

Location Offset: Eligibility considerations

The Location Offset provides a 15 per cent refund on a production's Qualifying Australian Production Expenditure (QAPE). QAPE is broadly expenditure on the production of goods and services provided in Australia. This includes, for example, salaries of non-Australians for the period in which they work on the film in Australia.

Detailed explanations of eligibility and QAPE calculation are available in the Location and PDV Offset guidelines available from the Australian Screen Production Incentive page www.arts.gov.au/film/australian_screen_production_incentive.

Who can apply for the Location Offset?

The production company responsible for a film's production expenditure is eligible to apply for the Location Offset if it is:

- an Australian resident company; or
- a non Australian resident company with a permanent establishment in Australia and an Australian Business Number (ABN).

What are the key eligibility criteria?

Commencement

The Location Offset is available to:

- a production which commences principal photography on or after 8 May 2007; or
- an animated production which commences production of the visual image on or after 8 May 2007.

For productions that commenced before 8 May 2007, the Refundable Film Tax Offset (RFTO) continues to be available, with a benefit worth 12.5 per cent of a film's QAPE.

If the project is a television series, there are maximum timeframes for completion:

- Where a television series is predominantly an animation, it must be made within a period of 36 months.
- Where a television series is not predominantly an animation, principal photography for the series must be completed within 12 months.

Levels of expenditure

The key criterion to access the Location Offset is a minimum level of QAPE of A\$15 million on the production of the film.

- Where QAPE is at least A\$15 million and less than A\$50 million, this expenditure must be at least 70 per cent of the film's total (worldwide) production expenditure.
- Where QAPE is A\$50 million or more, it will qualify for the offset regardless, of the percentage ratio of QAPE to the film's total production expenditure.
- If the film is a television series, QAPE must also average at least A\$1 million per hour of the series.

Detailed explanations of QAPE and total production expenditure are available in the Location Offset guidelines available from the Australian Screen Production Incentive page www.arts.gov.au/film/australian_screen_production_incentive.

Formats

The formats eligible for the Location Offset are feature films (including direct-to-DVD), miniseries, telemovies and television series.

Television series can include drama, comedy, animation, reality or documentary. Please note that while documentary series are eligible for the Location Offset, documentary features are not. An eligible series may be any series made for television, so long as it is made up of two or more episodes and the series:

- is produced wholly or principally for exhibition to the public on television under a single title;
- contains a common theme or themes; and
- contains dramatic elements that form a narrative structure.

When can an application be made?

An eligible production company can apply in relation to a film or television production once:

- QAPE has ceased being incurred (for productions with QAPE of A\$50 million or more); or
- production expenditure has ceased being incurred (for productions with QAPE of at least A\$15 million and less than A\$50 million).