

Location Incentive Program Location Incentive Grants Guidelines

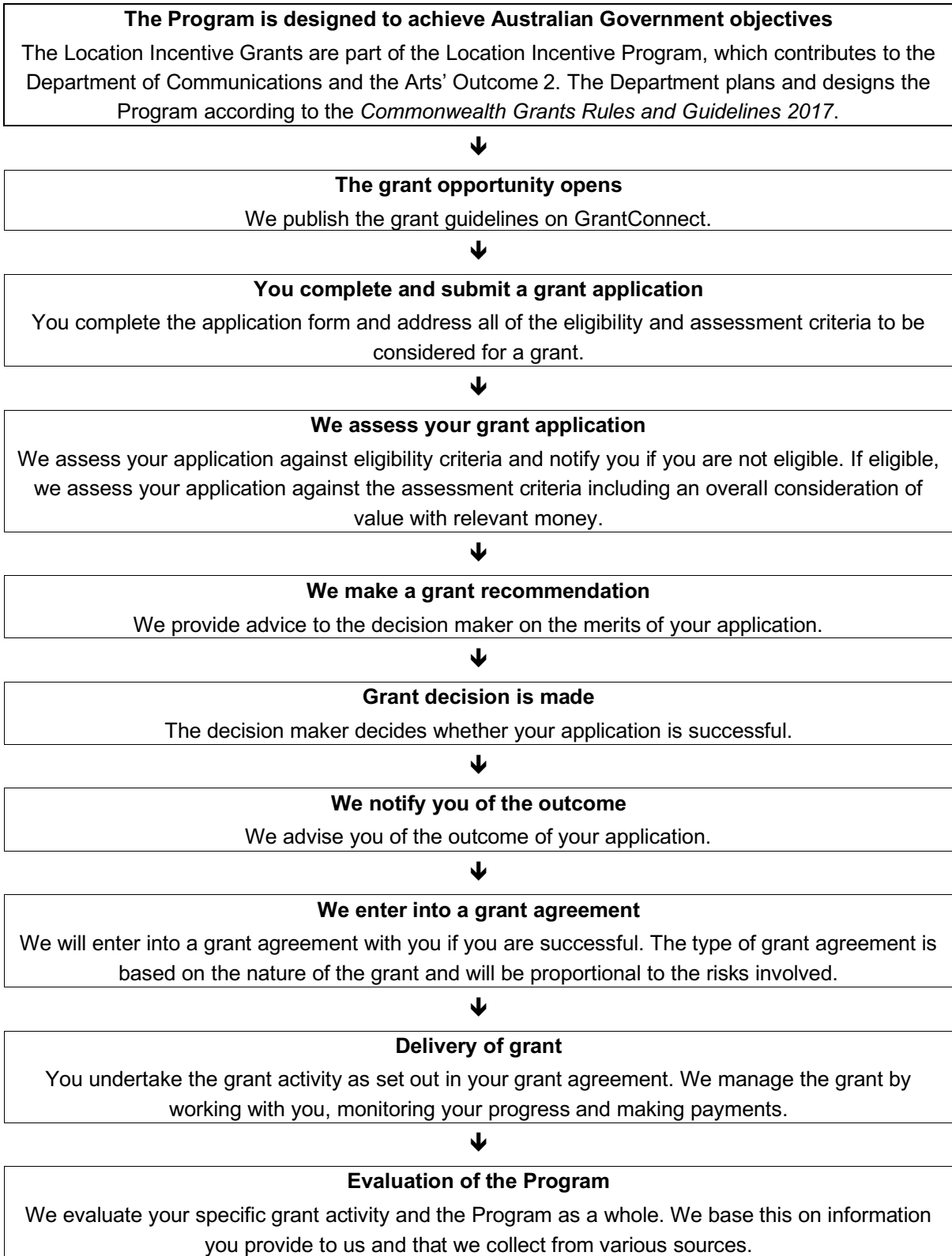
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|------------------------------------|--|
| Opening date: | 7 August 2018 |
| Closing date and time: | The Program will remain open until available funding has been fully expended |
| Commonwealth policy entity: | Department of Communications and the Arts |
| Enquiries: | If you have any questions, please contact the Screen Industry Section, Department of Communications and Arts, 02 6271 1543, filmenquiries@arts.gov.au |
| Date guidelines released: | 7 August 2018 |
| Type of grant opportunity: | Open non-competitive |

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1. Location Incentive Program: Location Incentive Grants processes



1.1 Introduction

These guidelines contain information for the Location Incentive Grants.

You must read these guidelines before filling out an application.

This document sets out:

- the purpose of the Location Incentive Program (the Program)
- the eligibility and assessment criteria
- how grant applications are considered and selected
- how grantees are notified and receive grant payments
- how grantees will be monitored and evaluated
- responsibilities and expectations in relation to the grant.

2. About the Location Incentive Program

The Location Incentive Program will provide funding of \$140 million over four years. Funding of \$35 million per annum will be provided each year commencing from 1 July 2019 to 30 June 2023. Applications to the Program will open from August 2018. The program was announced as part of the Location Incentive Program measure in the 2018-19 Budget.

The objective of the Program is to ensure that Australia remains competitive in attracting large budget international film and television productions, thereby providing opportunities for Australian cast, crew, post-production companies and other screen production service providers to participate in production. The Program will contribute to the development of the Australian screen production industry's capabilities and help ensure its future viability.

The expected outcome of the Program is that on average two to three large budget international screen productions will be supported each year to undertake filming in Australia.

The Program will be administered according to the [Commonwealth Grants Rules and Guidelines 2017 \(CGRGs\)](#)¹.

2.1 About the Location Incentive Grants

These guidelines contain information for the Location Incentive Grants, which are granted under the Location Incentive Program. This grant opportunity was announced as part of the Location Incentive Program measure in the 2018-19 Budget.

3. Grant amount

3.1 Grants available

The Australian Government has announced a total of \$140 million over four years for the Location Incentive Program. A total of \$35 million is available each year for this grant opportunity, starting in July 2019.

Each grant amount will be up to a maximum of 13.5 per cent of the production's qualifying Australian production expenditure (QAPE), to the limit of Program funds available in any given financial year during the Program's duration.

¹ www.finance.gov.au/resource-management/grants/

4. Eligibility criteria

The core eligibility criteria for accessing the Program are:

- eligible applicants;
- eligible formats;
- expenditure thresholds and timeframes (including minimum level of QAPE of \$15 million);
- commencement of production;
- the use of one or more Australian post, digital and visual effects providers; and
- support from relevant state or territory governments.

We cannot consider your application if it does not satisfy all the eligibility criteria.

4.1 Who is eligible to apply for a grant?

To be eligible for the Program you must also be eligible for the Location Offset, as defined in Division 376 of the *Income Tax Assessment Act 1997* (ITAA97). Guidance is available in the [Location Offset Guidelines](#).

You must be one of the following entity types prior to entering into a funding agreement with the Commonwealth:

- an Australian resident company with an Australian Business Number (ABN).
- a foreign resident company that has an Australian Business Number (ABN) and is operating through a permanent establishment in Australia.

You must also be the company that will carry out, or be responsible for making the arrangements for the carrying out of, all the activities that are necessary for the making of the production in Australia.

5. Eligible activities

5.1 What productions are eligible for a grant?

To be eligible for the Program your production must meet the eligibility criteria for the Location Offset, as defined in Division 376 of the ITAA97. Guidance is available in the [Location Offset Guidelines](#).

In summary, your production must:

- be an eligible format, being:
 - a feature film or film of a like nature (e.g. telemovie), excluding feature documentaries.
 - a miniseries of television drama, intended for broadcast via a traditional television broadcaster (including subscription and cable).
 - a television series (including documentary), intended for broadcast via a traditional television broadcaster (including subscription and cable).
- for a television series, be completed within the given timeframe, being:
 - for a television series that is predominantly an animation, the making of the series must be completed within 36 months.
 - for a television series that is not predominantly an animation, principal photography for the series must be completed within 12 months.

- meet or exceed the expenditure thresholds of:
 - \$15 million of QAPE.
 - for a television series, \$1 million of QAPE per hour.
- not have accessed any of the below Australian Government incentives:
 - the Post, Digital and Visual Effects Offset.
 - the Producer Offset.
 - Division 10B of Part III of the *Income Tax Assessment Act 1936*.
 - Division 10BA of the *Income Tax Assessment Act 1936*.

In addition to the criteria for the Location Offset, productions seeking funding through the Location Incentive Grants must:

- commence principal photography, or for animations, commence production of the visual image, in Australia on or after 1 July 2018.
- have confirmed support from one or more state or territory governments (i.e. financial, in-kind).
- utilise the services of one or more Australian providers of post, digital or visual effects services.

Supporting documentation is required to support an application.

5.2 Qualifying Australian production expenditure (QAPE)

QAPE is defined by section 376-145 of the ITAA97 as the company's production expenditure on the film or television project to the extent that it is incurred for, or is reasonably attributable to:

- goods and services provided in Australia,
- the use of land located in Australia, or
- the use of goods that are located in Australia at the time they are used in the making of the production.

For detailed information on QAPE, including ineligible expenditure items, please refer to:

- the [Location Offset Guidelines](#).
- the [Location Offset Glossary](#).
- [Division 376 of the ITAA97](#).

6. The assessment criteria

You will need to address the following assessment criteria in your application. We will evaluate your application based on its performance against each criterion. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested.

There is no word limit for your application.

Criterion 1: Contribution to the Australian economy

In providing a response to this criterion you must include, but are not limited to:

- a budget outlining the estimated QAPE, including separately identifying the amount of PDV work to be undertaken in Australia.
- a list of locations where the production is expected to film.

Criterion 2: Australian jobs, training and skills development

In providing a response to this criterion you must include, but are not limited to:

- an estimated figure for how many Australian cast and crew, including extras will be directly employed through the production.
- details of training and skills development that will be available for Australian cast and crew. This might include formal training as well as on the job training, and should include details of any internships or similar programs that may be offered. Initiatives demonstrating a genuine commitment to diversity and inclusion will be well received.

Criterion 3: Support for Australian businesses

In providing a response to this criterion you must include, but are not limited to:

- an estimated figure for how many Australian businesses will be utilised as service providers on the production.

Criterion 4: Other contribution

In providing a response to this criterion you should include, but are not limited to:

- details of other ways in which the production is expected to contribute to the broader Australian economy, which could include:
 - investment in Australian research and development in new technologies and practices;
 - contribution to tourism campaigns and promotional products;
 - economic activity undertaken outside the metro areas of Sydney, Melbourne or the Gold Coast;
 - creation or upgrade of Australian infrastructure.

7. How to apply

You must read these grant guidelines and the Location Offset Guidelines before you submit an application.

These documents may be found at [GrantConnect](#). Any alterations and addenda² will be published on GrantConnect and by registering on this website, you will be automatically notified on any changes. GrantConnect is the authoritative source for grants information.

² Alterations and addenda include but are not limited to: corrections to currently published documents, changes to close times for applications, Questions and Answers (Q&A) documents and Frequently Asked Questions (FAQ) documents

To apply you must:

- complete the [online application form](#)
- provide all the information requested
- address all eligibility criteria and assessment criteria
- include all necessary attachments.

You are responsible for ensuring that your application is complete and accurate. Giving false or misleading information is a serious offence under the *Criminal Code 1995* and we will investigate any false or misleading information and may exclude your application from further consideration.

If you find an error in your application after submitting it, you should contact the Screen Industry Section immediately on (02) 6271 1543 or at filmenquiries@arts.gov.au.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application.

You should keep a copy of your application and any supporting documents.

We will acknowledge that we have received your application within three working days.

If you need further guidance around the application process or if you are unable to submit an application online contact the Screen Industry Section at filmenquiries@arts.gov.au or by calling (02) 6271 1543.

7.1 Attachments to the application

We require the following documents with your application:

- a letter indicating state or territory government support
- a statement of budgeted QAPE.

Your supporting documentation should be uploaded where indicated in the application form. There will be instructions in the application form to help you.

7.2 Timing of grant opportunity processes

Applications can be submitted at any time between 1 July 2018 and 30 June 2023, or until we advise that the Program has fully committed and expended available funds.

You must provide us with information regarding the expected commencement and completion of production work in Australia.

Table 1: Expected timing for this grant opportunity

| Activity | Timeframe |
|--|--|
| Assessment of applications | 6-8 weeks |
| Negotiations and award of grant agreements | 1-3 weeks |
| Notification to unsuccessful applicants | 2 weeks |
| Start date of grant activity | By agreement with successful applicant |
| End date of grant activity | By agreement with successful applicant |

7.3 Questions during the application process

If you have any questions during the application period, contact the Screen Industry Section at filmenquiries@arts.gov.au or by calling (02) 6271 1543.

The Department will respond to emailed questions within three working days.

8. The grant selection process

8.1 Assessment of grant applications

We first review your application against the eligibility criteria.

Only eligible applications will move to the next stage. We consider eligible applications through a non-competitive, open grant process.

We will assess your application against the assessment criteria (see Section 6). We consider your application on its merits, based on:

- how well it meets the criteria
- whether it provides value with relevant money.³

When assessing the extent to which the application represents value with relevant money, we will have regard to:

- the overall objective to be achieved in providing the grant
- the extent to which the evidence in the application demonstrates that it will contribute to meeting the objective.

8.2 Who will assess applications?

An assessment committee will assess each application on its merit. The assessment committee will be made up of members of the Screen Industry Section. The Chairperson will be the Assistant Secretary, Creative Industries Branch.

The assessment committee may seek additional information about you or your application. They may do this from within the Commonwealth, even if the sources are not nominated by you as referees. The assessment committee may also consider information about you or your application that is available through the normal course of business.

The assessment committee recommends to the Minister which applications to approve for a grant.

8.3 Who will approve grants?

The Minister for the Arts decides which grants to approve taking into account the recommendations of the assessment committee and the availability of grant funds for the purposes of the grant program.

The Minister's decision is final in all matters, including:

- the approval of the grant
- the grant funding amount to be awarded
- the terms and conditions of the grant.

³ See glossary for an explanation of 'value with money'.

9. Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we will advise you of any specific conditions attached to the grant.

If you are unsuccessful, we will give you an opportunity to discuss the outcome.

You can submit a new application for the same grant in any future grant opportunities under the program. You should include new or more information to address any weaknesses that may have prevented your previous application from being successful.

9.1 Feedback on your application

If you are unsuccessful, you may ask for feedback within 10 working days of being advised of the outcome. We will give written feedback within one month of your request.

10. Successful grant applications

10.1 The grant agreement

You must enter into a legally binding grant agreement with the Commonwealth.

The Department will negotiate agreements with successful applicants. Any specific conditions attached to the grant will be identified in the grant offer or during the grant agreement negotiations.

The Commonwealth may recover grant funds if there is a breach of the grant agreement.

Standard Grant Agreement

We will use a standard grant agreement. You may request changes to the grant agreement. However, we will review any required changes to these details to ensure they do not impact the grant as approved by the Minister.

10.2 How we pay the grant

The grant agreement will state

- the maximum grant amount to be paid.
- the methodology for calculating the final grant amount (i.e. 13.5 per cent of certified QAPE).

We will not exceed the maximum grant amount under any circumstances. The grant amount will not be increased if you incur additional QAPE. However, if you incur less QAPE than your estimated QAPE statement, only 13.5 per cent of certified QAPE will be paid.

An agreed payment schedule will be set out in the grant agreement.

In most circumstances, we will pay 100 per cent of the grant on completion of the project. We will pay this when you:

- submit an application for the Location Offset.
- submit a satisfactory final report.

In some circumstances, we may make an initial partial payment on execution of the grant agreement. This acknowledges the variability of factors impacting screen production environments. In this case, we will then make a subsequent and final payment when you:

- submit an application for the Location Offset.
- submit a satisfactory final report.

10.3 Grants Payments and GST

Payments will be GST Inclusive.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the [Australian Taxation Office](#).⁴ We do not provide advice on your particular taxation circumstances.

11. Announcement of grants

If successful, your grant will be listed on the GrantConnect website 21 calendar days after the date of effect as required by Section 5.3 of the CGRGs.

We will publish only the recipient name, and the value of the grant agreement.

The Government may also wish to issue a media release on the grant, this will be done in consultation with the grantee.

12. How we monitor your grant activity

12.1 Keeping us informed

You should let us know if anything is likely to affect your project or organisation.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

You must notify us of events relating to your grant, and provide an opportunity for the Minister or their representative to attend if appropriate.

12.2 Reporting

You must submit reports in line with the grant agreement.

Ad-hoc reports

We may ask you for ad-hoc reports on your grant. This may be to provide an update on progress, or any significant delays or difficulties in completing the project.

Final report

When you complete the project, you must submit a final report.

Final reports must:

- identify if and how outcomes have been achieved
- include the agreed evidence as specified in the grant agreement
- identify the total eligible expenditure incurred
- be submitted as per the grant agreement.

⁴ www.ato.gov.au

12.3 Grant agreement variations

We recognise that unexpected events may affect your progress. In these circumstances, you can request a variation to your grant agreement. You can request a variation by contacting the Screen Industry Section.

You should not assume that a variation request will be successful. We will consider your request based on provisions in the grant agreement and the likely impact on achieving outcomes.

12.4 Evaluation

We will evaluate the Program to measure how well the outcomes and objectives have been achieved. We may use information from your application and reports for this purpose. We may also ask you for more information to help us understand how the grant impacted you and to evaluate how effective the program was in achieving its outcomes.

12.5 Acknowledgement

Acknowledgement of the Australian Government will be required under the Program. Details will be negotiated and included in the funding agreement.

13. Probity

The Australian Government will make sure that the grant opportunity process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

These guidelines may be changed from time-to-time by the Department. When this happens, the revised guidelines will be published on GrantConnect.

13.1 Enquiries and feedback

The Department's [Client Service Charter](#) applies to complaints about this grant opportunity. All complaints about a grant process must be provided in writing.

Any questions you have about grant decisions for this grant opportunity should be sent to clientservice@communications.gov.au.

If you do not agree with the way the Department has handled your complaint, you may complain to the Commonwealth Ombudsman. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with the Department.

The Commonwealth Ombudsman can be contacted on 1300 362 072 (toll free), by email at ombudsman@ombudsman.gov.au or via the [Ombudsman's website](#).

13.2 Conflicts of interest

Any conflicts of interest could affect the performance of the grant opportunity or program. There may be a conflict of interest, or perceived conflict of interest, if Departmental staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program.

You will be asked to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform the Department in writing immediately.

Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (Section 13(7)) of the *Public Service Act 1999*. Committee members and other officials including the decision maker must also declare any conflicts of interest.

13.3 Privacy: confidentiality and protection of personal information

We treat your personal information according to the 13 Australian Privacy Principles and the *Privacy Act 1988*. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- who we give your personal information to.

You may be required, as part of your application, to declare your ability to comply with the *Privacy Act 1988*, including where applicable the Australian Privacy Principles and impose the same privacy obligations on any subcontractors you engage to assist with the activity. You must ask for the Department's consent in writing before disclosing confidential information.

Your personal information can only be disclosed to someone else:

- if you are given reasonable notice of the disclosure;
- where disclosure is authorised or required by law or is reasonably necessary for the enforcement of the criminal law;
- if it will prevent or lessen a serious and imminent threat to a person's life or health; or
- if you have consented to the disclosure.

The Australian Government may also use and disclose information about grant applicants and grant recipients under this grant opportunity in any other Australian Government business or function. This includes giving information to the Australian Taxation Office for compliance purposes.

We may reveal confidential information to:

- the committee and other Commonwealth employees and contractors to help us manage the program effectively
- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Parliamentary Secretary
- a House or a Committee of the Australian Parliament.

We may share the information you give us with other Commonwealth agencies for purposes including government administration, research or service delivery and according to Australian laws.

We will treat the information you give us as sensitive and therefore confidential.

The grant agreement will include any specific requirements about special categories of information collected, created or held under the grant agreement.

13.4 Freedom of information

All documents in the possession of the Australian Government, including those about this grant opportunity, are subject to the *Freedom of Information Act 1982* (FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

All Freedom of Information requests must be referred to the Freedom of Information Coordinator in writing.

By mail: Freedom of Information Coordinator
Department of Communications and the Arts
GPO Box 2154
CANBERRA ACT 2601

By email: foi@communications.gov.au

14. Glossary

| Term | Definition |
|-----------------------|--|
| accountable authority | see subsection 12(2) of the PGPA Act |
| administering entity | when an entity that is not responsible for the policy, is responsible for the administration of part or all of the grant administration processes |
| assessment criteria | are the specified principles or standards, against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive grant opportunity, to determine application rankings. |
| commencement date | the expected start date for the grant activity |
| completion date | the expected date that the grant activity must be completed and the grant spent by |
| co-sponsoring entity | when two or more entities are responsible for the policy and the appropriation for outcomes associated with it |
| date of effect | can be the date on which a grant agreement is signed or a specified starting date. Where there is no grant agreement, entities must publish information on individual grants as soon as practicable. |
| decision maker | the person who makes a decision to award a grant |
| eligibility criteria | refer to the mandatory criteria which must be met to qualify for a grant. Assessment criteria may apply in addition to eligibility criteria. |

| Term | Definition |
|--|---|
| Commonwealth entity | a Department of State, or a Parliamentary Department, or a listed entity or a body corporate established by a law of the Commonwealth. See subsections 10(1) and (2) of the PGPA Act |
| Commonwealth Grants Rules and Guidelines (CGRGs) | establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration. Under this overarching framework, non-corporate Commonwealth entities undertake grants administration based on the mandatory requirements and key principles of grants administration. |
| grant | for the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: <ul style="list-style-type: none"> <li data-bbox="790 840 1402 952">a. under which relevant money⁵ or other CRF money⁶ is to be paid to a grantee other than the Commonwealth; and <li data-bbox="790 952 1402 1108">b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives. |
| grant activity/activities | refers to the project/tasks/services that the grantee is required to undertake |
| grant agreement | sets out the relationship between the parties to the agreement, and specifies the details of the grant |
| GrantConnect | is the Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the CGRGs |
| grant opportunity | refers to the specific grant round or process where a Commonwealth grant is made available to potential grantees. Grant opportunities may be open or targeted, and will reflect the relevant grant selection process. |
| grant program | a 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grant opportunities under a single entity Portfolio Budget Statement Program. |

⁵ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

⁶ Other CRF money is defined in the PGPA Act. See section 105, Rules in relation to other CRF money.

| Term | Definition |
|--------------------|---|
| grantee | the individual/organisation which has been selected to receive a grant |
| PBS Program | described within the entity's Portfolio Budget Statement, PBS programs each link to a single outcome and provide transparency for funding decisions. These high-level PBS programs often comprise a number of lower level, more publicly recognised programs, some of which will be Grant Programs. A PBS Program may have more than one Grant Program associated with it, and each of these may have one or more grant opportunities. |
| selection criteria | comprise eligibility criteria and assessment criteria. |
| selection process | the method used to select potential grantees. This process may involve comparative assessment of applications or the assessment of applications against the eligibility criteria and/or the assessment criteria. |
| value with money | <p>value with money in this document refers to 'value with relevant money' which is a judgement based on the grant proposal representing an efficient, effective, economical and ethical use of public resources and determined from a variety of considerations.</p> <p>When administering a grant opportunity, an official should consider the relevant financial and non-financial costs and benefits of each proposal including, but not limited to:</p> <ul style="list-style-type: none"> • the quality of the project proposal and activities; • fitness for purpose of the proposal in contributing to government objectives; • that the absence of a grant is likely to prevent the grantee and government's outcomes being achieved; and • the potential grantee's relevant experience and performance history. |