australia’s expectation that applications for direct funding will demonstrate that the project is written and directed by Australian citizens or residents.

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.

Update Log

9/4/2018:

-Added "With the exception of official Co-Productions, it is Screen Australia's expectation that applications for direct funding will demonstrate that the project is written and directed by Australian citizens or residents." To the Terms of funding section.

-Revised Study Guide costs as per ATOM.

1/7/2018

Revised the list of non-eligible programs to include any program that has received funding through a Screen Australia initiative and 'Slow' TV.