

# Feature Film Production Funding Opportunities Australia and the United Kingdom 2009

## INTRODUCTION

Outlined below is a description of feature film production funding opportunities in Australia and the United Kingdom (UK).

The focus is on identifying appropriate organisations and structures in each country with a brief description of available funds. Criteria change so regularly that detailed funding descriptions quickly become dated.

The information outlined for each country should be seen as a guide to producers, particularly when first considering offshore ventures and dealing with overseas producers. It is based on desk-top research, backed up by input from NZ Film Commission (NZFC) staff.

New Zealand has co-production agreements with both Australia and the UK. A film approved as an official co-production is regarded as a national production of each of the co-producing countries. Each co-producer is therefore eligible to apply for any benefits or programs of assistance available to their respective national productions.

Note that as co-production treaties occur between national governments access to regional level incentives does not automatically apply.

The NZFC is the New Zealand “competent authority” with respect to co-production treaties. Full details of each treaty can be found on the NZFC website <http://www.nzfilm.co.nz/RegulatoryApprovals/CoProductionTreaties.aspx>.

To make contacts with potential co-producers refer to the producers’ association in each country or attend relevant film festivals and markets.

Feedback is welcome on the document in order to keep it current and should be sent to the NZFC.

For further enquiries please contact the NZFC – [www.nzfilm.co.nz](http://www.nzfilm.co.nz) or email [info@nzfilm.co.nz](mailto:info@nzfilm.co.nz).

Disclaimer: While the information contained in this document has been provided in good faith it is a guide and not a substitute for direct contact with the institutions managing any funding source. Due to the changing nature of institutions, funds and criteria the NZFC will not be accountable for any errors that may result from relying solely on the information contained within. A company or organisation listed in the document does not imply endorsement by the NZFC.

## AUSTRALIA

### Overview

Screen Australia, the Department of the Environment, Water, Heritage and the Arts and state level government agencies either administer or provide film production funding.

Australia and New Zealand have signed a Co-production Memorandum of Understanding (MOU). In addition, Australia and New Zealand have a special relationship through the Closer Economic Relations (CER) Trade Agreement between the two countries.

### Co-production Status

The New Zealand-Australia Co-production MOU applies to:

- (a) feature films (including animated films)
- (b) films of a like nature to feature films produced for exhibition by way of television broadcasting;
- (c) documentaries; or
- (d) mini-series of television drama.

The Australian competent authority administering the Australia-New Zealand co-production MOU is Screen Australia.

Screen Australia and the NZFC have also agreed that Australian nationals will continue to be treated as New Zealand nationals and vice versa for all official New Zealand or Australian film and television co-productions. For example, an Australian director can be regarded as a New Zealand national for the purposes of a UK-New Zealand official co-production.

### Funding

#### *Federal*

#### Screen Australia

Screen Australia, the Commonwealth Government's screen agency equivalent to the NZFC (and NZ On Air), provides development, funding and marketing investment in film, including co-productions.

Production funds are available for feature films (including low budget films and theatrical documentaries) and short animation productions. Assessment of the level of Screen Australia funding for feature films is flexible taking into account the Producer Offset (see below). The value of the funding plus Producer Offset cannot exceed 75% of the (Australian) budget of a film; this level may be exceeded where a project is not eligible for the Offset.

Funding may also be available for post-production completion funding.

Screen Australia also administers the Producer Offset which is comparable to the New Zealand Screen Production Incentive Fund (SPIF), although minimum Qualifying Australian Production Expenditure is A\$1 million.

Refer to [www.screenaustralia.gov.au](http://www.screenaustralia.gov.au).

Department of the Environment, Water, Heritage and the Arts  
The Department of the Environment, Water, Heritage and the Arts administers the Location Offset (equivalent to New Zealand's Large Budget Screen Production Grant) and PDV Offset (New Zealand's PDV grant).

Refer to [www.arts.gov.au/film/australian\\_screen\\_production\\_incentive](http://www.arts.gov.au/film/australian_screen_production_incentive).

The Producer Offset, Location and PDV Offsets are all paid through the Australian tax system.

#### State

Support for film production is also provided by a number of state agencies. Links to funds available for feature film production by state agency are listed below. Note that access to these funds will require defined levels of expenditure and/or employment in each state. The criteria may also be varied if special circumstances apply:

- New South Wales – New South Wales Film and Television Office (now renamed Screen NSW) - [www.fto.nsw.gov.au](http://www.fto.nsw.gov.au) – has a *Production Investment Fund* totalling A\$6.5 million in 2009/10 for investment between 5-10% of total budget; a *Minor Cashflow Loan* scheme (less than A\$75,000) and a *Production Loan Finance* scheme (utilising a one-off A\$4 million revolving fund). Screen NSW also operates a *Regional Filming Fund* to encourage productions to shoot outside of metropolitan Sydney, up to 35% of the budgeted regional spend, capped at A\$100,000.
- Queensland – Pacific Film and Television Commission - [www.pftc.com.au](http://www.pftc.com.au) – has a *Production Fund* offering a maximum of A\$350,000 or 5% of Queensland production expenditure; a *Revolving Film Finance Fund* as a secured loan for production purposes up to A\$4 million or 50% of the production budget; a *State (Payroll) Tax Rebate* (currently 4.75% of eligible payroll) and a *12.5% State Labour Incentive* and *Head of Department Incentive*.
- South Australia – South Australian Film Corporation - [www.safilm.com.au](http://www.safilm.com.au) – operates a *Producer Equity Scheme* of up to A\$300,000 or 10% of a project budget provided that a South Australian Producer is on board; a *Production Investment* scheme of up to A\$200,000 or 10% of a project's budget; and a *Revolving Film Fund Loan* scheme of A\$3 million.
- Tasmania – Film Tasmania – [www.screentas.tas.gov.au](http://www.screentas.tas.gov.au) – currently has one production funding scheme *Production Investment* which can provide up to A\$400,000 or 20% of a production budget.
- Victoria – Film Victoria – [www.film.vic.gov.au](http://www.film.vic.gov.au) - has two production funds the *Production Investment for Films, Television, Online and Mobile Projects Eligible (or Ineligible) for the Producer Offset*, which can provide between 3-10% of project budget; and the *Production Investment Attraction Fund (PIAF)* to assist in the attraction of film and television productions to Victoria. Film Victoria also offers a *Cash Flow Facility* program to provide up to A\$3 million in secured loans for production purposes.
- Western Australia – ScreenWest - [www.screenwest.com.au](http://www.screenwest.com.au) – has a *General Production Fund* which low budget feature films can access up to A\$600,000 or 15% of total production budget in the form of either grant (<A\$100,000); loan, investment or a combination of both.

## Private

There are a number of private sector companies offering gap financing and other sources of financing to the film industry, particularly in relation to the Producer Offset. These include:

- Abacus Film Fund - [www.abacusfilmfund.com](http://www.abacusfilmfund.com)
- Fulcrum Media - [www.fulcrum-media.com](http://www.fulcrum-media.com)
- Investec - [www.investec.com](http://www.investec.com)
- Media Funds Management – [www.mediafundsmanagement.com](http://www.mediafundsmanagement.com)
- Omnilab Media - [www.omnilab.com.au](http://www.omnilab.com.au)
- Waterloo Finance - [www.waterloofinance.com](http://www.waterloofinance.com)

Several banks have also been prepared to cashflow the Producer Offset, although some only to existing clients. This includes Bendigo Bank, National Australia Bank (NAB), Bank of Queensland, Westpac, and National Bank of California.

## **UNITED KINGDOM – SCOTLAND, ENGLAND, WALES NORTHERN IRELAND**

### **Overview**

The two most important sources of funding in the United Kingdom (UK) are the National Lottery, which is used to fund the UK Film Council and various regional support bodies, and the tax break system for feature films.

Some funding is also available through the three main national funding bodies – Northern Ireland Screen, Scottish Screen and the Film Agency for Wales. There are a number of regional level agencies which also support film production to various degrees.

### **Co-Production Status**

The United Kingdom and Northern Ireland-New Zealand co-production agreement applies to “a photographic film, or a recording on magnetic tape or on any other material, from which a series of images, with or without associated sounds, may be produced; except that this term does not include an item which is not a film for the purposes of the Films Act 1985 of the United Kingdom (as amended from time to time) or which is not within the scope of any similar legislation which is for the time being in force in the UK or New Zealand and which governs the provision of benefits under international agreements relating to the co-production of films.”

The competent authority in the UK and Northern Ireland administering the agreement is the UK Film Council.

### **Funding**

#### *MEDIA and MEDIA Mundus*

MEDIA is a programme of the European Union (EU) to strengthen the competitiveness of the European film, television and new media industries and to increase international circulation of European audiovisual product.

Independent production and distribution companies can apply for development or distribution funding in the form of grants and interest free loans through MEDIA Desks which are located in EU countries and some East European countries. Financial assistance is also available for training providers and organisers of markets and festivals.

Recently the EU has adopted a new MEDIA Mundus programme, a broad international cooperation programme for the audiovisual industry to strengthen cultural and commercial relations with film-makers of third countries (ie countries which are not members of the European Union).

The UK MEDIA Team consists of the MEDIA Desk UK (which also covers Northern Ireland), MEDIA Antenna Scotland, and MEDIA Antenna Wales.

Refer to [www.mediadeskuk.eu](http://www.mediadeskuk.eu).

## National

### UK Film Council

The UK Film Council is the Government-backed lead agency for film in the UK. It provides policy advice and funding to support script development, film production, short films, film export and distribution, cinema, film education, culture and archives, festivals and audience support schemes.

It operates two feature film production funds. These are the:

- *Premiere Fund* – aimed at more commercial projects, usually contributes up to 35% of a feature film's production budget and will also consider funding pilot films. The budget of the Premiere Fund is £8 million a year and on average it invests in 8-9 films per annum.
- *New Cinema Fund* – which encourages “unique ideas, innovative approaches and new voices”, usually contributes between 15-50% of a feature film's production budget, including feature documentaries, and will also consider funding pilots. The *New Cinema Fund* also supports completion (post-production) funding. There is no separate allocation or cap for completion funding.

The Film Council also operates *Warp X* a low-budget feature film scheme which aims to invest £4.5 million to support and nurture film writers, directors and producers.

Refer to [www.ukfilmcouncil.org.uk](http://www.ukfilmcouncil.org.uk).

### Northern Ireland

Northern Ireland Screen, formerly the Northern Ireland Film & Television Commission, is the national screen agency for Northern Ireland. The main areas of activity include funding; locations, services and facilities; exhibition and audience development; education; business support, skills and training.

Funding is available for live-action or animated feature films with clear possibilities for commercial exploitation. Fully financed projects without 65% of the production budget already in place will normally not be formally assessed. Awards of up to £800,000 or 25% of the total budget are available.

Applications for completion funding will be considered on a case by case basis but typical funding is no more than £5,000.

Refer to [www.northernirelandscreen.co.uk](http://www.northernirelandscreen.co.uk).

### Scotland

Scottish Screen is the national development agency for the screen industries in Scotland. Scottish Screen funds development, production, marketing and training.

Funding of up to 25% of production budget or £400,000 is available for feature films over £500,000 production budget; or up to £100,000 (50% of budget) for budgets below £500,000. Funding is also available for pilot feature films. The total production budget, including television and short films, in 2009/10 is £1.7 million.

Refer to [www.scottishscreen.com](http://www.scottishscreen.com).

## Wales

The Film Agency for Wales is the sole agency for film in Wales. It funds development, production, exhibition and training.

Production funding is available for up to 50% of production costs, to a maximum of £200,000 per project. Completion funding up to £50,000 or 50% of the budget for the work that remains to be completed also applies.

Refer to [www.filmagencywales.com](http://www.filmagencywales.com).

### *Regional Level Funding*

Regional agencies provide various levels of support for film and new media production. These include:

- NW England - North West Vision - [www.northwestvision.co.uk](http://www.northwestvision.co.uk)
- NE England - Northern Film & Media - [www.northernmedia.org](http://www.northernmedia.org)
- Yorkshire - Screen Yorkshire – [www.screenyorkshire.co.uk](http://www.screenyorkshire.co.uk)
- West Midlands - Screen West Midlands – [www.screenwm.co.uk](http://www.screenwm.co.uk)
- East Midlands - EM Media – [www.em-media.org.uk](http://www.em-media.org.uk)
- Eastern England - Screen East – [www.screeneast.co.uk](http://www.screeneast.co.uk)
- South Western England - South West Screen – [www.swscreen.co.uk](http://www.swscreen.co.uk)
- South East - Screen South – [www.screensouth.org](http://www.screensouth.org)
- London - Film London – [www.film london.org.uk](http://www.film london.org.uk)

### *Tax Incentive*

The UK offers a tax incentive worth between 20-25% of eligible British spend (depending on the size of the spend) which is administered by HM Treasury, although the project must first be certified as “British” by the UK Film Council.

Refer to - [www.ukfilmcouncil.org.uk/qualifying](http://www.ukfilmcouncil.org.uk/qualifying).

### *Private*

There are a number of key private film funds in the UK. These include:

- Aramid Entertainment Fund - [www.aramidfund.com](http://www.aramidfund.com)
- Baker Street – [www.bakerstreetfinance.tv](http://www.bakerstreetfinance.tv)
- BMS - [www.bms-finance.com](http://www.bms-finance.com)
- Future Films – [www.futurefilmgroup.com](http://www.futurefilmgroup.com)
- Goldcrest Film Finance – [www.goldcrestfilms.com](http://www.goldcrestfilms.com)
- Ingenious Media - [www.ingeniousmedia.co.uk](http://www.ingeniousmedia.co.uk)
- Investec - [www.investec.com](http://www.investec.com)
- Matador Pictures - [www.matadorpictures.com](http://www.matadorpictures.com)
- Premiere Pictures – [www.premierepicture.com](http://www.premierepicture.com)
- Prescience - [www.presciencefilmfinance.co.uk](http://www.presciencefilmfinance.co.uk)
- Scion Films - [www.scionfilms.com](http://www.scionfilms.com)

Screen Daily has written a useful summary of a number of these funds [here](#).