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Department of Infrastructure, Transport,
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Location Offset—Infrastructure

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1. Permanent film infrastructure in Australia

To qualify for the Location Offset, a production must:

- contribute to training opportunities or to the broader production and infrastructure capacity of the Australian screen sector; and
- use one or more Australian providers to deliver post, digital and visual effects for the production.

Every production accessing the increased Location Offset must meet a minimum expenditure requirement on eligible training activities unless they invest in:

- a long-term structured training program; or
- permanent film and television infrastructure in Australia.

The following guidelines outline in more detail how a production may be exempt from minimum expenditure requirement on eligible training activities by investing in permanent film and television infrastructure in Australia.

1.1. How to apply for a Provisional Certificate – Infrastructure?

If a production intends to invest in permanent infrastructure in Australia to meet the contribution to the broader workforce requirement, it is recommended you apply for *Provisional Certification – Infrastructure*. This allows for assessment and consideration of the proposed infrastructure project by the Film Certification Advisory Board before it is established. Applying for a provisional certificate - Infrastructure is entirely at your choice and is an optional exercise.

The company that applies for *Provisional Certification – Infrastructure* should be the company that can provide information on the infrastructure project and what productions will be seeking to be associated with the infrastructure project.

A link to the provisional Infrastructure application form is available on the application portal of SmartyGrants at: screenincentives.smartygrants.com.au.

1.2. What is ‘film infrastructure’?

For the purposes of the Location Offset, ‘film infrastructure’ refers to buildings or other physical structures that can be used in the making of films. Applicants will need to consider if the proposed infrastructure is:

- **Permanent** – the new infrastructure must be available for use by future productions;
- **Reasonable in scale and cost** – the new or upgraded infrastructure must be relative to the size, budget and capabilities of the establishing production;
- **Reasonably located** – the new or upgraded infrastructure must be in a location appropriate to the needs of the Australian screen industry; and
- **Alleviating capacity constraints in the Australian screen industry.**

Examples of **acceptable** investment in new or upgraded infrastructure are:

- A large budget production shooting at an established studio requires additional storage space for equipment used during filming. The production constructs a storage facility at the studio, makes use of it during filming and the structure remains, and is available for use, after the production finishes.
 - This would meet the criteria that the facility is permanent and can be used by future productions, is located in an area fit for purpose, and is reasonable in scale and cost to the production.
- An animated production upgrades the sound proofing in the existing sound studio it intends to use for voice recording.
 - This would meet the criteria that the upgrades are permanent, relative to the scale of the production and can be used by other productions recording in the space.

Examples of investment in new or upgraded infrastructure that are likely to be unacceptable are:

- A large budget production constructs a temporary soundstage for use during filming. When production ends, the structure is demolished.
 - This would not meet the criteria as the sound stage is not a permanent installation and cannot be used by other productions in the future.
- A large budget production filming at an established studio purchases and installs a drinking fountain at the production offices. The drinking fountain remains at the studio after production finishes.
 - This would not meet the criteria as the proposal is not reasonable in scale and cost compared to the production, and would also not contribute to alleviating capacity constraints in the Australian screen industry.
- A large production company proposes to convert a warehouse into a sound stage and film several seasons of a television show before hiring it out to other productions. The new studio facilities would be located in a small town in Northern West Australia that is geographically remote and difficult to access.
 - This would not meet the criteria because, even though the new studio is a permanent building comparable in scale and cost to the production company, the proposed location is not appropriate to the needs of the Australian screen industry and is unlikely to see enough use to alleviate capacity constraints.

Depending on what is being proposed and delivered, it may be appropriate for more than one production to meet its contribution to the broader workforce requirement through association with the infrastructure activity. For example, if a large studio facility was purpose built to film two seasons of a production, it might be appropriate for both seasons of the production to be attached to the film infrastructure for the purposes of the Location Offset.

1.3. Timing of establishment or upgrading of film infrastructure

At least all or part of the establishment or upgrading of film infrastructure must occur after principal photography of the relevant production has commenced but does not need to be completed before production ends. However, any new or upgraded infrastructure must be finished in a reasonable period of time after the end of principal photography.

1.4. Who establishes or upgrades film infrastructure?

In order to qualify for the Location Offset under the infrastructure exemption, the applicant company must have materially contributed to the establishment or upgrading of a piece of permanent film infrastructure in Australia. If film infrastructure is established or upgraded for the purposes of a production, but the applicant company **was not** responsible for the establishment or upgrading of the film infrastructure, then the applicant company will not qualify for the exemption.

1.5. Infrastructure and Qualifying Australian Production Expenditure (QAPE)

While a production company may establish or upgrade film infrastructure to qualify for the Location Offset under the infrastructure exemption, it is possible that expenditure related to this may not meet the definition of QAPE. For more information on what expenditure is considered QAPE, please refer to the Location Offset Guidelines and Glossary.

2. Reporting on film infrastructure

Applicants must demonstrate that the film infrastructure has materially contributed to alleviating capacity constraints in the Australian screen industry.

As part of final certification, applicants will be required to complete a report on the infrastructure projects progress and outcomes. This will form part of an applicant's Location Offset application. Information that will be required as part of the *Location Offset – Permanent Film Infrastructure in Australia* report, includes:

- Details of the film infrastructure program, such as the:
 - type of Infrastructure
 - size of the infrastructure
 - location
 - timing of construction
- Photos of the completed infrastructure project
- Total cost of the infrastructure project
- Details of the applicant company's involvement with the infrastructure process
- Who owns and will manage the infrastructure
- Other partners involved in the infrastructure project