



# **TERMS OF TRADE**

Version 3 Effective 4 August 2021 (see page 19 for change log).

TERMS OF TRADE	1
INTRODUCTION	
TERMS OF TRADE	
1. General matters	3
2. Crediting Screen Queensland	6
3. Indigenous content	6
4. Terms of Investment	
5. Rights for Development and Production Investment	
6. Reversion	
7. Completion guarantee	
8. Accessibility of screen content	
9. Delivery items for Screen Queensland and NFSA	
10. Safe Workplaces	
GLOSSARY	
SCHEDULE A: DELIVERY SCHEDULE	
SCHEDULE B: CREDIT SCHEDULE	
CHANGE LOG	

VERSION 23 – EFFECTIVE 4 AUGUST21 JULY 2021 19

## INTRODUCTION

Screen Queensland supports a creative, innovative and successful screen industry through development and investment; secures production to Queensland; and delivers an active screen culture across Queensland.

Investment decisions are determined in accordance with these Terms of Trade, the applicable program guidelines and available investment for the relevant program and by the number and quality of competing qualifying applications. Eligibility requirements apply to both applicants and projects for which investment is sought.

These Terms of Trade align with Screen Australia's unless otherwise stated. For clarity, any requirements specific to Screen Queensland are highlighted in red and updates to the previous Terms of Trade have been highlighted in **blue** with footnotes below and a Change Log at the end of the document.

These Terms of Trade broadly outline the core terms on which the organisation will transact its business. These Terms of Trade do not apply to Screen Queensland's Revolving Film Finance Fund, its Incentive programs or to the Screen Queensland Studios.

Successful applicants are required to enter into a legally binding contract with Screen Queensland. Contracts reflect both these Terms of Trade and the specific requirements relating to each program as set out in program guidelines.

These Terms of Trade and Screen Queensland program guidelines must not be relied upon as an offer capable of acceptance by any person or as creating any form of contractual, quasi contractual, restitutionary or promissory estoppel rights, or rights based on similar legal or equitable grounds, whether implied or otherwise.

Screen Queensland reserves the right to vary its Terms of Trade and/or program guidelines at any time, to exercise its discretion to make an exception under the Terms of Trade or program guidelines in exceptional circumstances, and to terminate any program at any time.

The Terms of Trade and program guidelines in effect at the time an application is received by Screen Queensland apply to the application.

## **TERMS OF TRADE**

#### 1. GENERAL MATTERS

This section applies to all Screen Queensland investment programs. It does not apply to the Revolving Film Finance Fund, Incentive programs or to the Screen Queensland Studios.

#### 1.1 General eligibility for Screen Queensland investment

In the following provisions:

- (1) "broadcaster" means a company providing television broadcasting services in Australia (including subscription television services) under the *Broadcasting Services Act 1992 (Cth).*
- (2) "related party" means:
  - (a) a director or other officer of an applicant company; or
  - (b) the holding company or a subsidiary of an applicant company; or

(c) any company of which an individual applicant is a director or other officer; or

(d) any other company of which a director or other officer of an applicant company is a director or other officer.

#### 1.1.1 Applicant eligibility

The following paragraphs set out eligibility provisions specific to individual applicants and company applicants, and then 'common eligibility rules' applicable to both individuals and companies (and, to the extent indicated, to related parties). It should be noted that the eligibility rules will also apply to the contracting entity or entities (if different from the original applicant) including any special purpose rights holding and/or production services companies.

#### An individual applicant must be:

- (a) an Australian citizen; or
- (b) an Australian resident, being a person who is lawfully domiciled in Australia, and who has actually been in Australia, continuously or intermittently, for more than six (6) months immediately preceding the application,

#### with preference given to a "Bona Fide Queenslander".

An individual applicant may not be:

- (a) an employee of a broadcaster; or
- (b) enrolled full-time in a film, television or interactive digital media course at a film school or other tertiary educational institution. Applications from part-time students will be assessed on a case-by-case basis.

#### An applicant that is a company must be:

(a) incorporated and carrying on business in Australia and have its central management and control in Australia.

An applicant that is a company may not be:

- (a) a broadcaster;
- (b) a holding company or subsidiary of a broadcaster; or
- (c) jointly owned by one or more companies referred to in (a) or (b).

All applicants must also:

- (a) not be in breach of any obligation under any agreement they have with Screen Queensland or any of Screen Queensland's predecessors;
- (b) always act 'in good faith' in all their dealings with Screen Queensland (see 1.2 below);
- (c) have the capacity and resources to carry out the project or proposal that is the subject of the application;
- (d) have the right to carry out the project or proposal 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, Screen Queensland will expect, at the least, an appropriate option; and
- (e) have meaningful creative control of the project that is the subject of the application.

Where a related party to an applicant is in breach of an obligation under an agreement with Screen Queensland or any of its predecessor agencies, Screen Queensland reserves the right to regard the applicant as ineligible.

Screen Queensland also reserves the right not to accept an application where a Key Principal (including a Key Creative) on a project is a person who would be ineligible by reason of a breach of agreement with Screen Queensland or its predecessor agencies by that person or a related party.

#### 1.1.2 Project eligibility

All applications must demonstrate that the project will produce significant cultural or economic benefits to Queensland and the Queensland screen industry.

Screen Queensland is unable to accept applications for projects:

- (a) that are infotainment, how to, sports telecasts, news, current affairs, corporate or promotional media, training videos, or community television shows;
- (b) that will be developed as part of a course of study;
- (c) that will contribute to credits for a course of study; or
- (d) that do not satisfy the applicable program guidelines.

#### **1.1.3 Application Eligibility**

Screen Queensland is unable to accept:

- (a) late or incomplete applications;
- (b) applications for investment that is retrospective;
- (c) applications that have previously been through the assessment process and rejected for investment, unless the application is substantially reworked (at the discretion of Screen Queensland);
- (d) applications for projects that have twice been declined for investment; or
- (e) applications from applicants who have a number of concurrent or outstanding projects in development that may impact on quality or hamper timely delivery of the project.

#### 1.2 Acting in good faith

Screen Queensland acts in the public interest and must exhibit the highest levels of propriety in its dealing with applicants. Screen Queensland requires applicants to act in the same way in their dealings with Screen Queensland. Applicants must be

honest and open in all dealings with Screen Queensland. They must not mislead or deceive Screen Queensland by act or omission.

In addition, Screen Queensland expects that communications between its staff and applicants will be courteous and respectful. Screen Queensland will not accept applications from any person who Screen Queensland forms the view persistently treats our staff in a discourteous, defamatory, hurtful or intimidating fashion, nor will Screen Queensland enter into correspondence with any such person except to give notice of contravention of this requirement and to advise of consequences including that the applicant may be barred from funding for a period of up to 2 years.

Screen Queensland also expects all recipients of investment to act fairly and reasonably in relation to third parties involved in the funded project. Fairness and reasonableness include:

- (a) paying at least award minimum rates or, where applicable, any minimum agreed between the relevant guilds, for all work performed by third parties on their project, including Key Creatives, cast and crew; and
- (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.

#### 1.3 Fees

Screen Queensland does not charge application fees for applications for development or production investment.

#### 1.4 Audit rights

Screen Queensland may require investment recipients to provide an independent audit report in relation to expenditure of Screen Queensland investment.

Where an independent audit report is not required, Screen Queensland may require the investment recipient to provide a statutory declaration verifying the expenditure report(s). In all cases, Screen Queensland reserves the right to carry out an audit of the expenditure of its investment to ensure compliance with contract requirements.

#### 1.5 GST

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

#### 1.6 ISAN

All projects in which Screen Queensland holds copyright are required to have an International Standard Audiovisual Number (ISAN). See www.australasia-isan.org/

#### 1.7 Reporting and information provision

For all projects and activities with investment from Screen Queensland (whether by way of recoupable equity investment or grant), the recipient will be required to provide some form of reporting/acquittal.

The information requirements will be set out in the relevant agreement.

#### 1.8 Application Assessment

Applications for finance made to any other source in relation to the project must be disclosed in the form available on the Screen Queensland website. Where other

finance has been obtained, the conditions attached to that finance must also be provided.

All applications will be acknowledged within three (3) business days of receipt.

Applicants will be advised of the outcome of their application by the published date or, where there is no published date, within eight (8) weeks of the date of submission.

#### 2. CREDITING SCREEN QUEENSLAND

Screen Queensland requires acknowledgement of its support, for example by way of a credit on the project and its publicity materials. Credit requirements vary according to the nature of the support provided by Screen Queensland and are detailed in the investment agreement.

For more information see Credit Schedule.

#### 3. INDIGENOUS CONTENT

Where there is Aboriginal and Torres Strait Islander content or participation in any production, the producer is required to comply 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* available from: www.screenaustralia.gov.au/funding/business/Indigenous\_Content.aspx

Additionally, Screen Queensland requires that Aboriginal and Torres Strait Islander stories must demonstrate that some or all of the Intellectual Property is owned by members of the appropriate community.

#### 4. TERMS OF INVESTMENT

#### 4.1 Grants

Screen Queensland does not require a share of copyright in production projects that it invests in as a grant.

Screen Queensland does not take a share of receipts from projects invested in as a grant. This means investment provided as a grant does not have to be repaid other than:

- (a) in case of breach by the recipient of the grant; or
- (b) where not all of the grant is required; or
- (c) where further investment is provided by way of a recoupable investment (equity) in relation to the same project.

The application and assessment process are the same where investment is provided as a grant as it is for other production investment. However, the contracting process for grants is generally faster and requires less contractual documentation than for equity investments.

Screen Queensland will provide production grants to successful applicants subject to the terms and conditions of Screen Queensland's standard production grant agreement (PGA). Screen Queensland will not enter into negotiations with grant recipients in respect of the Core Conditions of the PGA other than in exceptional circumstances.

#### 4.2 Equity investment

For production investment provided by way of recoupable equity investment, Screen Queensland requires an initial recoupment entitlement to participate in gross receipts commensurate with its investment. The recoupment structure for a project will be determined on a case-by-case basis taking into account Screen Queensland's investment and the investment of others, both equity and non-equity investors.

Producers will receive the recoupment position associated with the Producer Offset and any other equity contributed by the producer. Once all equity investment is repaid, the producer's profit share will be 50%. All equity investors (including the producer in relation to the Producer Offset equity and any other producer equity) will share the remaining 50% *pro rata, pari passu*.

#### 4.3 Development investment

Development investment must be repaid no later than when principal photography commences on the project. Development investment will not be 'rolled over' into production investment. Production budgets must accommodate the amount to be repaid.

A recipient must warrant to Screen Queensland that, upon completion of development, a substantial and agreed part of the project will be produced or post produced in Queensland. If this cannot be achieved, the recipient must seek prior approval from Screen Queensland.

#### 4.4 Subordination

Generally, Screen Queensland will not subordinate its recoupment right to other equity investors. Screen Queensland expects to participate in gross receipts *pro rata and pari passu* with other equity investors.

#### 4.5 Screenrights

Screen Queensland does not require Screenrights revenue to form part of Screen Queensland's gross receipts.

#### 4.6 Recoupment

The producer is ultimately responsible for the collection and disbursement of all gross receipts. For feature films, Screen Queensland will generally require the appointment of a collection account manager (CAM) for all territories other than Australia and New Zealand; a CAM is not required for Australia and New Zealand but approval is required over the terms of any disbursement and collections agreement entered into.

#### 4.7 Official co-productions

In relation to official co-productions, the above provisions apply only to the Australian producer, and only to the Australian components of budget and revenue.

#### 4.8 Outstanding obligations

Screen Queensland reserves the right to withhold payment due to an applicant if the applicant or a related party has not complied with any terms under an agreement with Screen Queensland.

#### 4.9 Contracting timeframe

Screen Queensland will revoke its investment unless contracting is completed within, the following timeframes (unless otherwise agreed in writing) so to ensure that funds are available to support the Queensland screen industry in a timely manner:

- a) Grants and development investment thirty (30) days from the date of approval of investment application; and
- b) Production investment ninety (90) days from the date of approval of application.

#### 4.10 Delivery Timeframe

Investment recipients are required to provide all deliverables to Screen Queensland by the contracted dates, unless otherwise agreed in writing by Screen Queensland. Failure to do so will enable Screen Queensland to immediately revoke any outstanding investment.

#### 5. RIGHTS FOR DEVELOPMENT AND PRODUCTION INVESTMENT

#### 5.1 Copyright and underlying rights

Screen Queensland 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.

In relation to production investment, Screen Queensland requires the producer to provide a satisfactory chain of title opinion letter from an appropriately qualified solicitor. This requirement may also apply in relation to film and broadcast development investment where the chain of title is particularly complex or Screen Queensland considers there to be exceptional circumstances.

For development investment, Screen Queensland will hold a 10% copyright interest until investment plus a 10% premium has been repaid. Once repaid, the copyright interest will revert to the recipient.

For projects that Screen Queensland invests in through a recoupable investment Screen Queensland requires a 1% copyright interest for the duration of the project's copyright.

#### 5.2 Sequels, Spin-offs and Remakes

In the case of all recoupable investment, Screen Queensland requires prior approval of every agreement granting a licence (or an option to acquire a licence) to make a sequel, spin-off, or remake (including format sale). A sequel includes a project based on the format of the original project. This approval right applies regardless of the identity of the licensing entity (for example, the licence to make the sequel, spin-off or remake which requires Screen Queensland's prior approval may be offered by the original producer or a marketing licensee such as a sales agent or distributor, and the marketing licensee may be related to the original producer or an arm's length entity).

In the case of all recoupable production investment for documentary, TV drama and feature films, where the right to make a sequel, spin-off or remake (including a program based on the format of the original program) is optioned or acquired, the following principles apply:

(a) If the sequel, spin-off or remake is to be produced by the original producer or a Related Entity (see glossary for a definition of Related Entity), whether in Australia or elsewhere, Screen Queensland

requires the right to receive a fee in the production budget of each and every sequel, spin-off or remake calculated as follows:

- Feature films: 1.5% of budget uncapped
- Adult TV and Documentary series (less than 6 episodes): 1.5% of budget capped at \$125,000
- Adult TV and Documentary series (6 or more episodes): 1.25% of budget capped at \$125,000
- Children's TV: 1.25% of budget capped at \$125,000.

This fee is paid directly to the investors, and is not subject to any deductions. The fee does not go through the recoupment waterfall. For the avoidance of doubt, single-episode sequels, spin-offs or remakes for adult TV and documentary programs fall within the category of series that are less than 6 episodes.

- (b) In addition to the applicable fee payable as per paragraph (a), if the entity producing the sequel, spin-off or remake pays a fee for the licence to make the sequel, spin-off or remake which exceeds the applicable fee set out in paragraph (a), the excess amount forms part of gross receipts and goes through the recoupment waterfall.
- (c) If the sequel, spin-off or remake is to be produced by an Unrelated Production Company (see glossary for a definition of Unrelated Production Company), the price paid for the right forms part of gross receipts and goes through the recoupment waterfall.
- (d) If a fee is paid on the grant of an option to purchase the right to make a sequel, spin-off or remake, the fee forms part of gross receipts and goes through the recoupment waterfall.
- (e) The fee referred to in paragraph (a) above is payable at the latest on the first day of principal photography (or on the first day of production in the case of an animated program). Any amount payable under paragraphs(b), (c) or (d) is payable by the producer or the relevant third party (e.g., sales agent) in accordance with the terms of the PIA or relevant marketing agreement.

#### 5.3 NFSA rights

Screen Queensland will require the producer to enter into a Delivery Deed with the NFSA, whereby the producer agrees to deliver certain items to the NFSA.

#### 5.4 Other rights

In addition to the other rights set out in these Terms of Trade and the program guidelines, Screen Queensland requires the following rights:

- (a) the right to use the project and promotional materials for corporate and promotional purposes, including promotion of the Australian and Queensland film, broadcast, and digital media industries (as applicable); Screen Queensland's rights extend to online use of excerpts of the project including on Screen Queensland's websites and social media platforms;
- (b) approval or meaningful consultation rights as set out in the project's investment agreement;
- (c) in the case of recoupable production investment:

- 1) of broadcast drama and feature films, prior approval over any Major Territory deal (see glossary for definition of Major Territory);
- of feature films only, prior approval over any non-Major Territory deal which is under the take price for the relevant territory approved by Screen Queensland (in the sales agency agreement).

#### 6. **REVERSION**

For projects contracted after 1<sup>st</sup> July 2015, Screen Queensland's copyright interest is to revert back to the producer after five (5) years from the first commercial release. Screen Queensland's entitlement to gross receipts is to also revert at this five (5) year mark.

For projects contracted on or prior to 1<sup>st</sup> July 2015, reversion of Screen Queensland's copyright interest and entitlement to receipts will revert from the date of the producer's application for reversion. Reversion will be subject to execution of Screen Queensland's standard reversion agreement. Please contact Screen Queensland for a reversion application: legal@screenqld.com.au.

#### 7. COMPLETION GUARANTEE

Generally, Screen Queensland requires the appointment of a completion guarantor for film and broadcast projects that receive production investment. This requirement will depend on the experience and track record of the producer, on the nature of the project, on the level of budget and investment, and on Screen Queensland's assessment of the risk of completion of the project.

#### 8. ACCESSIBILITY OF SCREEN CONTENT

Screen Queensland requires feature films that it invests in to be captioned and audio described to provide access for the hearing and/or visually impaired, for cinemas and DVD. The producer will need to budget for these requirements. Feature film producers are also required by Screen Queensland to use reasonable endeavours to ensure that all Australian distribution agreements include access for the hearing and/or visually impaired via captioned and audio-described theatrical screenings and DVDs.

Screen Queensland also encourages producers of all non-feature film content to budget for captioning and audio description, and for accessible web or game design, to provide access to their projects for both hearing and visually impaired audiences.

#### 9. DELIVERY ITEMS FOR SCREEN QUEENSLAND AND NFSA

#### 9.1 Deliverables for Screen Queensland

As a condition of production investment, the producer must deliver the items specified in the Delivery Schedule together with any other items specified in the contract.

For development investment and all other forms of funding, the delivery items specified in the contract must be delivered to Screen Queensland within the agreed timeframes.

#### 9.2 Deliverables for the NFSA

For all film and broadcast projects, the materials specified in the Delivery Deed between the producer and the NFSA (see 5.3 above) are to be delivered directly to the NFSA (at the best quality available and at the completed resolution).

NFSA deliverables must be included in the project budget.

#### 10. SAFE WORKPLACES

All employees and industry practitioners have the legal right not to be overworked, discriminated against, harassed, sexually harassed, or bullied in the workplace. Workplaces should be non-threatening, respectful, safe, and free from all forms of harassment. Each state and territory has its own laws requiring safe workplaces and prohibiting discrimination, harassment, sexual harassment and bullying in the workplace.

Screen Queensland expects all Applicants (including their Related Entities' employees, contractors and agents) to:

(a) comply with all legislation relating to providing a safe workplace including state and federal work health and safety, harassment and discrimination legislation; and

(b) to comply with the recommendations of industry codes of conduct and guidelines including the Australian Screen Industry Code of Practice: Discrimination, Harassment, Sexual Harassment and Bullying and the National Safety Guidelines for Screen Safety.

Screen Queensland may require Applicants to demonstrate evidence of their compliance and this may be taken into consideration in assessment of applications.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Added specific requirements to comply with *Australian Screen Industry Code of Practice: Discrimination, Harassment, Sexual Harassment and Bullying* (available on the SPA and MEAA websites) and the *National Safety Guidelines for Screen* Safety available at: https://www.screensafety.com.au/safety-guidelines).

## GLOSSARY

#### **BONA FIDE QUEENSLANDER**

Means:

- (a) in the case of a Queensland-based applicant, where the applicant lived and worked in Queensland for at least six (6) months immediately preceding the application; and
- (b) in the case of a Queensland-based Key Creative, where the Key Creative lived and worked in Queensland for at least six (6) months immediately preceding the application.

#### CHAIN OF TITLE

The set of documentation that establishes the producer's ownership of the rights to produce and exploit the film or other funded project. Examples of chain of title documents include option agreements, extension of option agreements, writer's agreements, quitclaim deeds and co-development agreements.

#### **COLLECTION ACCOUNT MANAGER (CAM)**

The organisation (usually overseas) appointed to collect international 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 or interparty agreement (as applicable).

#### **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, communicate to the public 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.

#### **CREDIT SCHEDULE**

Please refer to Schedule B.

#### **DELIVERY SCHEDULE**

Please refer to Schedule A.

#### **GROSS RECEIPTS**

All revenue from sales of a film, and all 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.

#### **KEY CREATIVE**

In the context of a project that Screen Queensland is looking to provide investment for includes:

- a) writer;
- b) director;
- c) producer; and
- d) any other personnel, which in Screen Queensland's opinion have the capacity to determine and influence the creative output of the project.

#### **KEY PRINCIPAL**

In the context of a project that Screen Queensland is looking to provide investment for includes:

- a) Key Creatives;
- b) heads of departments; and
- any other production personnel, which in Screen Queensland's opinion have the capacity to determine the outcome of decisions about a project including but not limited to the executive producer(s) or consultant producer(s).

#### **MAJOR TERRITORY**

The term 'Major Territory' is used in the context of Screen Queensland's recoupable investment only. In particular, it is used in the context of Screen Queensland's right to pre-approve sales or licenses of the funded program and in relation to the distribution commission rates which will be acceptable to Screen Queensland (Screen Queensland expects distributors to charge a lower rate of commission in respect of Major Territory deals).

The following territories are designated by Screen Queensland as Major Territories:

- d) Australia;
- e) North America as one territory;
- f) USA;
- g) world as one territory including or excluding Australia;
- h) Europe as one territory;
- i) UK;
- j) Italy;
- k) France;
- I) Spain;
- m) Scandinavia as one territory;
- n) Germany; and
- o) Japan.

#### **OFFICIAL CO-PRODUCTION**

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

#### **PRODUCER OFFSET**

The Producer Offset is a tax-based incentive based on expenditure on goods and services provided in Australia. It is available to eligible feature films at 40% of Qualifying Australian Production Expenditure (QAPE) and for eligible formats other than feature films at 20% of QAPE, as set out in the *Income Tax Assessment Act 1997* (ITAA 1997). Screen Australia is the *film authority* for the purposes of the ITAA 1997 and administers the Producer Offset scheme separately from its development, production and marketing support functions.

#### **PRO RATA AND PARI PASSU**

The expression relates to contributions to a project's budget and to recoupment of investments and refers to the percentage and timing of contribution or recoupment. A *pro rata* contribution or recoupment is one that is provided or received in proportion to the contributor/recipient's interest in the project. *Pari passu* contributions or recoupment are made or received at the same time as contributions or recoupment of another party.

#### **RELATED ENTITY**

In the context of clause 5.2, this term refers to a related body corporate of the producer or any corporation of which the producer is a director.

#### **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 rights in relation to the novel or play on which the script is based.

#### UNRELATED PRODUCTION COMPANY

In the context of clause 5.2, this term refers to an entity which is not the producer and not a Related Entity of the producer.

## **SCHEDULE A: DELIVERY SCHEDULE**

- 1. One (1) rugged-style hard drive with a H.264 compression or equivalent Quicktime mov file of the project or series supplied on the delivery date.
- 2. One (1) rugged-style hard drive with the following items supplied on the delivery date:
  - a. one (1) electronic press kit and written publicity pack;
  - b. at least ten (10) key images in uncompressed TIFF format;
  - c. one (1) electronic (non-PDF) copy of the full production cast and crew list, detailing names by department and Australian State or Country of residence and contact details; and
  - d. one (1) digital copy (in TIFF format or equivalent) of the poster for the project (if applicable); and
  - e. Electronic copy of the final release script for the project.
- 3. At least twenty (20) different full colour, high-resolution digital media quality approved production stills (A3 size, 300dpi) and which must include:
  - a. At least 10 key images from the completed Project
  - b. At least 10 stills highlighting the making of the Project in Queensland including:
    - i. the cast and crew at key Queensland locations used during production;
    - ii. the crew on any stage or set builds demonstrating the transformation of the Queensland locations, and
    - iii. the cast/crew on set with the Queensland Premier, if applicable

Selected by the Producer in consultation with Screen Queensland.

- 4. Access to one (1) key crew member (subject to availability) for one (1) video testimonial (filming to be organised by Screen Queensland) and two (2) written testimonial from key crew regarding the experience of producing the Project in Queensland for publicity and promotional purposes.
- 5. Cost Report including Queensland Production Expenditure delivered prior to each drawdown and as detailed by the relevant agreement.
- Producer's Report (in the form available from the Screen Queensland website or otherwise agreed by Screen Queensland) supplied within three (3) months after completion, together with the following documents:
  - a. final cost report including Queensland Production Expenditure; and
  - b. the audit or audits of all production expenditure including an audit of the Queensland Production Expenditure; and
  - c. A statutory declaration signed by the physical producer confirming that the minimum QPE requirement has been met for the project.
- 7. One (1) copy of each cross-platform element of the project at the same time as such element is delivered to any other investor or contributor to the budgeted cost or under any marketing agreement (if and when available).
- 8. One (1) copy of the theatrical release trailer as an uncompressed Quicktime (if and when available).

- 9. One (1) physical copy of the poster for the project (if and when available).
- 10. Two (2) copies of the commercial DVD release of the project together with any publicly released "behind the scenes" footage taken during the production and post production process (if and when available).
- 11. Two copies of the soundtrack on CD (if produced and when commercially available).
- 12. One legacy item from the project.
- 13. A complete list of Queensland locations used during the filming of the project.
- 14. Attachment reports.

## **SCHEDULE B: CREDIT SCHEDULE**

The producer, if applicable, and the production company shall ensure that the following credit and the Screen Queensland logo (the Credit) is included in the titles of the project:

- a) For all productions in receipt of production investment; an animated prepresentation credit on all copies of the project in a form to be supplied by Screen Queensland, before the opening titles of the project and of a similar size and prominence as other investors of a similar monetary value.
- b) If there are pre-presentation credits, the Screen Queensland animated logo is to be included with the order based on funding level (highest to lowest).
- c) The Producer, the Production Company and the Investors must receive a full frame presentation credit in the opening titles of all copies of the project and in the title block of any posters, in an order that represents the investment stake in the project (largest to smallest) and that includes the following wording to be approved by Screen Queensland:

If Screen Queensland is the largest investor/one of the largest investors:

#### SCREEN QUEENSLAND [AND (INSERT)] PRESENT(S)

If Screen Queensland is the second largest investor:

#### IN ASSOCIATION WITH

If Screen Queensland is the third largest (or smaller) investor:

#### WITH PRODUCTION INVESTMENT FROM

- d) A static credit in the end titles of the project directly before the below-theline crew credits (but not as the last title of the project), in an order that represents the investment stake in the project (smallest to, largest) in the following form:
  - I. If the project has received only production investment from Screen Queensland, either:

a. Where Screen Queensland is the principal investor:

#### **PRINCIPAL INVESTOR**

(Screen Queensland Logo)

b. Where Screen Queensland is an investor but not the principal investor:

#### WITH PRODUCTION INVESTMENT FROM SCREEN QUEENSLAND

(Screen Queensland Logo)

II. If the project has received both development and production investment (either by way of recoupable investment or as a grant) from Screen Queensland:

#### DEVELOPED & PRODUCED WITH INVESTMENT FROM SCREEN QUEENSLAND

#### (Screen Queensland Logo)

III. If the project has received only development investment from Screen Queensland:

#### DEVELOPED WITH INVESTMENT FROM SCREEN QUEENSLAND

#### (Screen Queensland Logo)

#### The Credit must:

- a) conform with Screen Queensland's standard artwork available by contacting Screen Queensland's marketing and communications department;
- b) appear in all advertising and promotional material for the project including all media releases, advertisements and posters (for theatrical films) but excluding theatrical trailers, television commercials and newspaper and magazine advertisements under five column centimetres in length and in material dealing exclusively with the promotion of cast members; and
- c) be no smaller than any other third party credit in advertising and promotional materials in which the Credit is to appear.

Screen Queensland may, at any time upon notice in writing to the producer, decline to require or permit its Credit to be used in the project or any advertising, promotional or publicity material for the project.

Screen Queensland's funding must also be acknowledged in all media material, and those materials should be prepared collaboratively and with adequate notice.

Screen Queensland must be acknowledged on physical retail packaging for the finished work e.g. DVD, CD soundtracks

Screen Queensland must be acknowledged on collateral for the finished work e.g. posters, avante cards, brochures, microsites.

Depending on the format, Screen Queensland will usually also require a credit in:

- Trailers and teasers
- Cinema advertising

## **CHANGE LOG**

#### 17 February 2017

Clause 5.1, corrected typographical error in Development funding copyright interest to 10%.

#### 1 July 2019

General - all references to "funding" corrected to "investment"

Introduction and Clause 1 amended to clarify that these Terms of Trade do not apply to Screen Queensland Studios.

Clause 3 amended to clarify that ATSI stories must demonstrate that IP is owned by members of the appropriate community.

Clause 4.1 corrected to clarify that it applies to production grants.

Clause 5.1 amended to clarify that 1% copyright does not revert.

Clause 5.1 corrected typographical error in Development investment copyright interest to 10%.

Clause 5.2 reinstatement of principles and fee schedule for sequels, spin-offs and

remakes

Clause 6, corrected to clarify that:

- for projects contracted after 1st July 2015 reversion applies from first release in accordance with PIA Core Conditions; and

- for projects contracted on or after 1st July 2015, reversion is subject to reversion application and agreement.

Glossary - definitions of Related Entity and Unrelated Production Company added.

Delivery Schedule updated

Credit Schedule updated

21 July 2021

Clause 10 added

4 August 2021

Schedule B: Credit Schedule updated with revised Screen Queensland credit requirements