SCREENWEST
TERMS OF TRADE

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PO Box 8349, Perth Business Centre, Western Australia 6849
Gordon Stephenson House, 140 William Street, Perth Western Australia 6000
Tel: +61 8 6552 7700 Toll Free: 1800 463 043 Fax: +61 8 6552 7777
Email: info@screenwest.wa.gov.au www.screenwest.wa.gov.au

INTRODUCTION

ScreenWest Funding Programs

ScreenWest is the Western Australian Government's funding body for the Western Australian screen production industry. Its functions are to support and promote the development of a highly creative, culturally relevant, innovative and commercially sustainable Western Australian screen industry. To this end, ScreenWest offers funding programs covering Development, Production, Indigenous, Digital, Audience Engagement, Production Company and Practitioner Support.

Funding is provided by way of grant, interest-free limited-recourse loan or pro rata equity investment (recoupable investment), depending on the type of program applied for.

Funding decisions are determined by the terms and available funding for the relevant program, and the number and quality of competing qualifying applications. Eligibility requirements apply to both applicants and projects for which funding is sought.

ScreenWest will also usually cap the amount it invests in any one project. In some programs ScreenWest will also cap the amount available to any company in any financial year.

Terms of Trade and Program Guidelines

ScreenWest's **Terms of Trade**, as set out in this document, broadly outline the core terms on which the organisation will transact its business. They apply to ScreenWest funding support. They do not apply to the Producer Offset, which is governed by Division 376 of the *Income Tax Assessment Act 1997.*

Contracts entered into between ScreenWest and applicants for funding reflect both these terms of trade and the specific requirements relating to each program as set out in **program guidelines.**

The program guidelines set out any particular eligibility requirements, assessment criteria, funding caps and other matters specific to each program. See the range of ScreenWest funding programs: www.screenwest.wa.gov.au

Applying to ScreenWest for Funding

Applicants considering ScreenWest funding should read application guidelines available on the ScreenWest website. Special attention should be paid to the items sought by ScreenWest to support each submission. If necessary contact the nominated ScreenWest representative for additional clarification prior to submitting an application for funding.

ScreenWest will accept applications:

a) online: ScreenWest has an online application facility via the ScreenWest website. This is ScreenWest's preferred option. To apply for this facility please follow the following link: http://www.screenwest.com.au/go/funding/apply-online.

b) by email to: funding@screenwest.wa.gov.au

c) by post to: ScreenWest, PO Box 8349, Perth Business Centre, Perth, WA 6849.

d) by hand delivery to: ScreenWest, Level 7, 573 Hay Street, Perth, 6000.

ScreenWest has a strict policy regarding deadlines and late applications may not be accepted.

Material submitted to ScreenWest will not be returned. Applicants should keep their own copy of the application, and should not under any circumstances submit original supporting material.

Those Applicants who apply via ScreenWest's online facility will receive an automated response acknowledging receipt of the application. Those who apply via email, post or hand delivery will receive an email notification within two working days of the closing date. It is the applicant's responsibility to follow up with ScreenWest if they do not receive this response.

TERMS OF TRADE

1. GENERAL MATTERS

1.1. Terms of Trade Applicable to your Project

ScreenWest's terms of trade may change from time to time. The Terms of Trade in force at the time ScreenWest decides to invest in your project will continue to apply for the life of your project.

1.2. General Eligibility for ScreenWest funding

Applicant Eligibility

An applicant must be:
- A Western Australian Resident; or
- A Western Australian Resident Company that is registered under the Corporations Act; or
- Be in a genuine Co-production Partnership with a Western Australian Resident Company (which will be the Applicant).

Applicants must also:
- Not be in breach of any obligation under any agreement they have with ScreenWest unless an alternative arrangement is agreed with ScreenWest prior to application. This requirement also applies to all key principals of the applicant;
- Always act 'in good faith' in all their dealings with ScreenWest;
- Have the capacity and resources to carry out the project that is the subject of the application;
- Have the right to carry out the project that is the subject of the application (including any relevant copyright and appropriate clearances from all significant participants). If the application is based on an underlying work, ScreenWest will expect, at the least, that the applicant has an appropriate option to the work;
- Have meaningful creative involvement in the project that is the subject of the application;
- Demonstrate that their application is consistent with the purpose of the relevant program;
- In relation to applications for development or production investment, be able to demonstrate that their project is eligible;
- Not be an employee of a broadcaster or a company owned or controlled by a broadcaster;
- Be an independent production company i.e. not a government agency, distributor, telecommunications company or any other organisation involved with a broadcast platform;
- Not be a full-time student at a film school or similar tertiary film, television or interactive digital media course;
- Applications should demonstrate significant cultural or economic benefits to Western Australia and the Western Australian screen industry, and ScreenWest will give preference to projects bringing significant benefit to the State.

Applicants must provide such information in relation to their applications as ScreenWest reasonably requires.

ScreenWest reserves the right to refuse funding where an applicant's key principals would be ineligible in accordance with these Terms of Trade.

1.3. Acting in Good Faith

ScreenWest acts in the public interest and must exhibit the highest levels of propriety in its dealing with applicants. ScreenWest requires applicants to act in the same way in their dealings with ScreenWest. Applicants must be honest and open in all dealings with ScreenWest. They must not mislead or deceive ScreenWest by act or omission.

ScreenWest also expects all successful applicants to act fairly and reasonably to third parties involved in their project. Fairness and reasonableness includes (a) paying at least award minimum rates for all work performed by third parties on their project, including cast and crew fees; (b) respecting the rights of all relevant persons, whether those rights be copyright or other intellectual property rights, moral rights or Indigenous Cultural and Intellectual Property rights.

1.4. Fees

ScreenWest does not charge application fees.

Administration Fees and/or Legal Fees apply to successful applications for production funding. Amounts and caps on fees are listed in each specific production funding guideline.

1.5. Audit Rights

ScreenWest may require the right to audit expenditure (costs and receipts) of its investment to ensure compliance with contract requirements. In the case of production funding, an independent audit is required of all production expenditure at project completion. For non-Western Australian resident companies this will include an independent audit of the Qualifying Western Australian Expenditure (QWAE). (For full details of QWAE see *ScreenWest Definition of Qualifying Western Australian Expenditure*).

Western Australian Resident Companies and/or individuals are not required to provide an audit of the QWAE unless specifically requested by ScreenWest. If requested, ScreenWest will cover the additional costs associated with the QWAE audit.

1.6. GST

Generally, GST is payable on ScreenWest's investment and fees. ScreenWest requires the applicant to have an Australian Business Number (ABN) and register for GST, if required by law. ScreenWest will require the applicant to issue a Tax Invoice as a precondition to drawdown of the ScreenWest funds.

1.7. Qualifying Western Australian Expenditure and Employment.

ScreenWest's role is to support and promote the development of the Western Australian screen industry. As such most ScreenWest funding programs are available only to Western Australian residents and Western Australian registered production companies, or Western Australian production companies working in a genuine co-production arrangement with interstate or international production companies. (For detailed definitions of Western Australian resident, Western Australian Production Company and genuine Western Australian co-production refer to the Glossary).

Similarly, many ScreenWest funding programs require levels of Qualifying Western Australian Expenditure. (For full details of QWAE see *ScreenWest Definition of Qualifying Western Australian Expenditure).*

1.7.1 QWAE Spend Reporting

ScreenWest requires that Applicants meet their expected level of Qualifying Western Australian Expenditure, and the Western Australian expenditure commitments will be monitored throughout the production by ScreenWest. With each Production Report provided to ScreenWest under the relevant Agreement, the Producer will declare within it whether the QWAE as nominated will be reached, and in the event that, at any time, the Producer reasonably expects the level of expenditure in Western Australia will be less than that nominated, the Producer will notify and engage in meaningful consultation with ScreenWest, and use its best endeavours to:

(i) replace any previously planned QWAE with alternative QWAE;
(i) meet the level of minimum QWAE set;
(ii) minimise the under spend in overall Western Australian expenditure.

In the event of a disagreement between a Producer and ScreenWest Management in regard to either:

(a) the Producer meeting their expected QWAE; or
(b) the Producer's best endeavours (as outlined in (i),(ii) and (iii) above)

ScreenWest Management will put forward any written representation by the applicant to the ScreenWest Board for final determination.

A failure to comply with the expenditure in Western Australia without ScreenWest's prior written approval will be a breach of the Production Investment Agreement (PIA) or Production Grant Agreement (PGA) and may prevent the Producer from being eligible to obtain further funding from ScreenWest.

1.8. Application Assessment

ScreenWest utilises a combination of ScreenWest and external industry experts when assessing applications.

Investments or grants up to $25,000 are normally assessed and approved by ScreenWest management. For projects seeking more than $25,000 the decision is made by the ScreenWest Board. Where funding assistance exceeds $50,000 the Minister for Culture and the Arts is the decision maker, based on recommendations from the ScreenWest Board.

During the application, assessment and contracting process ScreenWest may contact the Applicant to seek further information regarding the application. ScreenWest will also aim to work closely with Applicants to ensure the best possible funding outcome for the application within the parameters of the particular funding program.

ScreenWest may be required to contact and discuss an application with all parties associated with the application, including but not limited to broadcasters, Screen Australia, other state agencies, distributors and/or sales agents approached by the Applicant, and companies/organisations included in the applicant's finance plan.

2. CREDITING SCREENWEST

ScreenWest requires acknowledgement of its support, for example by way of a credit on the film and its publicity materials. Credit requirements vary according to the nature of the support.

Prior to finalisation of the production or associated materials, Producers may seek to negotiate variations of ScreenWest's standard credits or other acknowledgements, taking into consideration the involvement of all relevant parties.

For more information, see the *ScreenWest Co-badged User Guide*, available on the 'Using Our Brand' page of the ScreenWest website: http://www.screenwest.wa.gov.au/go/about-screenwest/using-our-brand. Further queries should be directed to the ScreenWest Communications Manager.

3. INDIGENOUS CONTENT

Where there is Indigenous content or participation in any production, ScreenWest requires that the Producer complies with Screen Australia's protocols, including those related to treatment of Indigenous Cultural and Intellectual Property Rights. For more information, see '*Indigenous Content and Participation*' in Screen Australia's program guidelines and *Pathways & Protocols: a filmmaker's guide to working with Indigenous people, culture and concepts*.

4. TERMS OF FUNDING AND GROSS RECEIPTS

4.1. Grant

ScreenWest contribution to a project by way of a grant does not have to be repaid other than in case of breach of contract. Where ScreenWest provides a grant in the form of production funding, the applicant is entitled to calculate that grant as part of their equity entitlement and recoup accordingly.

4.2. Development Funding

Development Funding is provided as an investment. If a project has received development funding from ScreenWest and then proceeds to production with ScreenWest production funding, on the commencement of principal photography the Producer will reimburse all of the development funds plus a 10% premium charge.

Should the Applicant not comply with the terms of the Development Investment Agreement in relation to the agreed level of production to be undertaken in Western Australia, an additional amount of one hundred percent (100%) of the ScreenWest investment may be charged.

The amount ScreenWest will fund depends on available funding, terms of the particular program, the number of applicants satisfying the program's requirements, and the quality of the applications.

Type of Fund	Application Cap	Applicant/Production Company Financial Year Cap
Feature Film Development, Documentary and Television Development, Emergency Development*	$25,000 **Under Emergency Funding ScreenWest will only accept one application per project*	$50,000 total across all development funds listed
Matched Development	$25,000	No cap per company $50,000 per project
Special Initiatives (including but not limited to): • West Coast Visions • Digital • Tele Navigator • Feature Navigator • Stepping Stones	Depends on the partnership and initiative. The maximum amount per application cannot exceed $25,000.	No cap

4.3. Equity Investment

For finance provided by way of recoupable investment (equity), ScreenWest will participate in gross receipts commensurate with its investment. Recoupment is calculated on a pro rata pari passu basis with other equity investors.

For all projects except production attraction projects, once ScreenWest and the Producer have each received gross receipts equal to $100,000 from further sales and distribution of the project and materials associated with its production, or until the reversion provisions (see Section 6) have taken effect, whichever is first, the Producer is entitled to a share of ScreenWest's gross receipts on a 50:50 proportional basis. The Applicant's entitlement is to be calculated taking into account the Applicant's equity in the film which includes the Producer Offset.

ScreenWest prefers that the Applicant have equity in the production. The nature and extent of the Applicant's equity will depend on the extent of the Applicant's investment. Where ScreenWest provides funding as a grant, the Applicant can use that as part of its equity in the production.

In the case of Offset projects, ScreenWest will on a case-by-case basis consider investing in a project where a Producer can show they have secured the balance of the production funding without cash flowing the Offset. In determining its level of funding investment, ScreenWest may require an independent assessment of the budget. Where Screen Australia is co-funding and provides any additional corridor of recoupment to the Applicant over and above the pro rata pari passu entitlements, ScreenWest will mirror the corridor with Western Australian applicants.

4.4. Loan

Under the General Production Fund Guidelines, Western Australian Resident Applicants can choose to request that their funding is as a loan. Applicants may also choose to mix their funding as part loan, part investment. Production Fund Loans must be fully recouped and must be secured by either the Producer Offset and/or market attachments (e.g. presales, distribution advances etc).

At ScreenWest's discretion, it may secure a registered charge over the assets of the project and the company until the loan is repaid.

No interest will be charged on the loan, however ScreenWest's legal costs will be covered by the Applicant, with a cap on legal fees of $5,000. See the Production Fund guidelines for more details.

4.5. Subordination

Generally, ScreenWest will not subordinate its recoupment right to other equity investors however, where a Private Investor is secured and subject to the Applicant's negotiations with the Private Investor, ScreenWest will consider subordinating its recoupment right until the Private Investors have fully recouped their investment.

After the Private Investor has recouped, ScreenWest will allow a 20% corridor to the Private Investor and the balance is split pro rata pari passu between the other investors until ScreenWest has fully recouped its investment. Once all equity investment is repaid, ScreenWest prefers that further revenue be shared between the Applicant and investors on a 50/50 basis.

In relation to Offset projects, the recoupment entitlement will be calculated as if the total value of the Producer Offset is contributed towards the production budget and the Applicant has equity in the production equal to the value of the Producer Offset.

4.6. Screenrights

The Applicant is entitled to all revenue from Screenrights.

4.7. Recoupment

The Producer is ultimately responsible for the collection and disbursement of all gross receipts. ScreenWest require the appointment of a collection account manager on a project funded through its production funding schemes.

ScreenWest has no financial interest in any 'Export Market Development Grant' that the Applicant may be entitled to as a result of the production.

5. RIGHTS FOR DEVELOPMENT AND PRODUCTION FUNDING

5.1. Underlying Rights

ScreenWest requires the producer to have, or be in a position to acquire on appropriate terms, all underlying rights required to make and exploit the project.

5.2. Copyright Interest

ScreenWest requires a 1% copyright interest in all projects for which it provides development or production funding.

Where the Applicant is a Western Australian Resident Company, ScreenWest retains its copyright interest for 5 years after delivery of the project, after which the copyright will revert back to the Applicant. Where the Applicant is a non-Western Australian Resident Company, ScreenWest retains its copyright interest for the duration of the project's copyright. Where the project is a co-production between a non Western Australian Resident Company and a Western Australian Resident Company, the copyright will revert back to the Western Australian Resident Company only. Western Australian Producers may apportion their copyright as they see fit.

5.3. Promotional Material

ScreenWest requires the right to use the project and promotional materials (in whole or part) for its corporate and promotional purposes.

5.4. Approval Rights

ScreenWest requires approval rights as set out in the project's Production Investment Agreement (PIA), Production Loan Agreement (PLA) or Production Grant Agreement (PGA).

5.5. Exploitation

ScreenWest requires a right to participate in revenues generated by further exploitation of the production including sequels, spin-offs and remakes, with licence fees expected to be included in the budget of the further production (to be shared amongst investors in the original production) as follows:

- Documentaries and adult TV drama series (6 or more episodes): $5,000 per episode for the first series; $7,500 for each subsequent series;
- All other formats: 2% of the production budget.

Under the terms of the production agreement, ScreenWest will assign these rights to the Producer.

6. REVERSION

For all production investments approved, ScreenWest will revert its entitlement to gross receipts in favour of the Western Australian producer five years after the delivery date stated in the Production Investment Agreement.

7. COMPLETION GUARANTEE

Generally, ScreenWest requires the appointment of a Completion Guarantor for production investment projects. Where Screen Australia is also contributing financially to a production and waives the requirement for a Completion Guarantor, ScreenWest may also waive the requirement as long as the Applicant can guarantee delivery.

ScreenWest may waive the requirement of a Completion Guarantor for documentaries where some or all of the following conditions are met:

- The total budget for the project is under $250,000;
- The production team is 'experienced';
- The Producer can assure ScreenWest they have the required funds, insurances and/or an arrangement with a broadcaster or distributor that ensures any unforeseen overages can be covered to deliver a satisfactory product to the market;
- The nature of the subject matter being proposed means there is limited risk in the project being completed on time and on budget;
- The nature of the project means key creatives and/or core subject matter can be replaced with alternatives if necessary;
- A qualified and approved consultant is employed at the Production Company's expense to oversee ScreenWest's interests in the production in terms of budget expenditure.

Regardless of the above, ScreenWest retains the right to require a Completion Guarantor if it identifies any risk it believes will be alleviated by having a Completion Guarantor.

8. WHAT SCREENWEST DOES NOT FUND

To see the range of projects and activities for which ScreenWest provides funding go to the ScreenWest Website: http://www.screenwest.com.au/go/funding/funding-programs

ScreenWest does not provide funding for:

- Activities associated with a course of study or which are predominantly funded by an educational institution;
- Purchase of equipment or capital works;
- Productions primarily intended for corporate, educational, training or promotional purposes;
- Productions for non-commercial outlets (e.g. community television), or which are not intended for national and/or international broadcast or distribution;
- Productions which do not have a national market attachment;
- Television programming (other than drama or documentary) such as commercials, infotainment, news or current affairs, variety and light entertainment, and general children's programming that does not meet the 'C' or 'P' definitions under the *Children's Television Standards Act 2005*;
- Sketch comedy shows, magazine shows, sports telecasts, quiz panels and reality or variety programs;
- Documentary 'Domestic Program' projects, in which full funding is shared between the broadcaster and Screen Australia, unless the budget exceeds the full amount that Screen

Australia and the broadcasters will provide (i.e. in excess of $400,000 for a one-off program and $1,000,000 for a series);

- Short films;
- Interstitials. Variations may be considered in regard to animation and non traditional forms where a genuine market interest can be shown;
- Computer games for entertainment purposes only;
- Publication costs of film journals, books or magazines;
- Costs associated with acquiring an option;
- Projects that could attract an X18+ or RC (Refused Classification) as described in the guidelines for the *Classification of Film and Computer Games* available through the Office of Film and Literature Classification .

ScreenWest reserves the right to vary these conditions for Indigenous projects.

9. PAYMENT OF CAST AND CREW

ScreenWest requires that all freelance crew be paid fees not less than the industry award rate based on a 50 hour week as per the current *Motion Picture Production Agreement* (available from MEAA). ScreenWest will recognise exceptions agreed to by MEAA.

ScreenWest requires that all cast be paid fees not less than the industry award rate as per the relevant *Actors Feature Film Award or the Actors Television Program Award* (available from MEAA).

10. APPEALS

Applicants can formally appeal to the ScreenWest Board for reconsideration if they disagree with assessment decisions made by ScreenWest. Appeals should be directed in writing to the Chief Executive, and must be lodged within 10 business days of receiving written notification of the assessment decision. ScreenWest will deem that receipt of the funding decision has been received by the Applicant within 5 business days from the date of email by ScreenWest. The appeal will be considered at the next Board meeting, and the Applicant will be notified within 10 business days of the Board's meeting.

If the Applicant is still not satisfied with the outcome of the appeal, the matter can be raised with the WA State Ombudsman:

Telephone:	(08) 9220 7555
Online:	www.ombudsman.wa.gov.au
Email:	mail@ombudsman.wa.gov.au
Fax to:	(08) 9325 1107

Any questions regarding the appeal process should be sent to: funding@screenwest.wa.gov.au or ring the Funding Team Leader direct on (08) 9224 7350.

11. COMPLAINTS

If you are concerned or dissatisfied by a product or service provided by ScreenWest you can lodge a complaint. Please see the ScreenWest website for its *Complaint Handling Procedure*.

12. FREEDOM OF INFORMATION ACT AND APPLICATIONS

Western Australian Government agencies are subject to the *Western Australian Freedom of Information Act* which provides a general right of access to records held by State and

Government agencies. Applicants should also be aware that information pertaining to the receipt of State Government financing assistance will be tabled in the Western Australian Parliament. The information could include the name of recipients, the amount of the assistance, the name of the project/activity and, possibly, a brief description of the funded project/activity. This could result in requests for more detail to be released publicly.

Should you require any further information in relation to this issue, please contact ScreenWest's Manager Corporate Services.

13. DELIVERY MATERIALS FOR SCREENWEST

For promotional and preservation purposes, ScreenWest requires the delivery of specified materials within 90 days of the Completion Date. The delivery materials required by ScreenWest align with the requirements of the National Film and Sound Archive (NFSA).

During the development phase, a variety of deliveries will be required (e.g. a revised treatment, a producer's report, or first draft script). Where the project proceeds into production, ScreenWest will require a set of delivery items under the terms of the production funding.

With regard to production stills, the Production Company is to pre-arrange copyright clearance for ScreenWest to use the delivered images for its publicity purposes (to promote the production, ScreenWest and its activities and the WA screen industry).

Footage, soundtracks, scripts, still images and press kits will remain with ScreenWest for a short period of time before they are sent by ScreenWest to the State Library of Western Australia to be appraised, preserved and made accessible according to the State Library's Collection Development Policy and preservation plans. Productions are placed in secure storage for their ongoing preservation and copies cannot be made available without production company written authorisation.

The State Library places an initial three (3) year restriction on the previewing of your production until either the day after the film is screened, broadcast on TV, or made available to the general public via video/DVD or online. DVD copies of your production are made available to the public for viewing inside the Library. Scripts, still images and press kits are only made available to the public for viewing within the State Library premises.

See **Addendum: ScreenWest, Completion & NFSA Delivery Materials** for specific details of items required.

GLOSSARY

CASHFLOW
Funds provided by an investor, the producer, a distributor or broadcaster during production to meet the day-to-day costs of production.

CHAIN OF TITLE
The set of documentation that establishes the producer's ownership of the rights in the script (and novel or stage play, if relevant), which entitles the producer to make and market the film.

COLLECTION ACCOUNT MANAGER (CAM)
The organisation (usually overseas) appointed to collect licence fees, distribution advances, etc directly from a sales agent's sub-licensees, administer the collections account, pay the sales agent's commissions and expenses and distribute the remaining gross receipts in accordance with the recoupment/disbursement schedule in the production and investment agreement for the film.

COMPLETION GUARANTOR
For either a flat fee (in the case of most documentaries) or a percentage of the below the line budget of a film, a completion guarantor will guarantee or "bond" a project. This means that they will meet budget overages to ensure that the film is completed and delivered.

COPYRIGHT
The exclusive right to copy, broadcast, perform, exhibit and otherwise commercially deal with and exploit works such as novels, stage plays, scripts, music, film and sound recordings. Copyright is personal property and can only be transferred in writing. Copyright assignments and licences relating to the script form part of the chain of title.

DOMESTIC PROGRAM
Domestic Program means the Screen Australia investment program to match an Australian broadcaster's licence fee.

GENUINE CO-PRODUCTION PARTNERSHIP WITH A WESTERN AUSTRALIAN RESIDENT COMPANY
A genuine co-production relationship with a Western Australian Resident Company must be evidenced by both co-producers sharing creative involvement, copyright and profit entitlements on a pro rata basis and sharing credit entitlements by way of a shared card. Variations may be considered in exceptional circumstances.

GROSS RECEIPTS
All revenue from sales of a film including receipts from exploitation of ancillary and other underlying rights, any claims relating to the film and its underlying rights, statutory licences under the *Copyright Act* and interest on the collections account.

LIMITED RECOURSE LOAN
A loan repayable only from a defined source of revenue (relevantly, revenue from marketing a film) or on the occurrence of a particular event.

NON-OFFSET PROJECT
Describes projects where the producer cannot claim the Producer Offset. (Being, generally, projects which do not meet the Producer Offset's eligibility requirements in terms of qualifying expenditure and/or format.)

OFFICIAL CO-PRODUCTION
A production between two or more countries that is certified as made under a treaty, or another form of government or quasi-government arrangement (typically, a Memorandum of Understanding (MOU). In addition to meeting the requirements of the treaty or MOU, in order to be certified as an Official Co-Production, the project must comply with Screen Australia's official International Co-Production Guidelines.

OFFSET PROJECT
Projects which would be eligible for the Producer Offset in terms of qualifying expenditure and format.

PRIVATE INVESTMENT
Describes equity investment paid towards the cost of production by any third party not being a state or federal funding agency whose recoupment is solely by way of Gross Receipts from the project and not from a share of Producer Offset funds.

PRODUCER OFFSET
The Producer Offset is a tax-based incentive based on expenditure on goods and services provided in Australia. It is available to feature films at 40% of Qualifying Australian Production Expenditure (QAPE) and for non-feature films at 20% of QAPE, as set out in the *Income Tax Assessment Act 1997* (ITAA 1997).

PRO RATA AND PARI PASSU
The expression relates to contributions to a budget and to recoupment of investments and refers to the percentage of contribution or recoupment. A *pro rata* contribution or recoupment is one that is provided or received at the same rate or in the same proportion as the contribution or recoupment of another party. *Pari passu* contributions or recoupment are made or received at the same time as contributions or recoupment of another party.

QUALIFYING WESTERN AUSTRALIAN EXPENDITURE
Is defined in the *ScreenWest Definition of Qualifying Western Australian Expenditure*.

SUBORDINATION
A subordinated investment is one in which the investor recoups on less favourable terms than other investors, e.g. an investor invests 40% of the budget with another who invests 60%, but on terms that the 40% investor recoups all its money first. In this case, the 60% investor would be 'fully subordinated' to the 40% investor.

UNDERLYING RIGHTS
The bundle of rights that must be acquired in order to be able to produce and commercially exploit the project, such as a novel or a play.

WESTERN AUSTRALIAN RESIDENT
A Western Australian Resident is defined as a person who is domiciled in Western Australia, and who has actually been in Western Australia during more than one half of the year immediately preceding the application, and is registered on the Western Australian electoral role. In extenuating circumstances where a person is a Western Australian resident but is unable to be registered on the Western Australian electoral role, proof of residency in Western Australia for more than one half of the year must be provided.

WESTERN AUSTRALIAN RESIDENT COMPANY

A Western Australian Resident Company must be registered under the Corporations Act and have:

a) Its principal place of business in Western Australia; and
b) At least 50% beneficial ownership by a Western Australian resident(s).

Exemptions may apply where the company can demonstrate a strong track record and commitment to the Western Australian industry over a minimum two year period. The ScreenWest board also reserves the right to make further exemptions in cases where there are exceptional benefits for the local industry.

ADDENDUM: SCREENWEST, COMPLETION & NFSA DELIVERY MATERIALS

SCREENWEST DELIVERY MATERIALS

As a condition of production funding, the producer must deliver the following delivery materials to ScreenWest within 90 days of the Completion Date.

Footage and Soundtrack

a) One (1) digital video master recording in the screen ratio as delivered in Australia, on the highest resolution format completed for the project – i.e. HD Cam SR, HD Cam or Digital Betacam.

b) One (1) digital media file of the Production (where available).

c) Two (2) DVD copies of the Production (commercially released version preferred).

d) One (1) copy of each cross platform element of the Production at the same time as such element is delivered under any Transaction Document.

e) One (1) digital video master recording/s of any extra materials, e.g. 'making of documentary' (where available).

f) One (1) CD/DVD of the Soundtrack Album (where available).

Scripts

- For feature films/mini-series/telemovies, supply PDF/A file of the post production script with timings.

- For TV series, TV pilots, documentaries and short films, supply PDF/A file.

Stills

- Images from the productions must be captioned, or a caption list supplied identifying cast/crew in the photograph and (where possible) identifying the location. The **copyright holder(s) must be identified** (e.g. Production Company, photographer or other). Include name and contact details of the photographer.

- The Production Company is to pre-arrange copyright clearance for ScreenWest to use images for its publicity purposes (to promote the production, ScreenWest and its activities and the WA screen industry).

- Images are to be delivered on a CD or DVD. Included in the delivery of still images you must provide (where possible):
    - 1 or 2 set-up 'poster' images;
    - 5 behind the scenes images; and
    - 1 (one) image each of the Director, Producer(s), Director of Photography and key cast members.

- For feature films/ mini-series/ telemovies, supply a minimum of twenty (20) still images provided in TIFF format with one JPEG derivative for each image (preferred). Refer to the table below for digital specifications.

- For documentaries and short films, supply ten to fifteen (10 – 15) still images provided in TIFF format with one JPEG derivative for each image (preferred). Refer to the table below for further specifications.

- For TV series, supply a minimum of three (3) stills for each episode provided in TIFF format with one JPEG derivative for each image (preferred). Refer to the table below for further specifications.

Preservation	TIFF	300 dpi	Colour: 48 bit Grayscale: 16 bit uncompressed
Derivative	JPEG	72 dpi	

Associated Documentation and Other Materials

- Press kit (to be delivered electronically on CD or Data DVD) which is to include:
  - 1 line synopsis/tag line
  - Short synopsis (one or two paragraphs)
  - Long synopsis (maximum one page)
  - Short bio/CV of the key creatives (producer, writer, director) and (if applicable) principal cast
  - Cast list
  - Crew list
  - Director's statement
  - Media releases

- Provide a Statement of Technical Details, complete with formats and file types, including details of production and post production path used for the project.

- Two (2) theatrical posters for Australia (where available).

- Promotional material produced in connection with the production and its marketing (where available).

- If created, the producer will give the State Library of WA (via ScreenWest) permission to capture the website for preservation and access purposes, including via PANDORA - Australia's web archive set up by the National Library of Australia, available at: http://pandora.nla.gov.au/index.html. Details of the web publisher should also be provided. Alternatively, a fully operational copy of the website is to be provided on disc or memory stick, whichever is applicable.

THE COMPLETION MATERIALS

The Production Company must also produce and preserve the following:

1. One (1) digital video master recording in the screen ratio as delivered in Australia, on the highest resolution format completed for the project – i.e. HD Cam SR, HD Cam or Digital Betacam.
2. Five (5) DVD copies of the Production (commercially released version preferred).
3. A sufficient quantity of digital, colour or black & white production stills including at least one still of the director.
4. Press kit, including posters (if any).
5. Music cue sheet.
6. One (1) PDF copy of the post-production script, shooting script and marked up continuity script.

7. Principal cast and crew list.
8. Proof-read and approved final credit listing.
9. All Copies of cast and principal crew contracts.
10. All Copies of copyright clearances and release forms, filed in order of first appearance with a relevant timecode reference for each.
11. All Copies of chain of title documents.
12. Where applicable a list of festivals the production has screened at; awards won; nominations received; a marketing report that includes details of territories to which the film has been sold; and figures on the gross box office achieved for each territory in which the production has received theatrical release.
13. A report setting out:
    - Which Ancillary Rights you have acquired in relation to works and other subject matter created for the production of the Production included within the Production; and
    - The Selected Music and archival/stock footage in relation to which you have not acquired the New Technology Rights.

The producer is requested to offer to the State Library of WA for selection the completion materials and any other documentation produced in connection with the production and its marketing that would otherwise be destroyed. This could include research, draft scripts, shooting script, handbills, production notes, video/DVD slicks, marketed-up continuity scripts and press clippings. Please contact ScreenWest to discuss prior to delivering the materials.

FOR PROJECTS NOT RECEIVING FEDERAL FUNDING – NFSA REQUIREMENTS

The appropriate National Film and Sound Archive (NFSA) items listed below must also be included in the budget. These items are for preservation purposes and are to be supplied, directly to the NFSA (see NFSA website for details http://www.nfsa.gov.au), at the best quality and at the completed resolution.

- For projects finished on videotape: HDCAM or HDCAM SR (Digital Betacam only to be supplied if project is completed in standard definition).
- For projects finished on 35mm: the Digital Intermediate and a mint 35mm release print sent direct from the laboratory to the NFSA as a preservation print.
- For projects finished on 16mm: the Digital Intermediate and a mint 16mm release print sent direct from the laboratory to NFSA as a preservation print.
- For all projects: post production scripts and publicity material including websites, publicity kits and stills, provided digitally on CD or DVD.

Your productions are placed in secure storage for their ongoing preservation and copies cannot be made available without your written authorisation. The NFSA also places an initial 2 year restriction on the previewing of your production until either the day after the film is screened, broadcast on TV, or made available to the general public via video/DVD or online.