



<b>Screenwest Definition of Qualifying Western Australian Expenditure (QWAE)</b>	
<b>Acronym</b>	<b>Definition</b>
QWAE	Qualifying Western Australian Expenditure
WAR	<p>Western Australian Resident as per definition in the Screenwest Terms of Trade:  <i>A Western Australian resident is 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 roll. In extenuating circumstances where a person is a Western Australian resident but is unable to be registered on the Western Australian electoral roll, proof of residency in Western Australia for more than one half of the year must be provided.</i></p> <p>You may be required to provide Screenwest with written evidence of your Western Australia Residency which is available from the Australian Electoral Commission.</p> <p>Exemptions may apply where the Resident can demonstrate a strong track record and commitment to the WA industry over a minimum two year period. The Board also reserves the right to make further exemptions in cases where there are exceptional benefits for the local industry.</p>
WAC	<p>Western Australian Company as per definition in the Screenwest Terms of Trade:  <i>A Western Australian Resident Company must be registered under the Corporation Law and have:</i></p> <ul style="list-style-type: none"> <li><i>a) Its principal place of business in WA; and</i></li> <li><i>b) At least 50% beneficial ownership by a WA resident(s) – see above.</i></li> </ul> <p>Exemptions may apply where the Company can demonstrate a strong track record and commitment to the WA industry over a minimum two year period. The Board also reserves the right to make further exemptions in cases where there are exceptional benefits for the local industry.</p>
WALC	A company physically located in Western Australia (i.e. a branch or an office) but the company may not be owned in WA as defined in the Screenwest Terms of Trade.
<b>General Notes</b>	
Freight and airfares calculation*	<p>Because of the complexity of interstate and international travel and freight costs and the difficulty of breaking down the flow on benefits to Western Australia, Screenwest will approve the following percentages as QWAE:</p> <p><i>100% of travel within WA is considered QWAE.</i></p> <p><i>50% of interstate travel is considered QWAE where the flight or freight either leaves or arrives in Perth. Flights that do not land or leave from Perth (eg. Sydney to Melbourne leg) are not considered QWAE.</i></p> <p><i>50% of international travel is considered QWAE where the flight either leaves or arrives in Perth. Flights that do not land or leave from Perth (eg. New York to Los Angeles) are not considered QWAE.</i></p> <p>Please note that some line items allow WALC to qualify as QWAE, however, many industry specific line items do not allow WALC to qualify as QWAE.</p>

<b>Non-WA Qualifying Expenditure</b>	<p>Where a Western Australian based and registered production company has a permanent presence in another state or country (e.g. a production office), special conditions may apply regarding staff costs that can be considered as Non-WA Qualifying Expenditure. The fees set out in approved production budgets for non-WA resident employees and executives working on a project which is applying for General Production funding may be considered by Screenwest as forming part of the levels of minimum Qualifying Western Australian Expenditure for Stage One and Stage Two General Production Funding. This is capped at 25% of the total Above the Line Budget, or 5% of the total production budget, whichever is less.</p> <p>The office running costs or other related costs incurred by the production company in having a presence in another state or country will not be considered forming part of the levels of minimum Qualifying Western Australian Expenditure.</p>
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	<b>Above the Line Costs</b>	<b>QWAE Descriptions - with accompanying comments</b>
<b>A.1</b>	Story and Script Costs e.g. Story Rights (including Options), Writers Fees, Researcher Costs etc.	All fees paid to a WAR or a WAC only are QWAE.
<b>A.2</b>	Screenwest funded Development	The total Screenwest Development funds plus premium charges regardless of whether some of those costs were paid to a non WAR or WALC are QWAE.
	All other non-Screenwest funded Development costs	Other development funds paid to a WAC are QWAE. If paid to a non-WAC then only funds paid directly to a WAR or WAC are QWAE.
<b>B.1</b> <b>B.2</b> <b>E (a)</b>	Producers Directors Principal Cast	Fees paid to Producers, Directors and Cast who are WAR are QWAE. Fees paid to Non WAR Producers, Directors and Cast are not QWAE.
<b>B</b>	<b>Below the Line Costs</b>	<b>QWAE Descriptions – with accompanying comments</b>
<b>C.</b>	Production Unit Fees & Salaries	All fees, overtime and loadings paid to WAR or WAC are QWAE.
<b>D.</b>	Fringes & Workers Compensation	All holiday pay paid to WAR is QWAE. All payroll tax paid in WA is QWAE.  All superannuation paid on behalf of WAR is QWAE. If this is too hard to calculate then calculate based on the following equation (eg. if 70% of wages go to WAR or WAC, then 70% of superannuation is QWAE). All workers compensation is QWAE if brokered by a WAR or WAC.
<b>E.</b>	Cast and Casting	Casting fees and audition fees are QWAE if using a WAR Casting Director, regardless of where the auditions take place.  Cast, stunts, extras, presenters, narrators and voicing fees are QWAE if fees are paid to WAR's.
<b>F.1</b> <b>F.2</b>	Costumes - Hire and Purchases Make-Up & Hairdressing supplies and SFC makeup	Where hire and purchases occur in WA and are paid to a WAR, WAC or WALC then costs are QWAE.
<b>G.1</b> <b>G.2</b>	Locations Studio / Stage Rentals	Permits, rentals and fees, including security, gratuities and council fees that are paid for WA locations, studios etc. are QWAE.

<b>H.</b>	Sets & Properties	All activity occurring in WA in relation to set building, buying of equipment, hiring of property and equipment is considered QWAE if money is paid to a WAR, WAC or WALC.  * See note above in relation to freight calculation.
<b>H.1</b>	Construction (Set Construction & Freight and Cartage)	If construction materials are bought in WA from a WAC or WALC then this is considered QWAE. * See note above in relation to freight calculation.
<b>H.2</b>	Props & Set Dressing & Standby Props Truck & Equipment	If props and set dressing material are bought in WA then this is considered QWAE if bought from a WAC or WALC. If standby prop truck and equipment is owned by a WAC or WAR then this is considered QWAE.

<b>B</b>	<b>Below the Line Costs</b>	<b>QWAE Descriptions – with accompanying comments</b>
<b>H.3</b> <b>H.4</b> <b>H.5</b> <b>H.6</b> <b>H.7</b>	Action Props & Vehicles Livestock Special Effects & Armoury Visual Effects Animation & Puppetry	If vehicles, boats, livestock, vet fees etc., hire or purchase are sourced from a WAR or WAC then this is considered QWAE.  * See note above in relation to any freight costs.
<b>I.</b>	Stock processing and transfers	Stock bought in WA from a WAC or WALC is considered QWAE.  Processing and transfers that occurs in WA is considered QWAE if associated costs paid to a WAC or WALC. As there currently is no film processing laboratory in WA then this currently is not QWAE.
<b>J.</b>	Inserts, Stills and Archival Footage	Archives and the associated copyright fees that are sourced from WA are considered QWAE. For clarity – footage purchased from the ABC or SBS, or National Film and Sound Archives are only considered QWAE if the footage was produced or shot in WA. State based archives sourced from WA Library, or local commercial or free-to-air networks including local ABC or other local sources, would be considered QWAE regardless of where the footage was shot or produced.
<b>K.</b>	Equipment & Stores	All equipment sourced from a WAR or WAC as defined in the Screenwest Terms of Trade would be considered QWAE.
<b>L.</b>	Rental & Storage	If office and storage is located in WA then all expenses are considered QWAE even if the provider is a WALC.
<b>M.</b>	Travel & Transport	100% of travel activity that occurs within WA (car and airfares) and associated hire, petrol, and freight costs etc. are considered QWAE.  As noted above, 50% of interstate travel or international costs are QWAE regardless of who the fee is paid to as long as the activity starts or ends in Western Australia. This includes visa costs, excess baggage etc.  No ground travel costs (hire of cars, petrol, parking and toll costs etc.) that occur interstate or overseas are considered QWAE.
<b>N.</b>	Accommodation, Living, Catering	All accommodation based in WA is considered QWAE if the fee is paid to a WAC or WALC. Where the caterer is a WAC, then associated costs are QWAE regardless of where the production activity is taking place (i.e. if shooting in Northern Territory but using a local caterer defined as WAC then costs are QWAE).

		All per diems paid for production activity that occurs in WA regardless of whether they are paid to non-WAR is considered QWAE. All accommodation costs and per diem costs that are paid on production activity that does not occur in WA are not QWAE.
<b>O.</b>	Insurances	If insurances are sourced using a locally based insurance broker or a WAC, then costs are QWAE.

<b>B</b>	<b>Below the Line Costs</b>	<b>QWAE Descriptions – with accompanying comments</b>
<b>P.</b>	Office Expenses	If the office is located in WA and all expenses, office supplies, hire etc. are sourced from WA, then this is considered QWAE. If there is more than one office set up during the course of production (and an office is set up outside of WA) then the expenses need to be divided accordingly.
<b>Q.</b>	Offshore Shoot	Does not qualify as QWAE unless stock and equipment are bought or hired in WA from a WAC or WALC and transported overseas. If industry specific gear is hired (eg. camera etc.) this must be hired from a WAC to be eligible as QWAE.
<b>R.</b>	Post-Production Crew	Wages for crew that qualify as a WAR are considered QWAE.
<b>S.</b>	Post-Production Rentals & Office Expenses - Editing.	If the office is owned by a WAC, then it is considered QWAE. If supplies such as disk drive hires are hired from a WAC then this would qualify as QWAE.  If the post production office is set up within Western Australia then all associated costs are QWAE.
<b>T.</b>	Post-Production Travel & Accommodation.	As per travel and accommodation costs above. (See M and N.)
<b>U.</b>	Picture Post-Production (finishing on tape)	If transfer activity occurs within WA then this is QWAE. If titles and graphics are created using a WAC or WAR then associated costs are QWAE. If digital visual effects are created by a WAC or a WAR then costs are QWAE.
<b>V.</b>	Sound-Post Production	If sound post-production is done by a WAR or WAC then costs are QWAE.
<b>W.</b>	Music	Where a WAR or WAC is involved with the performing, composing, recording, research, hire of equipment, etc. then this is considered QWAE. Pre-existing music rights and clearance costs are not QWAE unless the fee is paid directly to a WAR or if the music was produced by a WA musician, band etc., then regardless of who owns the rights, clearance costs are QWAE.
<b>X.</b>	Publicity and Stills - Production & Post Production	If Electronic Press Kit is produced by a WAR or WAC then QWAE.  If stills or stock processing or print fees are paid to a WAR, WAC or WALC then QWAE.
<b>Y.</b>	Legal and Business	If legal representatives or tax accountants are WAR or WAC then costs are QWAE.  If auditor or the company is WAR, WAC or WALC then associated costs are QWAE. Rebate application costs are not QWAE.  Interest is not QWAE unless interest payments are being made to a WAR or WAC.

		<p>Bank fees are QWAE if branch used is based in WA.</p> <p>If company is a WAC then company fees and expenses are QWAE.</p> <p>Stamp duty costs are QWAE.</p> <p>Exchange rate fluctuation contingency is not QWAE.</p>
<b>B</b>	<b>Below the Line Costs</b>	<b>QWAE Descriptions – with accompanying comments</b>
<b>Z.</b>	Overheads	If the production company is a WAC then overheads are QWAE.
	Completion Guarantor	As there are currently no WA Completion Guarantors, this is not QWAE.
	Contingency	Calculation of contingency is left to the production company's discretion, taking into consideration, where pre-production, principal photography and post production is occurring. Screenwest reserves the right to question the level of QWAE contingency.
	Finance costs (prospectus / offer Doc. Agency fees and SPA and ADG levy)	<p>Screenwest administration fees are QWAE.</p> <p>If prospectus document or offer document is created using WAR or WAC or WALC then costs are QWAE.</p> <p>SPA and ADG levy is not QWAE.</p>

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