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Best Practice in Screen Sector Development

A Study from the Association of Film Commissioners International by Olsberg•SPI



FOREWORD

Founded in 1975, the Association of Film Commissioners International (AFCI) is the only global organization for film commissions, liaison government agencies and affiliated businesses/organizations involved in various forms of media production. Members include city, state, regional, provincial and national film commission professionals on six continents. Among its core missions, AFCI provides advocacy, connectivity and education to drive economic growth.

Best Practice in Screen Sector Development is the first study of its kind, and AFCI is proud to have engaged Olsberg•SPI to research and compile the findings. The result is a comprehensive global report detailing guidelines and successful strategies and policies from around the world. This analysis is especially critical at a time when governments are increasingly acknowledging the value of creative and cultural economies.

We encourage every film commission/screen agency and related government department to evaluate its programs and policies in relation to this report. For those working to increase their appeal as a production destination, this study serves as your benchmark for best practices.

Best Practice in Screen Sector Development is the first in a series of best practice reports and guidelines AFCI will release. Information on our other research initiatives is available online at afci.org.

Jess Conoplia

President, AFCI



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1. EXECUTIVE SUMMARY

1.1. About the Study

Recent years have seen unprecedented global growth in film and television drama series (together, “**Screen**”) production. The scale and global nature of this production presents a major opportunity for countries and regions to service demand by investing in production capability and capacity.

Against this backdrop, the Association of Film Commissioners International (“**AFCI**”) has commissioned creative industries consultancy firm Olsberg•SPI (“**SPI**”) to undertake an assessment of best practice in Screen sector development (the “**Study**”).

The Study highlights a range of successful strategies and policies that have been implemented by established and emerging markets around the world with the aim of maximising their share of high-value production activity. Four of the most important areas within which best practice can be demonstrated provide the framework for the Study:

- Automatic incentives;¹
- Workforce capacity;
- Capacity building in physical infrastructure and services; and
- Film-friendly production environment.²

These four areas are critical in the attraction of international Screen productions, providing both incentives and capacity to ensure that projects can be attracted and effectively serviced. Examples of best practice in all four areas are included in this Study.

1.2. The Strategic Importance of the Screen Sector to Governments Worldwide

1.2.1. Economic growth, job creation and skills development

The Screen production sector is increasingly regarded by governments as not only culturally important, but as a powerful driver for economic development. Screen productions generate significant amounts of expenditure in production locations, which is distributed across on-the-ground crew, local production companies, service and rentals companies, and a range of other suppliers such as caterers, restaurants, hotels, and transport providers.

As evidenced throughout this Study, Screen production can have a significant effect on job creation, generating freelance employment as well as full-time positions.

In the European Union (EU), the audiovisual industry is worth \$107 billion (€97 billion) a year, employs more than one million people and has been growing 2% per year. Cultural and creative industries collectively provide 7.5% of the EU’s workforce and generate around 5.3% of the EU’s total Gross Value Added (GVA).³

In Australia, the cultural and audience value of the Screen production industry has been estimated at over \$12 billion (A\$18 billion), with an annual contribution to gross domestic product (GDP) estimated at \$2 billion (A\$3 billion) as well as over 25,000 in full time equivalent jobs (FTEs).⁴ Studies in 2018 examined the economic activity of film and TV Offset-supported

¹ See Appendix, Section 9.1, for a fully updated Global Incentives Index. Compiled by SPI and published twice annually in MBI’s *World of Locations*, this is a comprehensive guide to all automatic incentives currently in operation worldwide at country, state, and province level

² For the purposes of this Study, the term ‘film-friendliness’ covers the production of film and television drama

³ *EFADs advocate for a stronger MEDIA Programme*. EFADs, 3rd October 2018

⁴ *Screen Producers Australia’s submission on the proposed Free Trade Agreement between Australia and the European Union*. Screen Producers Australia

production in Australia and estimate the screen industry contributes more than \$2 billion (A\$6.4 billion) to the Australian economy, supporting more than 94,000 FTEs.⁵

Jobs are also well remunerated when compared with other sectors. According to data from the Motion Picture Association of America (MPAA) the American film and television industry supports 2.6 million jobs and pays out \$177 billion in total wages. Of the total jobs supported by the industry, direct jobs related to the production and distribution of films and television shows totalled 927,000 (340,000 direct production jobs and 587,000 direct distribution jobs). Salaries are 47% higher than the national average for direct jobs in total, and 65% higher for direct production jobs.⁶

Screen production jobs are also of strategic value to governments because they are highly skilled. Indeed, many of these roles require such expertise that they can be considered less at risk from artificial intelligence and robotics than other manufacturing activities.

Finally, the Screen sector is also a potent driver of activity in other creative industries such as advertising, marketing and public relations, publishing, music, performing arts and digital. Previous analysis by SPI shows that Screen productions drive a significant amount of activity in the other creative industries. Analysis of a group of sample projects showed that between 38% (film) and 47% (television drama) of production expenditure impacts other creative industries.⁷

1.2.2. Screen tourism and soft power

There is strong global evidence underlining the pronounced impact that Screen production can have on tourism. Indeed, Screen production is a major tourism motivator, and aligns with wider trends such as experiential travel and the influence of social media on tourism.

For example, data from Tourism NI shows that one in six out-of-state visitors were influenced to visit Northern Ireland because of *Game of Thrones*. According to Tourism NI estimates, *Game of Thrones* visitors contributed more than \$61 million (£50 million) to the local economy in 2018.⁸

Research undertaken by SPI also conservatively estimated that the value of screen tourism to film locations in England outside of London was worth around \$123-\$172 million (£100-£140 million) annually in 2014.⁹ SPI's *Screen Business* report revised this, with an estimate of total inbound film-related screen tourism of \$733.6 million (£597.7 million) in 2016. This generated 13,440 FTEs.¹⁰

Screen production also generates soft power and national branding, connecting global audiences to a jurisdiction's locations, stories, way of life and character in a way that can be both powerful and authentic.

1.2.3. Government interventions

Recognising the economic and cultural benefits of attracting international production and developing a local industry, governments around the world make a range of interventions which seek to achieve these aims.

⁵ Ibid.

⁶ *New Data: The American Film and Television Industry Continues to Drive Economic Growth in All 50 States*. MPAA, 18th March 2019

⁷ *Film and the Creative Economy: How Film and Television Drama Productions Grow the Creative Industries*. Olsberg•SPI, 31st July 2017

⁸ *Game of Thrones tourists spent €58m in North last year*. The Irish Times, 22nd April 2019

⁹ *Quantifying Film and Television Tourism in England*. Olsberg•SPI for Creative England in association with VisitEngland, 4th March 2015

¹⁰ *Screen Business*. Olsberg•SPI with Nordicity, October 2018

This Study focuses on four interrelated strands of intervention: incentives, workforce, production infrastructure, and film-friendliness. Governments and other authorities can make positive differences in each area, but successful production sectors are cohesive ecosystems and it is important that consistent and holistic development is undertaken across all four.

1.3. Best Practice

Best practice can be broadly divided into two areas – formal and informal.

Formal interventions include legislation, direct funding, or strategies that increase sectoral capacity and quality. Informal best practice involves processes and procedures that reduce friction or difficulty for film-makers at any point across the production process – for example, the existence of a national permitting systems for location filming.

Many of the interventions that this Study outlines relate to both the attraction of international projects and the development of national production. A healthy Screen sector is based on both production types – with a strong national sector developing skills and infrastructure that can be utilised by international projects, which in turn can raise the level of skills and generate further development in local facilities and workforce.

Considering incentives, just one of the four areas covered in the Study, there are nearly 100 automatic systems in operation around the world, and even more if regional or city-level systems are included. This means that within each Study area there are many different approaches and practices globally which vary in their effectiveness for governments and usability for producers. Best practice therefore relates to the strategies, measures, and operational approaches which are most conducive to building a valuable and stable screen sector.

Best practice in the four Study areas relates to an ultimate intention of maximising production activity in a given jurisdiction. By offering stable incentives, a skilled workforce, options for infrastructure, and an overall film-friendly approach to hosting productions, governments can expect to capture more of the global footloose production market.

In contrast, ineffective practices can limit the available opportunity for jurisdictions to attract production and develop the Screen sector. Often these practices are not related to financial limitations – i.e. the available budget for a training programme or an incentive – but instead relate to how investment is directed. For instance, two workforce development programmes with the same budget can have vastly different impacts depending on their objectives, organisation, and implementation.

1.3.1. Policy, legislation, and strategy

Well-designed policy is a cornerstone of development for a healthy Screen sector. This includes both sector-specific and non-sector-specific policy in areas where it affects Screen production.

Screen projects intersect with legislation and policy in many different ways. A key touchpoint is legislation related to incentives, which are a major tool for sectoral development and must be closely informed by the needs of international and national productions to be effective. To this end, incentives legislation – and related guidelines – should be clear and straightforward, without limitations or onerous or unrealistic expectations on the producer.

Other critical areas of legislation of relevance to Screen projects includes taxation, company and employment law, visas and customs, Intellectual Property (IP) and rights, and censorship.

Another key area of formal best practice is strategy. As with legislation, the Screen sector can intersect with wider strategy approaches in a number of ways. This can include a government's overarching industrial strategy and the recognition of the economic and strategic value of Screen and the broader creative industries.

1.4. Best Practice Findings in Key Study Areas

This section summarises the findings of the Study in four key areas.

1.4.1. Automatic incentives

- The structure and process of an incentive system should be simple and clear for both national and international producers, using an understood and tested model such as a rebate or tax credit
- Legislation and guidelines should provide certainty on all areas of eligibility and with a lack of subjectivity, while timescales for application, response, and payment should be clearly outlined
- Guidelines should also be free from onerous additional requirements, such as censorship or approval of script or footage, rights obligations, and excessive or unspecified promotional requirements
- The incentive should function predictably and as described, and administrators should be responsive to producers and advise potential projects on structures that will enable access to the incentive
- Incentive budgets are ideally uncapped, and payment is not dependent on the originating producer sharing rights
- Systems can either pay to a local or international producer, but payment must be without delays and as outlined in the guidelines
- Incentives with targeted measures that offer additional value for meeting certain criteria met will be more effective if they are producer-friendly enough to be regularly used.

1.4.2. Workforce capacity

- Effective development depends on meeting industrial requirements. Gap analyses and strategic skills audits based on the needs of national and international producers should underpin interventions
- Effective workforce development involves multiple stakeholders across public and private spheres, including industry, economic development agencies, and skills development bodies
- Strategy must be informed by the fact that international productions use standard structures and crew roles across borders
- Effective workforce strategies benefit a wide range of trainees across different positions while targeting specific skills gaps in higher grades
- With a workforce development strategy in place, the needs of the industry should be robustly tracked on an ongoing basis to ensure a sufficient pipeline of skills and workers as the sector grows and develops.

1.4.3. Capacity building in physical infrastructure and services

- The scale of global production investment has significantly increased the need for physical spaces to shoot, or manufacture, Screen content. Production studios are now a key area of need in many markets and strategic, long-term government investment is a key intervention for developing production infrastructure and building the sector
- Studios require significant capital expenditure, and financial support from the state can be necessary either to promote private investment in the facility by lending upfront costs on favourable terms, or by directly investing in infrastructure¹¹

¹¹ As outlined in 6.3.1, state support of studios and other infrastructure projects in the European Union is complicated by State Aid rules

- For example, authorities can undertake robust research and data analysis regarding production and studio demand so that investors can understand market potential. They can also assist by identifying land or progressing private developments quickly through necessary planning processes, and can also prime the market by investing in state-of-the-art technology and digital connectivity
- Given the investment required, authorities have a key role in ensuring a stable market through a predictable production incentive with a long legislative sunset date
- Incentives can be formulated to encourage infrastructure development – either through offering additional value for productions using specific facilities, or by offering additional value to producers who also invest in infrastructure
- It is important that the development of infrastructure is linked to a broader market growth strategy – particularly with regards to building workforce
- Studios in particular can play a key role in developing skills, and new developments often include training provision for this reason.

1.4.4. Film-friendly production environment

- A film-friendly production environment involves a shared, positive view of the industry across a range of different government departments, agencies, and other entities
- Screen productions need to bring technical equipment and crew – particularly in less developed markets – and this must be a straightforward process with no delays
- Film commissions and other agencies should therefore effectively communicate the positive impacts of the Screen sector, in order to ensure ongoing support from all relevant stakeholders and, in turn, ensure effective policy measures.

1.4.5. Case Studies

This Study aims to provide a reference for jurisdictions developing their Screen sector by highlighting examples from around the world which demonstrate best practice. The case studies listed below and outlined in detail elsewhere in the Study include some of the most established markets – California, New York, and the UK, for example – as well as other smaller markets which are building their offer in effective or innovative ways.

Table 1: Selected Case Studies

<p>Incentives</p> <ul style="list-style-type: none"> • British Columbia, Canada • Colombia • France • Iceland • New York, US • New Zealand • Portugal • United Kingdom 	<p>Workforce</p> <ul style="list-style-type: none"> • Georgia, US • Illinois, US • Northern Ireland, UK • Republic of Ireland
<p>Physical Infrastructure and Services</p> <ul style="list-style-type: none"> • Ontario, Canada • Queensland, Australia • Taiwan • Västra Götaland, Sweden 	<p>Film-Friendly Production Environment</p> <ul style="list-style-type: none"> • Jordan • Morocco • New Mexico, US • Uruguay

1.4.6. Ineffective practice

A jurisdiction's ability to attract production and develop its Screen sector can be reduced by ineffective practice.

This may be formal – for example, through an incentive system that places IP or rights sharing requirements on a production – or it may be informal. Examples of the latter include inefficient processing of permits or incentive administration.

Such issues can be unintended, and some legislation can inadvertently serve to repel international production when it has been created to do the opposite. Ensuring that all legislation, guidelines and strategy are closely informed by standard sectoral processes is critical.

A broad overview of ineffective practice is provided in each of the Study areas, and serves to further underline the importance of best practice.

2. ANTICIPATED TRENDS IN GLOBAL PRODUCTION GROWTH

2.1. The Global Screen Production Deluge

Screen production is currently thriving around the world, with the number of productions and the investment going into them expanding as media, entertainment and technology players – both established and emerging – compete for the attention and spend of a growing worldwide consumer base that increasingly has direct access to content.

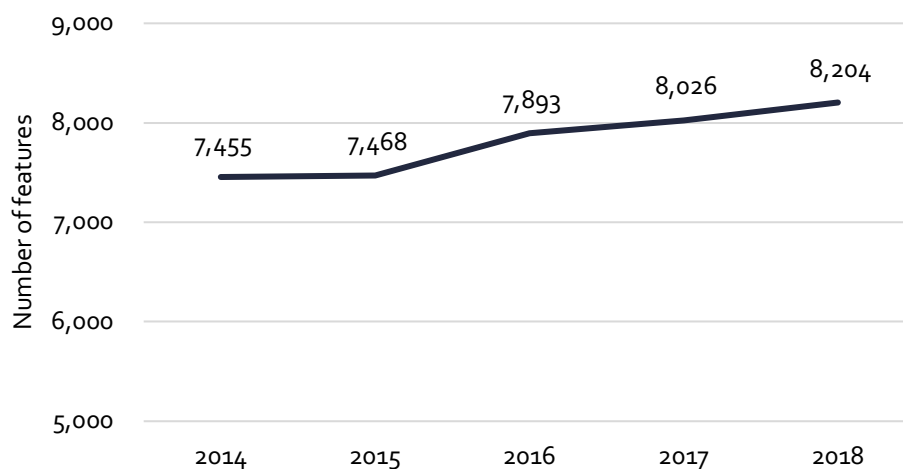
The sector is also getting more global in terms of where projects can be made, with major US producers siting projects in jurisdictions which offer the most attractive fiscal incentives and film-making environments. In addition, large production entities which are building content platforms for worldwide audiences are also pursuing localisation strategies, often involving non-English-language content and 'local' creative staff. With the support of governments, many independent markets around the world are increasing their content output and sophistication.

This has led to a change in perception of the Screen sector for many governments, from a cultural undertaking to an industry which also delivers substantial economic impacts. Indeed, Screen production has become a crucial driver of economic growth in many countries and is of key strategic importance to governments as a result.

2.1.1. Film and television drama production

The estimated number of feature films produced worldwide increased by around 10% between 2014 and 2018, mainly a result of robust growth of China and South Korea's feature film output, as well as strong growth in the US.

Figure 1: Estimated Number of Feature Films Produced Worldwide, 2014-18



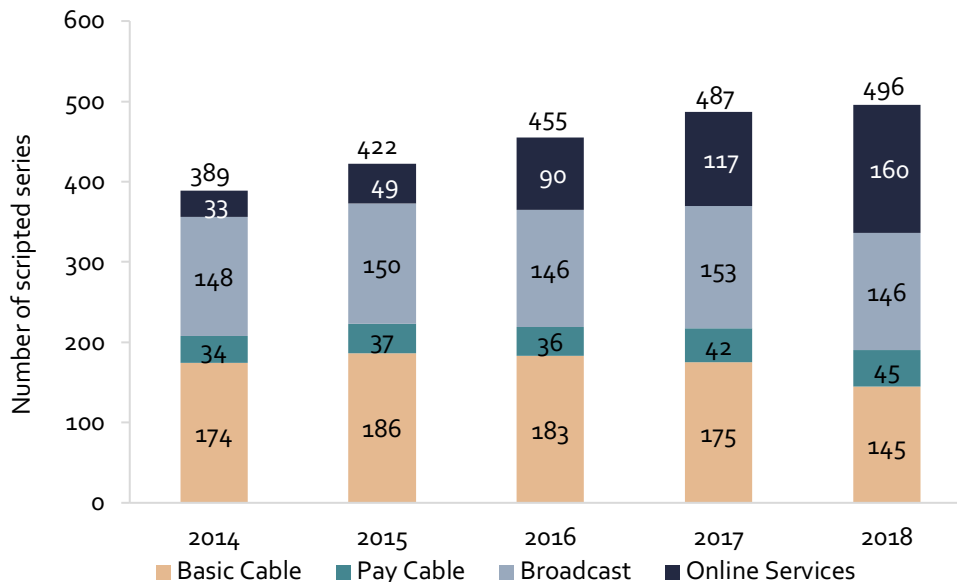
Source: European Audiovisual Observatory

In the US, growth has been very strong in the television sector (including television content which is distributed online). The number of scripted originals aimed at US audiences has seen strong growth even over the past five years, hitting 496 last year according to FX Networks, and in the six months to June 2019 was at 335. If the pace continues, a record 520 series will air in 2019.¹²

¹² 'Impeachment' Airdate Won't Affect Election Results, FX Chief Says. Hollywood Reporter, 6th August 2019

FX Networks' data releases also show that content produced for online streaming services represented 32% of originals aired, surpassing both basic cable and broadcast for the first time since tracking began in 2011.¹³ (In 2011, content produced for online services represented only 2% of the total.) Although viewing figures for streaming platforms have historically not been made public, Netflix announced in July that 40.7 million households had watched *Stranger Things* in its first four days.¹⁴

Figure 2: Estimated Number of Original Scripted Series, 2014-18



Source: FX Networks Research

In addition to feature and television drama production, there were 10,241 short films submitted to Sundance this year, defined as films up to 50 minutes in length, all of them also requiring some level of production and post production support, according to the festival's own released numbers.¹⁵ Even at the stated average length of 7 to 15 minutes each, and our own estimated cost of \$700-\$1,500 per minute, those Sundance short submissions alone still represent an economic investment of somewhere between \$50-\$230 million. With digital platforms seeking out short-form storytelling content, this will be an increasingly significant production investment – underlined by the \$1 billion that Quibi is committed to spending on its 'quick bite' shows including serialised films on its mobile video platform that will launch in April 2020.¹⁶

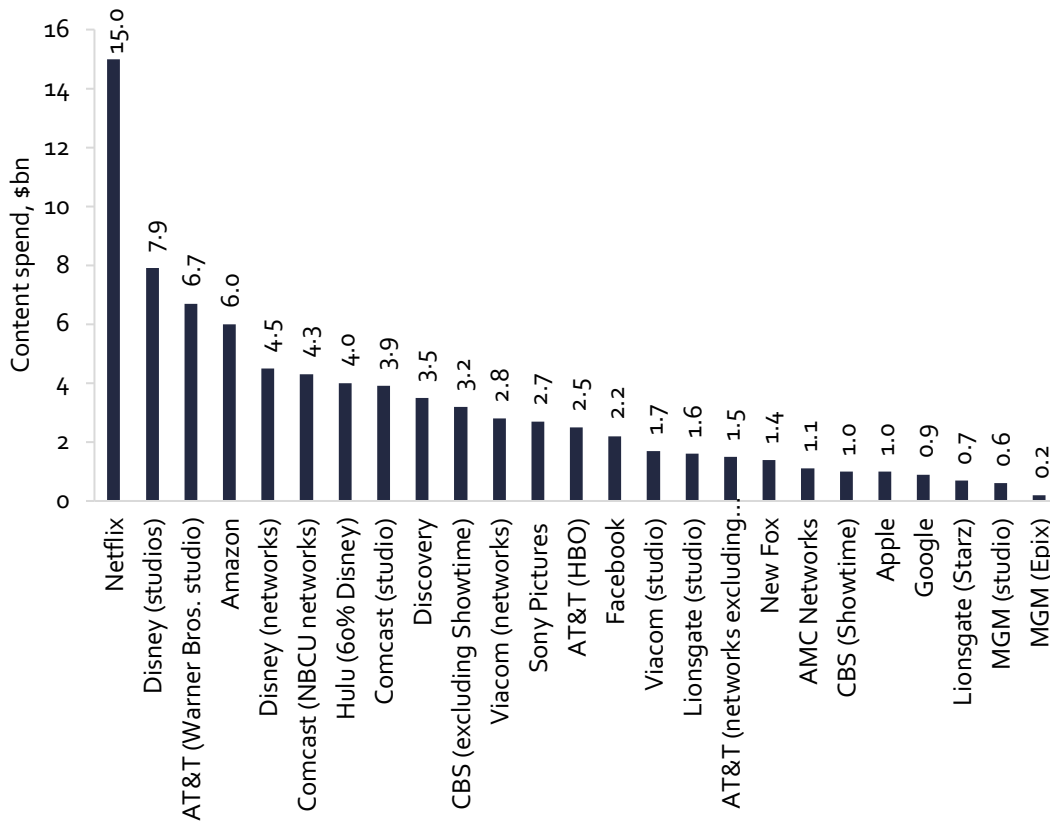
¹³ *Peak TV Update: Scripted Originals Hit Yet Another High in 2018*. The Hollywood Reporter, 13th December 2018

¹⁴ Netflix US (@netflix), Twitter, July 8th 2019.

¹⁵ *Sundance Film Festival Unveils 2019 Features Lineup*. Variety, 28th November, 2018

¹⁶ *Quibi To Raise Another \$500M Before April Launch For Massive Marketing Push*. Forbes, 9th June 2019

Figure 3: Estimated US Content Expenditure in 2019, Excluding Sports Content



Source: *Dare to Stream*. Variety Intelligence Platform, 7th May 2019

As outlined in the figure above, major US producers have been projected to spend \$81 billion on content in 2019, excluding sports content. These data were published in May 2019, however, and it is apparent that some content investments will be higher.

Speaking in 2018, Showtime president and CEO David Nevins said that around \$85 billion was being spent on television content – and predicted that in two years the total would increase to \$100 billion, split 70:30 between traditional and tech companies.¹⁷

Other countries continue to see growth in local production volumes. China’s Screen sector is returning to record-breaking territory after a 2018 retrenchment. It is estimated that \$25.5 billion (RMB180 billion) flowed into China’s largest film and television companies between 2014-18. The government has also exhorted film-makers to turn the country into a film superpower to rival the US by 2035, targeting the production of more than 100 films a year that earn more than \$14.2 million (RMB100 million). In 2018, three of the top four grossing Chinese films had budgets of more than \$60 million.

2.1.2. Streaming services, localisation strategy, and hybrid international productions

A large part of the production growth in original series has been driven by online streaming services. Recent years have seen unprecedented production investment from services like Netflix, Amazon, and Hulu, and the next 12 months will see the launch of a number of major

¹⁷ Showtime’s David Nevins Says TV Spending Could Reach \$100 Billion: ‘No Question – It’s An Arms Race’. The Wrap, 2nd October 2018

new streaming platforms by Disney, Apple, NBCUniversal, HBO, and others. Production investment will therefore continue to increase over the medium term.

Netflix remains the world's largest producer of original series, premiering 139 new titles during 2018, according to Parrot Analytics.¹⁸ This is nearly as many as all platforms combined released in 2017. Facebook Watch also greatly increased how many new series it released in 2018, debuting 41 new titles – although many of these are smaller productions which may not have footloose potential.

In anticipation of its November streaming platform launch this year, Disney has earmarked an initial \$500 million on original content including Star Wars spin-offs for Disney+ and has also acquired Hulu, an Over-the-Top (OTT) platform that currently spends around \$2.5 billion on original and licensed content.^{19, 20} With Fox's production capabilities now under its roof, Disney has said it plans to use its enlarged stable of television studios to 'fuel Hulu with a lot more original programming'. Disney's OTT production expansion plans will also be felt in India where it owns Hotstar, whose subscription base has quadrupled over the past year to 300 million (more than 10 times that of either Netflix or Amazon Prime in that market).

WarnerMedia, meanwhile, is set to increase HBO's programming budget – currently \$2.5 billion per year – by an additional \$500 million for 2019 and 2020 as new owner AT&T gears up for the launch of its own new streaming service, HBO Max.²¹ Amazon will also reportedly spend \$1 billion producing a new *Lord of the Rings* series, having already committed \$250 million to buying the underlying literary rights.²² Apple's own upcoming streaming platform kicked off with an estimated \$1 billion budget, but analysts now estimate this has expanded to \$6 billion.²³

A similar picture is playing out in China, where Baidu's iQiyi, Tencent Video and Alibaba's Youku account for a significant 60% of video-on-demand (VoD) viewers, and dwarf broadcast television in content spending.²⁴ According to Ampere, iQiyi spent \$3 billion (RMB21.1 billion) on content in 2018, nearly matching the total content spending of China's top six broadcaster groups combined, and representing an average 152% growth in production investment between 2012-2018.²⁵ In every other regional marketplace, there are telcos and broadcasters competing or joining forces to create direct-to-consumer (DTC) platforms of their own.

Netflix also recently declared its intention to increase its own feature film production output to 90 a year. According to Netflix's Scott Stuber this breaks down as follows: 20 'Original' films a year, with budgets ranging from \$20 million to \$200 million; 35 'Indie' films a year with budgets below \$20 million; and features from other divisions such as documentaries and animation.

The major trend of relevance to the international market has been the localised production strategy of Netflix, HBO, Amazon, and others. The figure below demonstrates the current and future importance of local productions for Netflix, where international subscriptions overtook domestic in mid-2017 and are growing more quickly each year.

¹⁸ *The Global Television Demand Report*. Parrot Analytics, 3rd Quarter 2018

¹⁹ *Inside Disney's Daring Dive Into The Streaming World*. Variety, 29th January 2019

²⁰ "Older, Broader, Edgier": What To Expect from Hulu Under Disney's Control. The Hollywood Reporter, 22nd May 2019

²¹ *WarnerMedia to Add an Extra \$500 Million to HBO's Budget*. Observer.com, 30th July 2019

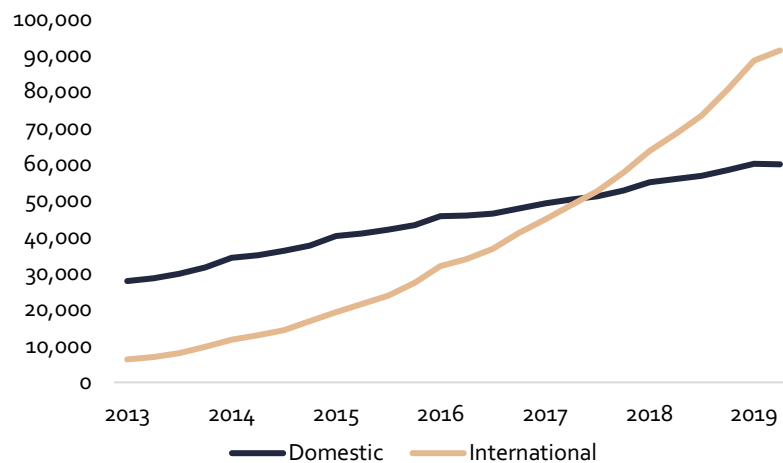
²² *Inside Amazon's \$250M "Lord of the Rings" Deal: "It's Very Much a Creature of the Times"*. The Hollywood Reporter, 5th April 2018

²³ *Apple splashes \$6bn on new shows in streaming wars*. Financial Times, 19th August 2019.

²⁴ *Inside China's Global Entertainment Ambitions - and What Might Get In The Way*. Variety, 13th August 2019

²⁵ *iQiyi's content investment set to pass China's top broadcasters*. Ampere Analysis, April 2019

Figure 4: Paid Netflix memberships, 2013-present (thousands)



Source: Netflix

High-quality local projects can be a key subscription driver and may also travel to other international markets. Speaking at the 2019 Berlin film festival, Kelly Luegenbiehl, Netflix VP International Originals, confirmed: “As you can see from our subscriber numbers we’re continuing to grow internationally. We plan to scale our investment in global series to match that growth. It’s still early days but there is a lot of momentum internally for building out our international series. [It’s only] the beginning.”²⁶

Linked to this trend is the emergence of the hybrid international production. Where producers were previously largely focused on two kinds of production – international, footloose projects manufactured overseas, or national productions from local producers – the market has seen the development of a new kind of international hybrid project. These are fully financed by international OTT players and produced locally, in local languages, and used to generate subscriptions in markets where there is strong demand for national content. In production terms, they tend to have cost and quality levels of much larger international productions.

2.1.3. Established broadcasters and studios

The huge growth in OTT investment in recent years is also a factor driving increased production investment from established broadcasters and studios. Indeed, the production arms of all four of the most watched US broadcast networks will all soon have access to in-house streaming platforms to which their output is being increasingly diverted: ABC and Fox through Disney+ and Hulu; NBC through Comcast’s new streaming service planned for April 2020 and CBS through the existing CBS All Access, which is being built out with more originals and expansion overseas on a content budget that draws from the \$8 billion that its network mothership spends (a sum that includes sports rights and licensing shows for Showtime).²⁷

Although Netflix is reported to have spent \$12 billion on content in 2018, this total is still less overall than many traditional companies: Disney spent \$13.6 billion on film and television shows in the 2018 fiscal year, according to filings, while Comcast’s combined NBCUniversal and Sky divisions were projected to spend \$43 billion on programming and production (including

²⁶ *Netflix Originals Execs Talk Euro Strategy, Buzz Series & Int’l Growth At Hot-Ticket Event: “It’s Only The Beginning”* — EFM. Deadline, 13th February 2019

²⁷ *CBS Execs Tout \$8 Billion Content Spend, Streaming Expansion and Ad Gains*. Variety, 2nd May 2019

sports).^{28, 29, 30} The confirmed reunion of CBS and Viacom under the same corporate umbrella will see the combined company spend around \$13 billion a year on content.³¹ Another big spender is AT&T's WarnerMedia, which will spend \$14 billion on non-sports content this year. WarnerMedia is itself preparing for the spring 2020 launch of its own direct-to-consumer platform, HBO Max, the home for AT&T's entire stable of Warner and Turner properties plus an additional slate of original streaming content.

Studio conglomerates are also spending large sums to win back the rights to some of their signature television series that have helped propel OTT growth. HBO Max will pay \$425 million to carry *Friends* for five years starting in 2020. Similarly, NBCUniversal's five-year deal for the US version of *The Office* is valued at around \$500 million.³²

Increased investment is also being undertaken by established broadcasters across the world as they look to compete. Traditional players are pooling funds for expensive and attention-grabbing drama productions and are also supplementing this with lower-budget, highly localised shows that fall between the programming cracks of the global-facing streaming platforms. Endemol Shine International CEO Cathy Payne told ScreenDaily that there is a big push, particularly in the UK market, for "super domestic" drama where broadcasters can control all the windows in their home market, offering for a longer time on a VoD "catchup" service rather than passing it on to a streaming service for a second window.³³ The UK's Sky, now under the control of Comcast, has overseen a sharp reduction in the 400 hours of unscripted content it was producing three years ago in order to focus on drama series and comedy shows, according to its managing director of content Gary Davey. Sky has had 52 original productions on air this year across its European television outlets.³⁴

2.2. Consumer Demand

The increase in production across both OTT services and established broadcasters and studios aligns with increased global consumer expenditure on theatrical and home entertainment. Data from the MPAA show that this risen by 25% between 2014 and 2018 (Figure 5).

²⁸ *Netflix Spent \$12 Billion on Content in 2018. Analysts Expect That to Grow to \$15 Billion This Year.* Variety, 18th January 2019

²⁹ *Fiscal Year 2018 Annual Financial Report.* Walt Disney Company, 29th September 2018

³⁰ *Disney, Comcast to Account for Nearly 40% of Spending on U.S. Programming.* Wall Street Journal, 7th December 2018

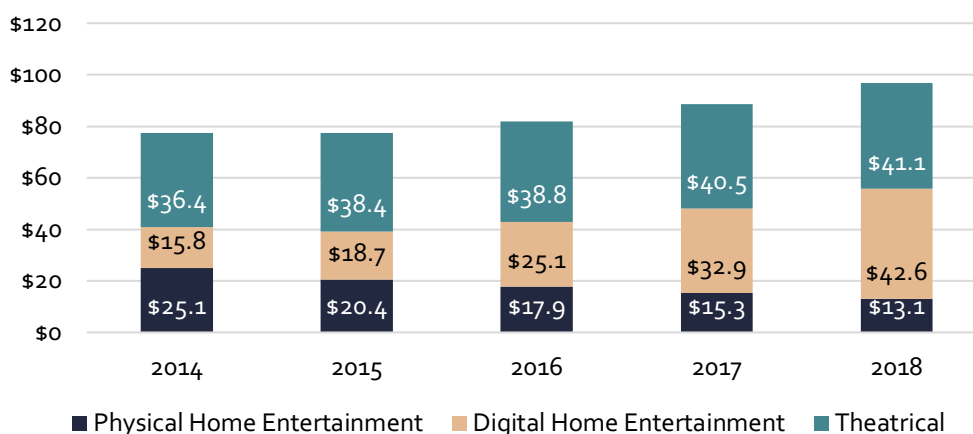
³¹ *CBS, Viacom reunite to create media giant.* ScreenDaily, 13th August 2019

³² *'Friends' Officially Leaving Netflix for WarnerMedia's Streaming Service.* The Hollywood Reporter, 9th July 2019

³³ *Go big or go local: how the European drama sector is responding to Netflix and Amazon.* ScreenDaily, 11th October 2018

³⁴ *Content Creators Get Ambitious in Peak TV, but Face Budget Challenges.* Variety, 4th June 2019

Figure 5: Global Theatrical and Home Entertainment Consumer Spending (\$bn)



Source: 2018 *THEME Report*, MPAA

In its *THEME Report*, the MPAA notes that subscriptions to online video services surpassed cable subscriptions for the first time in 2018 – a tipping point that has already prompted the theatrical film business to alter its content mix and distribution strategy. The newly enlarged Disney, whose films account for at least a quarter of the global box office, has said its theatrical film output across all its divisions will be focused on just two essential types going forward: large-scale blockbusters and prestige originals with demonstrable awards potential. Every other type of film, across all budgets, will be geared to its DTC streaming platforms – a pattern likely to be emulated by Disney’s conglomerate peers.

Revenues for the global entertainment and media sector – a macro segment that also includes music, games, sports, publications and social media – is expected to rise at a compound rate of 4.3% over the coming years, rising from an estimated \$2.1 trillion in 2018 to \$2.6 trillion by the end of 2023, according to PwC.³⁵

2.3. Anticipated Trends in Global Production Growth

The growth trend outlined is projected to continue over the medium term, as the evolution of the market continues to demand strong investment from established and new entrants alike, across both mature and emerging global markets. Indeed, the ongoing evolution of the OTT sector also implies much more internationalisation: growth for all players is likely to come from non-English language markets, opening the opportunity for production destinations on a global level. This will develop the sector, with markets having an opportunity to capture significant inward investment on the back of effective policy interventions, and investment in human and physical capacity.

Growth is also expected to be ongoing because of the fact that original films and exclusive series, together with live events such as sports, are a key platform differentiator in a mobile and online universe likely to be supercharged even more by the arrival of 5G communication networks. The content land-grab sparked off in India by Reliance’s Jio smartphone network that boasts 300 million subscribers typifies this proliferation. As part of its massive investment on Jio, Reliance has spent more than \$100 million on minority stakes in Indian production houses Balaji Telefilms and Eros International, and signed a multi-year deal with Roy Kapur

³⁵ *Getting personal: Putting the me into entertainment and media. Perspectives from the Global Entertainment & Media Outlook 2019-2023.* PwC

Films to develop content for Jio branded apps.^{36, 37} In South Korea, a country at the forefront of the 5G transition to super-fast, low-lag wi-fi, SK Telecom's chief has declared an \$180 million investment drive in order to produce new original content. Earlier this year, telecoms company SK joined forces with Korea's three major broadcasters (KBS, MBC and SBS) to launch a new video streaming platform that will try to fend off growing competition for talent and programming.³⁸

Consumption – and therefore production – growth is also coming from fast-developing global regions, which are expected to mimic China's ravenous appetite for content. These include the Arab-speaking world, particularly now that its largest economy, Saudi Arabia, is spending \$64 billion over the next decade to become an entertainment superpower, and Southeast Asia, home to a collective population of nearly 1 billion potential consumers and fast-growing film exhibition infrastructure.³⁹ Currently below the global average in terms of per capita production spending, many of these countries are expected to see growth far exceeding the global average.⁴⁰

Another trend is the global spread of Hollywood's franchise mentality. China has been pursuing a 'pan-entertainment' strategy, building fan bases around intellectual properties that are scaled across multiple media platforms including games, animation, drama, films, virtual reality (VR) and social media. Executed well, this reduces the risk of initial production investment by saving on marginal costs and building customer bases. Using data to determine the audience appeal of comics, games and short-form videos, China's tech giants have been aggressively harvesting that IP across all their platforms, a key impetus behind the country's production boom.⁴¹

The growth of OTT production, and the ability of services to make major global stars of new talent also means that more 'bankable' names are being introduced to the expanding entertainment ecosystem as a whole. The same trend is being seen with international story ideas and show formats which are now being exported from every corner of the world.

Short-form content – exemplified by Quibi, launching in April 2020 – is also starting to gain traction in the marketplace, and attract significant funding. Such content will also require capacity and locations for production. Quibi is emblematic of a new generation of video entertainment, featuring high-end professionally made digital-first and mobile-first serialised content aimed at digital natives. Other players include Facebook Watch, Snapchat, Instagram's IGTV, UK's Vertical Networks, France's Blackpills and India's TATA Sky.

There is an evident correlation between the relative size of the under-35 population and growth in entertainment and media spending. With the exception of China, PwC noted in 2016 that countries with a higher than average percentage of people in that younger age group also tended to be those that exceeded its 4.4% average global growth rate for the media and entertainment sector as a whole.⁴² This included four countries – Mexico, Brazil, India and Indonesia – that are projected to spend more than \$20 billion on their media and entertainment offerings next year. On average, PwC observed, E&M spending in the ten youngest markets worldwide is growing three times as rapidly as the 10 oldest markets.⁴³

³⁶ *Mukesh Ambani sets out to dominate digital India*. Financial Times, 29th May 2019

³⁷ *Reliance Jio's app-based content strategy to face monetization hurdle*. The Economic Times, 27th September 2018

³⁸ *Korean OTT Players, SK Telecom Join Forces to Compete Against Netflix*. Variety, 17th January 2019

³⁹ *Saudi Arabia Lightens Up, Building Entertainment Industry From Scratch*. New York Times, 17th March 2018

⁴⁰ *Global Entertainment & Media Outlook, 2017-2021*, PwC, Ovum

⁴¹ *Inside China's Global Entertainment Ambitions - and What Might Get in the Way*. Variety, 13th August 2019

⁴² *Global Entertainment & Media Outlook, 2016-2020*. PwC, Ovum

⁴³ *Content-hungry youth shaping media landscape*. FinWeek, 10th June 2016

There are 1.8 billion young people in the world.⁴⁴ Half the world is under 30 and nine in ten of these young people live in developing countries. This is the largest youth population the world has ever seen – a bubble that points to dramatic growth in entertainment spending in Africa and Asia. In the stronger economies, that growth will likely spur the same demand for high-quality global content as well as more local stories that resonate with domestic audience niches. In economically-deprived regions, resourcefulness will be a defining feature. Nigeria's 'Nollywood', a \$3.3 billion industry, that turns out nearly two thousand low-budget features is an example of this entrepreneurial spirit.

While younger generations have shown a reluctance to spend money on entertainment, in contrast to their parents' consumer habits, the platforms that will serve them are resorting to bundling strategies in which the cost of original content is absorbed into the cost of hardware devices, mobile plans and internet access. Advertising-funded and sponsor-financed 'branded entertainment' are also viable alternatives to subscription-based SVoD platforms.

⁴⁴ *State of World Population 2014*. United Nations Population Fund (UNFPA)

3. ABOUT BEST PRACTICE

3.1. Overview

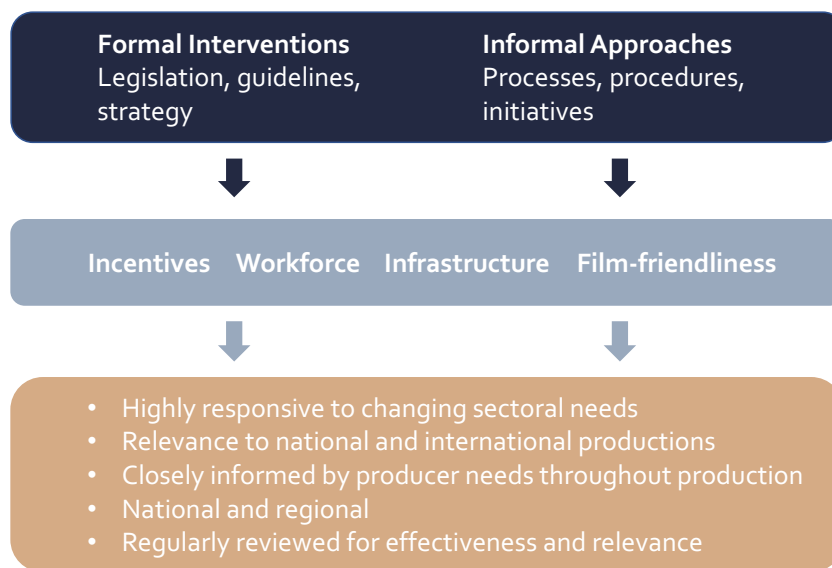
In the four areas of this Study (incentives, workforce, infrastructure, and film friendliness) examples are included where governments and other stakeholders have successfully demonstrated best practice, and the positive impacts their interventions or supports have had.

Best practice can be broadly divided into two areas: formal and informal.

Formal interventions include legislation, direct funding, or strategies that increase sectoral capacity and quality. Meanwhile, informal best practice involves any processes and procedures that reduce friction or difficulty for film-makers at any point across the production process. This can include the existence of cohesive national permitting systems for location filming, straightforward customs and visa procedures for equipment and workers, and responsive access to advice, information, and logistical support as needed from film commissions and other key public agencies.

Many of the interventions that this Study outlines relate to both the attraction of international projects and the development of national production. A healthy Screen sector is based on both production types – with a strong national sector developing skills and infrastructure that can be utilised by international projects – which in turn can raise the level of skills and generate further development in local facilities and workforce.

Figure 6: Screen Sector Best Practice Model



Successful production markets are cohesive ecosystems that consist of incentives, workforce, facilities and services, and an overall film-friendly production environment. While each area is addressed in a standalone section in this Study, some best practice examples are relevant across several areas.

3.2. Formal Best Practice

3.2.1. Policy and Legislation

A well-designed, supportive policy landscape is critical to the development of a healthy Screen sector. This includes both sector-specific and non-sector-specific policy in areas where it affects Screen production.

Such projects are unique undertakings that intersect with legislation and policy in many different ways. In sector-specific terms, a key touchpoint is incentives legislation. As outlined in Section 4, incentives are a major tool for sectoral development and must be closely informed

by the needs of international and national productions to be effective and encourage development. Legislation – and related guidelines – should be clear and straightforward, without limitations or onerous or unrealistic expectations on the producer.

The financial structure of productions also means that tax legislation is highly important. This relates to areas such as VAT for foreign expenditure, as well as pertinent areas such as dual taxation treaties. Company law is also important, given the standard practice of foreign productions hiring a national service producer to undertake production.

Screen projects can also have considerable employment needs, which means that a jurisdiction's employment laws can also have a pronounced effect on sectoral development. As with incentive law, any limitations can be problematic – particularly in areas that limit working days or weeks. Given the high likelihood of productions bringing international talent, laws around foreign workers and visas are very important and these must be straightforward and flexible.

The issue of importing also extends to customs legislation around equipment and other items such as props. The nature of the fast-moving Screen sector means that the latest camera and other technologies may not be available on the ground – particularly in emerging markets. Ease of importation, for example through the use of the ATA Carnet system, is crucial.

IP law and any provisions around sharing rights and revenues is also very important and may be a barrier to building a market. Censorship legislation can also be problematic.

If any legislative elements do not align with production need, they will serve to limit the efficiency of a jurisdiction as a Screen production market, and potentially limit its development.

3.2.2. Strategy

Another key area of formal best practice is strategy. As with legislation, the Screen sector can intersect with wider strategy approaches in a number of ways.

This can include a government's overarching industrial strategy and the recognition of the economic and strategic value of Screen and the broader creative industries. A strong example of this is the UK Government's industrial strategy, which includes a creative industries sector deal (see Section 7.2.3).

Many markets are facing the urgent need to build workforce and facilities capacity, and strategies that relate to this aim are also very important. This includes skills development, either through sectoral agencies or as part of a broader economic strategy.

A country's export strategy can also play a strong role in building a sector, for example by funding familiarisation tours for foreign producers, or by introducing service producers and film commissioners to new foreign markets.

3.3. Informal Best Practice

Given the complexity and risk involved with Screen production, it is essential that projects can be made in a production market with as little friction as possible.

Informal best practice can be as crucial in building a Screen sector as formal interventions. It covers areas such as processes and procedures across all of the areas outlined in Section 3.2.1 – and particularly around how the incentives and film-making process is administered by key agencies. Failure to deliver in these areas can reduce a jurisdiction's ability to effectively service production, and damage perception by the international industry.

Efficient incentive administration is critical and relates to all aspect of the process: from the supply of clear and accurate marketing that is realistic about timescales and limitations, to

having responsive and knowledgeable administrators who can advise on all technical details of the system.

Best practice in this area also relates to processes and approaches that ease production – i.e. a timely and clear approach to processing permits or logistical undertakings such as road closures.

The building of information campaigns – likely to be undertaken by a film commission – to raise awareness of the value of production and build consensus among key agencies is also a best practice example.

3.4. Overarching Challenges: Diversity and Environmental Sustainability

While this Study considers best practice across four key areas, it should be noted that several major considerations sit across all four. These include diversity and environmental sustainability, which are central issues for the Screen sector. While more detail on each area is included in sections on workforce and infrastructure, it should be noted that best practice in these areas is their consideration at all points of sectoral development, including formal legislation and informal approaches. Moreover, these are also issues that are being addressed through the design and delivery of incentive systems.

3.5. Ineffective Practice

In a globally-competitive production environment, ineffective practice can significantly reduce a jurisdiction's ability to attract production and develop its Screen sector.

As with best practice, this relates to formal policies and informal approaches that will hinder development of a healthy Screen sector, or approaches and administration that cause friction, delays, or other difficulties to production.

Ineffective practice is evident across all areas of the Study. This includes incentive systems that have not been informed by international production practice – for example, by requiring IP or rights-sharing, or enabling authorities to utilise footage and materials freely. This can be detrimental to the marketing of a project and is also unlikely to align with the deals struck with talent for the production.

Such issues can be unintended, and some legislation can inadvertently serve to repel international production when it has been created to attract it. Ensuring that all legislation, guidelines and strategy are closely informed by standard industry processes is critical.

Ineffective practice can also be informal, such as the inefficient processing of an incentive or administrative delay in payment.

4. BEST PRACTICE IN AUTOMATIC INCENTIVES

4.1. The Importance of Incentives in Attracting Production

There are a variety of measures that governments can use to incentivise production, including selective grants or tax exemptions, but the most popular kind in recent years has been the automatic production incentive. There are now nearly 100 automatic production incentives in operation globally at country, state, and province-level.

Automatic incentives function well both for governments and producers. For governments, production incentives have become a key policy for stimulating valuable investment from both national and international productions, resulting in economic value, jobs, and sectoral development. For producers, the benefits are more straightforward in that eligible productions receive a return on qualifying expenditure.

Within these systems, there is a broad range of best practice approaches depending on the legislative norms, tax system, and nature of the production sector in question. This section outlines best practice in the design of incentives, the development of legislation and their guidelines, the logistics of their administration, and payment/auditing.

The overall aim is to attract production, and this relies on the interaction of elements in which incentives are just a part: a well-designed incentive alone will not build a sector if there is inadequate provision of crew, infrastructure, or a lack of other supporting policies. To this end, while much attention is given to the percentage rate, or value, of incentives, this is not the only success factor – and for most producers it will be considered against a set of other requirements.

4.2. How Automatic Incentives Function

Automatic production incentives provide a definition of qualifying types of expenditure in their accompanying guidelines. For example, some are relevant only for wages, while others may be relevant for all spend. These terms are the same for any production, so a producer can expect to receive a pre-determined return on the expenditure they undertake.⁴⁵

Most automatic incentive systems operate on a first-come first-served basis, but within those which have an annual budget, there are examples which rank applications and offer the incentive (still a pre-determined amount) to selected productions. Once the project has been approved, it can move forward with pre-production, principal photography, or post production (depending on what is covered by the incentive) and expect to receive a set proportion of spend back from the relevant authorities.

Incentives originally focused on feature film production and, within that, principal photography. But more are starting to extend eligibility to high-end television, animation, post production, pre-production, and more. Although in the minority, some incentives also cover television commercials and unscripted (reality) productions.

Most incentives encourage local and international productions (or in the US, productions from California and other states), while also working alongside separate systems for official international co-productions. For many local productions, i.e. those produced in the same jurisdiction as the incentive, the support can be key to financing projects.

⁴⁵ In a small number of cases, different types of expenditure will become qualified depending on the characteristics of the production. This is the case in the US state of Massachusetts, where all productions are eligible for a payroll tax credit, but productions incurring 50% of all expenses in the state, or shooting 50% of total principal photography days in the state are also eligible for a production (i.e. goods and services) tax credit

4.3. Key Findings

This section outlines key findings in relation to incentives to stimulate healthy production levels, as well as selected examples from markets around the world.

4.3.1. Reducing uncertainty

Screen production is a highly expensive and risky undertaking, so elements that reduce uncertainty and risk are considered best practice. As discussed above, systems should ideally operate on an automatic basis, providing the producer a set proportion of their expenditure according to eligibility criteria and verification. In order to ensure security for the jurisdiction providing the incentive, they will require confirmation that money was spent in the form required – this is usually undertaken through an audit.

Conversely, any aspects of an incentive that create uncertainty can be a deterrent. This might include having a selective application process, or incentives which offer a discretionary incentive amount that is not clearly determined. The existence of interim certifications for producers, or any kind of indicative confirmation ahead of production, can be helpful.

Stability of an incentive is also key and allows large productions – which are planned long in advance – to confidently select a production location. On this note, having a long sunset date, or no sunset date, can be an important way of building confidence in a system.

4.3.2. Budgets

Financial certainty is critical, and among producers there is a clear preference for incentive systems that operate without a cap. For governments, an uncapped incentive also make sense as it not only enables valuable productions to spend more, but it crucially allows for an increase in overall production capacity – workforce and infrastructure included.

Uncapped systems are more flexible for productions using them, and producers can be sure that the incentive will not run out of budget. Examples of uncapped systems include British Columbia's Production Services Tax Credit (PSTC), Georgia's Entertainment Industry Tax Credit and the UK's Creative Sector Tax Reliefs.

Where systems do have caps, high and multi-year budgets are better for producer planning as they align with multi-year production planning processes. An example is the Czech Republic's incentive, which is budgeted for three years at a time on an annual basis, or California's incentive, which is budgeted for five years at a time, again on an annual basis.

4.3.3. National and international eligibility

Another element of best practice is eligibility for both national and international projects. This is because a stronger national sector stimulates skills and infrastructure that can make a market more attractive for international producers. Incentives in many jurisdictions – for example, Portugal and Iceland – are key support mechanisms for national projects.

4.3.4. Cashflow

When a project is using an incentive, it can be useful for the producer to be able to cashflow the value which they can expect to receive. While it is not expected that the incentive's operators will also cashflow an incentive directly, it is best practice for these authorities to still take an active role in educating local banks and financial providers about the system so that they can be engaged.

4.3.5. Administration

Simplicity of administration is important, and if local intermediaries – such as financing companies or creative (rather than line) producers – are required to make the system function then this reduces the value of the rebate for the originating producer.

Linked to this is a preference for rebate systems, which are generally the most straightforward. Tax credit systems can also work well, though in the case of transferable tax credits – which producers monetise by selling the tax credit to a third party – it is important that there is a sufficiently-capitalised credit market.

Incentive administration should also aim to be flexible, so that producers can decide to add or change elements during a shoot and be confident that they can still receive the incentive. Similarly, a standardised approach to accounting can also represent best practice, as specific national requirements outside of this can cause extra costs and time delays.

Requirements around when an application must be submitted before production can be crucial in attracting projects. Some systems are very flexible and require only short notice of production, such as the Illinois Film Production Services Tax Credit, which specifies the receipt of applications five days before the start of production, while some allow for productions to apply after-the-fact. Others require submission months before production, which will be a deterrent for those looking at siting a project at short notice.

4.3.6. Targeted uplifts

One trend is the usage of uplifts in incentives. From an administrator's point of view these additional value elements can focus impacts on specific areas – but it is important that they do not provide a hurdle for the system's competitiveness. Although a relatively new area, and so untested, examples of uplifts include the recent introduction of a 5% regional uplift for sectoral development in Ireland, and New Zealand's 5% uplift for projects which bring significant economic benefits.

4.3.7. Above-the-line

Many major productions will bring key above-the-line talent and heads of department when shooting internationally, and so incentives which allow some of this expenditure to be included have a competitive edge. The UK's tax relief incentives include goods or services 'used or consumed' in the UK as being eligible spend – even scripts written in Los Angeles can be prorated according to the UK share of total production expenditure.

4.4. Incentives Case Study: British Columbia, Canada

4.4.1. Context

Prior to the introduction of the Canadian Federal Tax Credit in 1998, tax shelters were used to support the sector. In keeping with other jurisdictions with tax shelters, Canada acted to remove these, to ameliorate the challenges such as leakage seen in investment-driven systems.

When the federal government reformed the tax shelters to create a tax credit, a number of provinces followed suit, recognising the benefits which providing a top-up on federal spending might have for the location of productions attracted to Canada.

This led to the introduction of credits in Ontario and Quebec, with British Columbia being the third province to introduce. British Columbia's credit initially focused on domestic productions, with a services tax credit introduced later when it was recognised that additional value could be gathered, particularly given the proximity of the province to California.

4.4.2. Specifics of best practice

At the time that the incentive was introduced in 2000, inbound production spend was limited, and VFX almost non-existent. This changed following the introduction of the Digital Animation and VFX (DAVE) component of the PSTC, which covered VFX spend at a time when it was beginning to increase.

The availability of this incentive facilitated company growth – when international VFX companies were looking to locate somewhere, the availability of the DAVE incentive was a major driver. It has underpinned the growth of a permanent corporate base, which supports both indigenous and inward productions, and generates ongoing tax revenue and employment in the province.

4.4.3. Impact of intervention

Flexibility is a key element: at the time of introduction, VFX was a small sector, but the flexibility of the incentive in offering the opportunity for such investment facilitated growth.

This flexibility has continued since the introduction of the incentive. More recently, when the provincial government became concerned about the level of expenditure, industry worked with government to revise the structure, coming up with something less generous in percentage terms, but sufficiently impactful to maintain the industry, and ensure ongoing success for both parties.

4.4.4. Summary of best practice learnings

- Providing a flexible incentive offers the greatest opportunity to attract spend. While a jurisdiction will always need to control access, by facilitating productions rather than trying to micro-manage, the benefits of unexpected growth can be maximised
- While incentive value is important, incentives do not attract spending alone. Instead, they provide the framework alongside infrastructure and crew capacity
- Some elements cannot be replicated. British Columbia is in the same time-zone as Los Angeles, culturally similar, with English-language workers, and a short flight connecting the two, making it inherently attractive to US studios.

4.5. Incentives Case Study: Colombia

4.5.1. Context

Colombia has become probably South America's most important international production location thanks to its attractive and dependable production incentive, implemented in 2013. Colombia's incentive offers a 40% cash rebate on film services and 20% for film logistics services. This incentive is drawn from the Colombian Film Fund which allocates its budget each year. While this initiative is currently limited to feature film, documentary, animation and television movies of up to two episodes, there are firm plans to expand it from January 2020 to cover television series production. This recognises the growing value and global importance of series productions.

In fact, even though the incentive, when introduced, did not cover television series, an exception was made early on to attract the pilot of the hugely successful Netflix production of *Narcos*. This was early evidence of the incentive's flexibility and early recognition of the importance of the industry to the national economy.

The government has also announced a new 35% transferable tax credit as an alternative initiative for international productions, which will be available from 2020.

4.5.2. Specifics of best practice

Colombia's existing and upcoming incentives have been designed to establish Colombia as an international hub for screen production. Once the separate 35% transferable tax credit is implemented, producers will have a choice of incentive to choose from, however should they be unsuccessful through the cash rebate fund, the producer will be able to reapply for the tax credit.

The cash rebate is not an unreservedly automatic fund. Like several other territories, it has a 'selective' element in that the Colombia Film Promotion Committee will make a final decision

on applications, with the intention to approve projects that develop the Colombian film industry, promote tourism and Colombia's image.⁴⁶

Further establishing Colombia as a global player are its efforts to establish relationships with international producers through familiarisation trips which typically run twice a year for US and European producers. The film commission's website and the production guide are available in English with extensive details outlining the incentive programme and application process.⁴⁷ In addition to US productions, there has been strong interest from Europe and Asia in using Colombia as a filming location. To complement the initiatives, Colombia is also developing public and public-private workforce initiatives to educate and train a stronger local workforce for these international productions.

4.5.3. Impact of intervention

This initiative has proven exceptionally successful for Colombia. Since its launch, 33 international productions have been filmed there, including *Long Shot* and the upcoming *Gemini Man*. Due to the success of the incentive, and the focus of the government on the creative industries (and the Screen's sector's contribution to them) Colombia has extended the rebate for a remarkable 13 years, until 2032.

4.5.4. Summary of best practice learnings

- A well-designed incentive system is a central driver for a Screen sector
- Flexibility allows an incentive to adapt to the rising importance of other types of Screen production
- An incentive is most effective when it operates alongside a strategy to attract major producers
- A strong online presence with English-language information is important.

4.6. Incentives Case Study: France

4.6.1. Context

France offers a specific Tax Rebate for International Production (TRIP), worth 30% of local spend and with a cap of \$33 million (€30 million) per project. Minimum spend is either \$277,000 (€250,000) or 50% of the total budget to be spent in France. Qualifying companies must meet the following two criteria: be subject to corporate income tax in France; and act as the production services company for the sequences filmed or produced in France.

At the end of the French fiscal year, the production services company claims the rebate. The money is paid by the tax authorities and received from 6-18 months afterwards.

The production services company is defined as 'the company in charge, in compliance with a contract entered into with a non-French production company, of both supplying the artistic and technical means for making the cinematographic or audiovisual production on one hand, and of servicing the material operations and monitoring its achievement on the other hand'.⁴⁸

Film France, the state-funding agency supported by the CNC and in charge of promoting film-making in France, assists foreign production companies with applying for the TRIP.

⁴⁶ *Colombian Film Industry: Doors Wide Open*. Location Colombia, 2019

⁴⁷ Locationcolombia.com

⁴⁸ *The Tax Rebate for International Productions (TRIP)*. CNC webpage

4.6.2. Specifics of best practice

The TRIP is characterised by a high degree of flexibility and is designed with the objective of generating significant inward investment. It is supported by very clear and detailed guidelines available online in English.⁴⁹

The regulations are flexible and do not set any restrictions as to the capital mix of the applicant servicing company, nor its main business. The company can thus be specialised in servicing, or in cinematographic or audiovisual production with executive production as its main activity; it can be an animation or visual effects studio, or a subsidiary of the non-French producer.

Additionally, 'even though the TRIP is a non-transferable debt of the State to the French PSC, as soon as provisional qualification has been obtained, banks are legally allowed to monetise this refundable tax credit so that the production company can get the money earlier'.⁵⁰

4.6.3. Impact of intervention

The incentive has proved very successful in attracting films shooting on location in France. although the relative lack of major production facilities in France, as compared with the UK for example, has been an issue for studio shoots. There are indications that the market is moving to create more provision in this area with the recent announcement of plans to expand studios in Paris and Nice.⁵¹

Among the recent films supported include *Rebecca*, directed by Ben Wheatley for Working Title and Netflix, *Jack Ryan*, directed by Graham Roland and Carlton Cuse for Amazon Studios and Christopher Nolan's *Dunkirk*, financed by Warner Bros.

4.6.4. Summary of best practice learnings

- The TRIP is a flexible, clearly communicated incentive custom-made for inward investment films and has generated significant production expenditure in France.

4.7. Incentives Case Study: Iceland

4.7.1. Context

Iceland was an early adopter of an incentive, introducing a system in the early 2000s. It is now structured as a 25% rebate, accessible by both national and international projects. Despite a relatively low population, Iceland's Screen sector has grown steadily since the introduction of the incentive.

4.7.2. Specifics of best practice

Iceland's incentive has enabled sustainable growth in the Screen sector. It supports national projects and foreign shoots that in turn help develop skills and infrastructure. Iceland's growth has also seen it develop a capable and flexible crew base and a strong service production sector.

In administrative terms, the system is relatively simple and functions efficiently for correctly-submitted applications. It is also key that the system is administered and promoted by industry experts. The Icelandic Film Centre handles applications and processing, while Film in Iceland deals with international promotion. Stability is also a key element of best practice: the system is well-used and has built up trust among producers.

Iceland's incentive is a cornerstone of a broader national production landscape. It helps underpin an offer that also consists of highly-unique locations, as well as an industry with high-quality and experienced production service companies, flexible crews, and post provision.

⁴⁹ *The Tax Rebate for International Productions (TRIP) General Description of the Incentive*. Film France, CNC

⁵⁰ Ibid

⁵¹ *France Aims to Lure Large Productions With Big Studio Expansions*. Variety, 30th July 2019

There has also been development in the facilities sector, with Icelandic director Baltasar Kormakur opening a new studio in Reykjavik in 2018.

4.7.3. Impact of intervention

Iceland's incentive has helped develop its Screen sector. The country is well established in international production terms and regularly attracts major feature and television drama projects like *Game of Thrones*, *Star Wars: Rogue One*, *Interstellar*, *Fortitude* and *Flags of Our Fathers*. The incentive also helps support Iceland's national production sector, and develop talent and production capability within this.

4.7.4. Summary of best practice learnings

- Iceland's development as a production hub underlines the importance of a stable, established incentive that operates clearly and efficiently
- Administration and promotion of the system by industry experts ensures efficiency
- Relevance to both national and international projects helps support both sectors, and develop production capabilities that can be utilised by both.

4.8. Incentives Case Study: New York State, US

4.8.1. Context

In 2004, the New York State legislature responded to the threat of runaway production, in particular the exodus of New York-set films and television shows to neighbouring Canada, by enacting a film tax credit incentive system of its own dubbed the Empire State Film Production Credit. The programme initially offered a 10% tax credit and was limited to \$25 million a year.⁵² Since then, New York's tax credit system has expanded to become one of the largest in the US, allocating \$420 million a year in refundable tax credits to film and television productions under a system that was recently extended by another two years to 2024.⁵³

Out of the overall \$420 million pot, \$25 million is allocated to a post production, visual effects and animation incentive.

4.8.2. Specifics of best practice

For the Screen sector, the programme's biggest appeal is its stability. The scale and longevity of the programme, elements that have particularly appealed to long-running television series, has spurred continuing investment in New York's film-making infrastructure and contributed to a sustained increase in well-paid union-scale entertainment jobs across the state.^{54, 55, 56}

The incentive benefits producers by providing refundable credits, so producers receive a full refund for any credit that is larger than the tax they owe New York. They do not need to find a purchaser for the tax credit, thereby decreasing transaction costs and giving lenders security in cashflowing productions.

As well as providing a separate pot for post production, the system has a location-based uplift of 10% to boost production outside of the New York City metropolitan area.

⁵² *Plan to Boost Film Industry in New York*. The New York Times, 17th August 2004

⁵³ *New York 2019-2020 State Budget Bill Enacted*. Deloitte, 31st July 2019

⁵⁴ *De Niro and Netflix Bet That New York Can Be a New Hollywood*. New York Times, 10th July 2019

⁵⁵ *Film/TV Production Industry Creates Strong Job Growth in New York State*. New York State Loves Film, 28th February 2019

⁵⁶ *New York's Motion Picture Industry: A Statewide and Regional Analysis*. New York State Department of Labour, June 2014

4.8.3. Impact of intervention

By New York State's own reckoning, 2,131 applications have been accepted to the Film Production Tax Credit programme since the start of 2011, when the yearly cap was raised from \$60 million to \$420 million, generating an estimated \$26.6 billion in film and television production spending.⁵⁷

This sustained volume of incentivised productions since 2004 has in turn encouraged local production facilities to spend money expanding studios, or in the case of Netflix establishing a new production studio in Brooklyn.⁵⁸ Since 2011, New York State has also seen the addition of more than 15 new post production facilities (including Mr. X Gotham, 16:19, and Fuse).⁵⁹

Upstate New York (which benefits from the location-based uplift) has also seen an increase in production work. In Central New York State alone, 17 projects have filmed since 2017, accounting for 277 days of filming, more than 4,300 hires and \$20+ million in economic activity including work at the two qualified production facilities in Syracuse.⁶⁰

Banks also have confidence in the programme's ability to repay credits, which has built a small loan industry around the incentive allowing credits to be cashflowed during production.

4.8.4. Summary of best practice learnings

- Even with New York's unique location and production offer, projects were being lost to other nearby Canada prior to the introduction of an incentive
- The stability and longevity of an incentive is of paramount importance, especially if the jurisdiction wants to attract returning high-value series
- Although New York's incentive is budgeted, it is clearly consistently allocated enough to give production companies confidence investing in infrastructure
- Setting aside a portion of the budget for post production benefits that industry and provides extra confidence for investments in facilities.

4.9. Incentives Case Study: New Zealand

4.9.1. Context

New Zealand's 5% uplift is an innovative additional incentive offered to international productions that qualify for the 20% New Zealand Screen Production Grant (NZSPG) and deliver significant additional economic benefits. As noted by the NZSPG guidelines, the top-up reflects the fact that that 'screen productions can raise New Zealand's profile internationally, attract high value tourists, and profile our innovative and creative people and technologies'.⁶¹

Open to live action international productions, projects must be invited to apply by the New Zealand Film Commission (NZFC) and the Ministry of Business, Innovation & Employment (MBIE). To be eligible, projects must meet several requirements. These include two thresholds for qualifying New Zealand production expenditure of \$30 million on the current production and \$100 million in the previous five years. Projects must also pass a Significant Economic Benefits Points Test, which is verified by a panel.

4.9.2. Specifics of best practice

The 5% is leveraged to ensure long-term strategic impact for New Zealand from high-value international productions. This includes talent and infrastructure development, which helps

⁵⁷ *From Montauk to Buffalo, New York State is Camera-Ready and Film-Friendly*. New York State

⁵⁸ *Netflix Expanding with Production Hub in New York City*. Business Facilities, 22nd April 2019

⁵⁹ *From Montauk to Buffalo, New York State is Camera-Ready and Film-Friendly*. Ibid

⁶⁰ *Focus on Central New York*. New York State Loves Film, 30th July 2019

⁶¹ *NZSPG Criteria International*. New Zealand Film Commission, 1st July 2017

sharpen the country's competitiveness in attracting future projects. It also recognises the wider value on tourism, marketing, and other areas that can be delivered by major Screen productions.

While the uplift is a selective additional incentive, it operates alongside an automatic system, with the latter element providing certainty for producers.

4.9.3. Impact of intervention

Projects to have utilised the uplift include *The Meg*, from Warner Bros. and Gravity Pictures, who entered into a partnership with NZFC and Auckland Tourism, Events and Economic Development (ATEED) to develop Kumeu Film Studios in Auckland as part of the uplift. The site includes the first two studio water tanks built in New Zealand and is a key addition to the country's infrastructure.^{62, 63}

Paramount Pictures and DreamWorks Pictures' *Ghost in the Shell* also qualified for the uplift, with key elements including a collaborative marketing partnership agreement, a skills and talent development programme including mentorships as a producer assistant, assistant accountant and production manager, and a collaboration that created business and showcasing opportunities for New Zealand's fashion sector.^{64, 65}

Disney's *Pete's Dragon* also accessed the uplift, with a collaborative marketing partnership agreement between Tourism New Zealand, Film New Zealand and Walt Disney Pictures, with at least 90% of the shoot located in New Zealand with six key personnel roles and 75% of crew roles filled by New Zealanders. Disney also provided a skills and talent development programme, including creative mentorship for a team of New Zealand writers and an associate producer role for an emerging New Zealand producer.⁶⁶

4.9.4. Summary of best practice learnings

- The 5% uplift enables New Zealand to leverage its automatic incentive to ensure long-term impacts from major international productions, including in areas of strategic importance such as infrastructure and skills development.

4.10. Incentives Case Study: Portugal

4.10.1. Context

Portugal launched an incentive in 2017, initially as a refundable tax credit for projects with a minimum Portuguese production expenditure of \$1.1 million (€1 million). Relevant for national productions, official and de facto co-productions and foreign films, the system was worth between 20-25%, with a cap of \$4.4 million (€4 million) per project.⁶⁷ Subsequently amended, the system is now structured as a 25% to 30% rebate with lower minimum spend of \$553,000 (€500,000), or \$277,000 (€250,000) for documentaries or when only post production services are used. The project cap and annual budget may be increased in special circumstances.

4.10.2. Specifics of best practice

Portugal's system is applicable to both national and international projects, and contains flexibility in the potential to increase both the project cap and the system's annual budget in special circumstances. A number of provisions are also considered good practice in attempting

⁶² *The Meg*. NZFC webpage

⁶³ *Partnership with Warner Bros. Pictures and Gravity Pictures film MEG secures new Auckland film studio*. ATEED, 3rd March 2017

⁶⁴ *Wellington's Ghost in the Shell transformation*. NZFC, 16th March 2017

⁶⁵ *Ghost in the Shell*. NZFC webpage

⁶⁶ *Disney's Pete's Dragon*. NZFC webpage

⁶⁷ SPI undertook strategic feasibility work in relation to this system

to extend the impact of productions. This includes provisions that offer additional value for costs incurred in areas of low population density, and for remuneration of actors and technicians with disabilities.

4.10.3. Impact of intervention

Portugal's incentive has been very impactful on both national and international productions. It is a factor, along with a new film law introduced in 2014, in assisting increased production: the number of film and audiovisual works supported by Portugal's Instituto do Cinema e do Audiovisual (ICA) rose from 90 in 2015 to 108 in 2018. The incentive has also helped increase the total budget of national films as well as the number of co-productions.

4.10.4. Summary of best practice learnings

- An example of how incentives can be structured to impact both national film production and stimulate an inflow of international projects
- Additional value offered to incentivise regional production and the remuneration of actors and technicians with disabilities
- Changes to Portugal's system underline the importance of continuing to review and improve incentives even after they are introduced to ensure relevance and competitiveness.

4.11. Incentives Case Study: United Kingdom

4.11.1. Context

The UK began incentivising production in 1992, with the introduction of the Section 42 tax shelter. This was reformed on a number of occasions, but proved to be highly inefficient, with a film receiving only 6-7p in subsidy for every 30p of tax relief granted by the government.

The complexity of the system allowed for abuse and manipulation while also entailing significant accounting costs for legitimate productions.

As a result of this, then-chancellor Gordon Brown moved to abolish the system in 2007, replacing it in consultation with the industry with Film Tax Relief (FTR). This was a simpler, tax credit-based structure, which was transparent, allowing for much greater benefits for productions, while limiting the scope for manipulation.

4.11.2. Specifics of best practice

The FTR system benefits from simplicity – it is straightforward system with a value now set across the board at 25%. This is accessed by way of an easy-to-use cultural test, which aligns with the requirements of EU law as laid out in the Cinema Communication. The FTR supports both national and international productions in the UK. International production has been a key part of the UK's film sector for many decades, and by facilitating it from the introduction of FTR, the UK offered international productions an ongoing way to access the facilities and crew base that such a long track record had helped to generate.

FTR has been reformed on a number of occasions, with the cultural test changing as the needs of the sector evolved. The minimum UK spend – originally 25% – has also been lowered to 10% to assist the attraction of VFX work on non-UK produced films, which struggled to reach the higher threshold.

It has also been expanded: high-end television and animated television were added as eligible production types in 2013, with video games (2014) and children's television production (2015) being added at later points.

4.11.3. Impact of intervention

In 2016, productions supported by the reliefs underpinned \$3.9 billion (£3.16 billion) of total investment in the UK's screen sectors.⁶⁸ Film was the largest component of this, with (\$2.12 billion) £1.72 billion of UK spend.

This economic activity generated total GVA for the UK of \$9.76 billion (£7.91 billion), with \$2.52 billion (£2.04 billion) of tax revenues being paid to government, and 137,340 FTE employees supported by the sector. The Return on Investment for FTR was £7.69 of economic activity (GVA) for every pound of incentive granted.

The most recent figures from the British Film Institute (BFI) show that spending in the UK film sector was \$2.37 billion (£1.92 billion) in 2018, the second highest on record.⁶⁹ HETV production grew to more than \$1.44 billion (£1.17 billion), a new high, while interim certifications in relation to total games budgets were \$1.37 billion (£1.11 billion).⁷⁰

4.11.4. Summary of best practice learnings

- The UK's screen sector tax reliefs benefit substantially from transparency – they are easy to use, and easy for government and the sector to understand. The rules are simple and robust, and while the incentives have been reformed on occasion, the aims of this were clear, and reforms were conducted in conjunction with the industry with a good crossover period
- The success of the FTR model has also been expanded to other, similar sectors, with minor amendments in each case to reflect the specific needs of each creative industry.

4.12. Ineffective Practice

4.12.1. Caps, financial limitations, and other elements of uncertainty

Uncapped systems are preferred by producers, since they provide certainty that an incentive will be available even before an application is made. Caps or other limited incentive funds can inhibit production investment because of the uncertainty created. Systems with more than one audit, or a final decision involving committee, can create lengthy delays and uncertainty.

4.12.2. Additional system obligations

While incentive systems naturally include obligations for the producer in areas like expenditure, onerous additional requirements are difficult to work with. This includes expectations of rights shares, repayment obligations and national theatrical or broadcast distribution requirements. Broad promotional or marketing requirements are also problematic, given the need for producers to control IP, and also restrictive underlying talent deals.

4.12.3. Co-production requirements

Incentives are generally eligible for co-productions as well as international service productions. Systems that require co-production structures for all applicant projects are a deterrent for major international producers as they generally will not undertake co-productions, preferring to retain all rights.

⁶⁸ *Screen Business*. Ibid

⁶⁹ *Film, high-end television and animation programmes production in the UK: full-year 2018*. BFI, 31st January, 2019

⁷⁰ *British film and other sectors certification – full year 2018*. BFI, 7th February, 2019. Note: games interim certification is used, as this better reflects underlying trends than final certification

4.12.4. Other elements

Requirements around censorship are also difficult to work with, while unexpected changes to systems can also seriously undermine confidence.

Incentives without guidelines can also lead to discretionary and subjective interpretation of legislation by authorities.

5. BEST PRACTICE IN RESPONDING TO THE NEED TO GROW WORKFORCE CAPACITY

5.1. Workforce Capacity and Production Need

Screen productions require a range of skilled workers, from performers to carpenters, electricians to drone operators. Many of the skills required are highly specialised and technical, often developed over many years of specific on-set experience. A high-quality and broad workforce is therefore a cornerstone of any healthy Screen sector.

However, increased production in recent years has created pressure in some markets and the need to develop a pipeline of quality workers across a broad range of skills required by productions is a key sectoral challenge as inadequate provision limits production and its benefits.

Strategies to build workforce are very important in sustaining and building production throughput. However, such strategies can be highly complex. While productions are likely to bring in heads of department, typical elements of production need are uniquely broad and cover senior and entry-level roles across creative, technical and support roles, as outlined in Section 5.2.

One key challenge for any destination is predicting skills needs and intervening to increase supply in challenging areas ahead of time. There is also a need to both attract workers into the industry, including by making them aware of career opportunities, and ensuring that those already working in the sector are able to progress and move into more senior roles as their experience develops.

Best practice in workforce development is training that closely links to industry need. This can be achieved in different ways, for example a number of jurisdictions include clauses in incentive legislation that require projects to hire a certain number of trainees, or offer an increased incentive rate for local workers.

As with other areas of best practice, requirements should not be onerous. It should be straightforward for producers to work in a jurisdiction and the need to develop workforce should not cost productions time or money.

Figure 7: Developing Workforce Capacity and Producer Need



5.2. Typical Elements of Production Need

As outlined, productions take on a range of different roles requiring different skills. These include logistical, financial, technical and so on. Most of the roles identified in the table below will require several people on a scale of seniority.

Table 2: Typical Elements of Workforce Provision

Production Line producer; location management; production accountancy; assistant directors	Director of Photography
Technical Crew Camera, sound, grip and electric; special effects, animatronics	Production Designer
Creative Crew Art director, illustrator; storyboard artist; set; decorator, hair and make-up; design, costume design, prosthetics	Post Production Editors, sound design, mixers; animators & visual effects; music composer; orchestra
Background Artists	Construction Crew Scenic artists, sculptors; set builders, paint effects
	Logistics Transport; aerial & marine

5.3. Increasing Diversity and Other Targeted Interventions

Given the value of the jobs being created in Screen sectors worldwide, and the level of government support, diversity across gender, race, and economic status is of critical importance.

Data show clear disparity in the representation of women and minorities working in the Screen sector. For example, in the UK only 13.6% of working film directors were women, while in the US only 4% of women directed top-grossing films in 2017.⁷¹ In the UK, overall representation of black, Asian and minority ethnic (BAME) workers in the creative industries workforce was 5.4% in 2012 and only 1% of the workforce were identified by their employers as having a disability.⁷²

It is vital that workforce development strategies connect the broadest range of people with roles available in the Screen sector at all levels of seniority. The UK's ScreenSkills recently ran a 'Find Your Future in Film and TV' campaign in cinemas which showcased the wide range of opportunities available behind the camera in the UK's Screen sector.⁷³ Also in the UK, Screen Yorkshire recently selected 50 young people to be a part of Beyond Brontës, a programme aimed at addressing diversity issues within the screen industries by providing young people with training in make-up, set design, accountancy, editing, and research.⁷⁴

Also in the UK, the Equal Access Network is running its Breaking the Glass Ceiling leadership development programme for BAME professionals in late 2019 which will provide group coaching, training and networking from top industry speakers and an industry mentor. In Los

⁷¹ *Gender Equality: Missing in Action*. UNESCO ReShaping Cultural Policies Report, 2018

⁷² *Creative Skillset Employment Census of the Creative Media Industry*. Creative Skillset, 2012

⁷³ *UK Cinemas Support ScreenSkills 'Find Your Future in Film and TV' Campaign*. UK Cinema Association, 1st June 2019

⁷⁴ *Screen Yorkshire Announces First Recruits on Diversity Scheme*. Prolific North, 9th August 2019

Angeles, the Evolve Entertainment fund is dedicated to building career pathways for 'women, people of colour and low-income Angelenos' through paid internships, mentoring and workshop opportunities.⁷⁵ This is a public-private partnership between the city of Los Angeles, industry, non-profit organisations and educational facilities.

There are also several funding models available internationally to address gaps in representation. For example, the Uwezo fund in Kenya was created to offer funding and training opportunities for women, youth and people with disabilities to enter the industry. As the flagship programme for Kenya's Vision 2030, the Uwezo fund offers grants, interest-free funding and mentorship programmes.⁷⁶ In New Zealand, the He Ara Development fund offers grants of around NZ\$50,000 to support the production of Māori and Pacific Island stories, while in Australia Screen Australia offers up to \$10,000 for an indigenous internship programme to support career development for Aboriginal and Torres Strait Islander Australians.

Other jurisdictions are using incentives to address diversity gaps in the industry. In Portugal, for example, the incentive value varies between 25% and 30% according to the project's score on the cultural test, economic impact, regional spend, and hiring of actors and crew with disabilities. In Illinois, expenditure on wages for crew from areas of high unemployment (within the state) is given an additional 15% rebate – and this measure is now used by the majority of productions filming in the state. In New Jersey the incentive offers an additional 2% if a diversity plan is submitted and achieved.

In addition to public policy and support through regulatory agencies, there are also social organisations and industry leaders making similar attempts to establish public awareness and enact change. For example, the '4% challenge' is a recent initiative organised between Time's Up and the Annenberg Inclusion Initiative. The challenge asks for those in the industry to commit to working on a project with a female director on a feature film in the next 18 months.⁷⁷ Studios including Amazon Studios, Legendary Entertainment, Warner Bros. Entertainment and Paramount Pictures have all pledged their support of the campaign. In 2016 Ryan Murphy, creator of *American Horror Story*, created the Half Initiative, which mandates that 50% of the directors on his shows must be female.⁷⁸ He has also established a mentoring programme.

5.4. Key Findings

This section outlines key findings in relation to responding to the need to grow workforce capacity, as well as selected examples from markets around the world.

5.4.1. Workforce development is critical

The development of a sufficient, well-trained workforce for Screen production is a significant component in the success of a sector. It is essential that such capacity exists so that incoming and national producers both know that their project can be safely and competently made.

Workforce capacity relates to the ability of the sector to produce the maximum number of concurrent productions. Because this requires skilled crew across all disciplines and at a variety of different professional grades, this might require a focus on specific areas of weakness within an individual market, a much narrower level of intervention.

As previously noted, some systems incentivise the use of local or resident workers, or limit non-resident workers. While this can assist the jurisdiction in developing its skills and expertise, in

⁷⁵ Mayor Garcetti Launches Evolve Entertainment Fund to Boost Diversity in Entertainment Industry. City of Los Angeles, 12th February 2018

⁷⁶ Uwezo Fund website

⁷⁷ 4% Challenge. Time's Up website

⁷⁸ Ryan Murphy's Half Fest Analyzes Current State of Female Directors in TV. Hollywood Reporter, 19th October 2018

the short-term it means that the offer is not as lucrative as other jurisdictions that do offer an incentive on non-resident crew.

5.4.2. Above-the-line and below-the-line

Below-the-line has been the traditional focus for interventions aimed at supporting inbound productions, which historically brought their own above-the-line personnel. Interventions here include ensuring that there is sufficient crew in production departments ranging from grip and lighting through to production design and location.

Interventions supporting above-the-line – the key creatives who are responsible for the development and production of content – have historically focused on the national sector. However, the changing strategies for the sector driven by OTT players mean that this is an increasingly key consideration for the international industry as well.

5.4.3. Quality

Quality is also crucial, as is the need for skills development to align with the standard for international productions in crew roles and crew structure, which can often differ from local norms.

5.4.4. Informed workforce strategy

Capacity development should be underpinned by gap analyses and strategic skills audits to understand the unmet needs of national and international producers. The provision of skills and workers and the needs of the industry should be tracked on an ongoing basis.

Workforce development should be aimed where necessary at all levels of the industry, promoting broad access to entry-level positions, while also ensuring focus on highly-skilled areas.

5.4.5. Importance of upskilling

Given the rapid rate of technological change in the industry, the upskilling and continuing professional development of workers in the sector is also a key consideration alongside training for new entrants.

5.5. Workforce Case Study: Georgia, US

5.5.1. Context

While Georgia operated a tax credit for many years, the expansion of the programme in 2008 was a catalyst for strong growth. This led to a challenge, however, as at the time of the expansion, talent within the state was relatively limited, leading to a leakage of finance to non-state resident cast.

At a similar time to the expansion of the programme however, then Georgia Governor Nathan Deal implemented a High-Demand Career Programme, facilitating public expenditure on careers that offered opportunities for economic growth. The film sector was the first sector funded under the aegis of this programme.

Working with industry – in particular Marvel and NBC Universal – the Georgia Department of Economic Development, which is responsible for the incentive, canvassed to identify careers which the industry was having trouble filling. Programmes were then put in place to fill these gaps.

These programmes are run by the Georgia Film Academy, which operates as part of the University System of Georgia. This is the sixth-largest university system in the US by public funding, and allows the acquisition of skills around the state, in any of 13 partner institutions within the system.

5.5.2. Specifics of best practice

This engagement through the University System provided a number of benefits, not least the ability of a wide range of the Georgian population to access world-class training close to where they lived. In order to achieve this, the Academy put in place a system whereby a small group of industry specialists were directly hired, and would go out to partner institutions to teach courses. This allowed a high-degree of quality control, whilst limiting total overheads.

Communities around the state, meanwhile, have been delighted with the provision of leading education for an in-demand sector on their doorsteps.

Furthermore, as the programme was designed from the start in conjunction with industry, it ensured the priority needs for the industry were addressed. This helped support long-term economic growth, whilst also limiting wasted expenditure.

5.5.3. Impact of intervention

While specific student numbers are not available, since the introduction of the Academy, total expenditure within Georgia has grown from \$260 million in the 2008 fiscal year to \$2.7 billion in 2018. An increasing number of Georgia residents – whether newly arrived from other production locations, or trained through the Academy – benefit from this production spend.

5.5.4. Summary of best practice learnings

- Rapid identification of a need to maximise the value of production in the state, resulting in the creation of a structure
- Identification of an existing structure – both the State University system and the High-Demand Career Programme – which could be used to close this gap
- Delivery of a plan in conjunction with industry to close priority gaps.

5.6. Workforce Case Study: Illinois, US

5.6.1. Context

The Illinois incentive provides an extra 15% tax credit for expenditure on crew from areas of high unemployment, on top of a standard 30% tax credit.

The incentive measure came on the back of the success of Chicago's main studio, CineSpace, in making the economic case for Screen production in an economically challenged area to local government. While bringing in large productions to the city, the studio managed to create jobs for those living in the vicinity through its non-profit arm CineCares. This successful initiative was set up in partnership with NBCUniversal at CineSpace, and trains interns on productions, who, after a selection process, are sponsored to join the local industry union.

5.6.2. Specifics of best practice

This measure is one of only a few location-based uplifts which provide additional value based on where a person lives, rather than where they are working. This provides extra flexibility for producers, as most location-based uplifts require the production itself to be moved to a specific region within a jurisdiction, which often isn't possible due to creative or logistical requirements.

While these are sensible measures and promote industry-building in less established areas, they are often underutilised. This incentive allows productions which base in Chicago, the dominant centre of the state's production sector, to easily make an impact regardless of their location choice, by hiring workers from areas of the state which face high unemployment levels.

5.6.3. Impact of intervention

This measure is very producer-friendly, to the point where the majority of productions now using Illinois' production tax credit utilise the uplift (up from a strong minority when it was

introduced). People from otherwise underserved areas are therefore finding opportunities in a growing, high-wage industry, aided by these measures.

5.6.4. Summary of best practice learnings

- Private initiatives (in this case CineCares) can be helpful in making the case that the Screen sector provides substantial economic benefits
- Incentives can be targeted to assist in key issues such as reducing unemployment while being producer-friendly
- In this case, the incentive allows workers from areas of high unemployment to be incentivised without requiring the production itself to be located outside of popular hubs.

5.7. Workforce Case Study: Northern Ireland

5.7.1. Context

Northern Ireland has successfully and effectively built a thriving, internationally-recognised Screen sector over the course of the last two decades, having attracted large-scale productions including *Game of Thrones*. Northern Ireland Screen has proactively responded to infrastructure and workforce needs in a manner that corresponds to demand, first providing ex-industrial space for filming, and then developing Belfast Harbour Studios.

At the same time as capacity has grown in terms of infrastructure, Northern Ireland Screen has developed a range of focused training programmes which have allowed the local workforce to both grow and to gain new skills and responsibilities.

5.7.2. Specifics of best practice

The agency runs different internship programmes aimed at getting a wide range of young people into the industry and providing specific experience in different parts of Screen production and post production. This benefits the industry as a whole as it trains people up for a number of specific roles across the sector, rather than creating oversupply of one type of trainee. Northern Ireland Screen also manages the process of aiming to get each intern placements on multiple productions where possible, providing more long-term and varied experience.

Northern Ireland Screen also runs a programme called Stepping Up, which incentivises promotions within the industry. The agency identifies crew with multiple years of experience working on productions, and enables them to move up a rank, for instance from 2nd AD to 1st AD.

5.7.3. Impact of intervention

Last year, Northern Ireland Screen enabled 89 local crew members to be promoted to a higher grade on productions across the Screen sectors (through Stepping Up) and awarded 61 bursaries to local industry aimed at their continuous professional development. It also employed 84 trainees in production, craft and technical, post production, animation, gaming and VFX roles, and ran a new entrants training course for 36 people.⁷⁹

5.7.4. Summary of best practice learnings

- Internships are best provided for specific roles in areas of need, rather than aiming to train people in all aspects of production

⁷⁹ *Northern Ireland Screen Looks Back at an Action-Packed Year for the Screen Industries*. Northern Ireland Screen, 2nd January 2019

- Agencies like Northern Ireland Screen have oversight of all production, allowing central management of internships – for interns this means get multiple placements, one after the other, rather than having long periods of downtime
- Support should also be offered to those with multiple years of experience, but who may not have the opportunity to progress to the next career level.

5.8. Workforce Case Study: Republic of Ireland

5.8.1. Context

Historically, formal education for the screen sectors in the Republic of Ireland leading to direct employment has been limited. Individuals entered the sector through traineeships, shadowing and mentorship, developing skills organically rather than formally.

Twenty years ago, the Irish film sector recognised the limitations of this model: while it did develop skills, it only worked up to a point, with higher-level skills needing more formal tuition. This was challenging for the academic sector, which struggled to replicate the production environment in a university or college setting.

As a result of this, a model was developed to bring in someone working in the sector – whether Irish or international – who had sufficient skills, at a point when they were available to teach others and facilitate sectoral development. This has always been delivered through a mixture of short courses and masterclasses, with a limited number of longer certificates, allowing people to fit this around a freelance career.

Screen Skills Ireland (SSI) is the body which runs these courses.

5.8.2. Specifics of best practice

SSI takes a flexible approach to the facilitation of training, both from a funding and governance perspective, and with regard to implementation in the film sector.

In the first case, at the time which the model started, the lack of a formal structure for the sector meant that SSI had to work with a range of public funding, and through a variety of different formal and informal providers. Since this point, the availability of formal education has expanded, but the flexibility in the model has remained.

SSI does not deliver training directly – it facilitates provision from others, based on the needs of the sector. These are determined on an ongoing basis, working with the stakeholders in the sector through a range of surveys, consultation groups, and a skills subcommittee.

Not all identified skills are delivered against, as SSI assesses the impact on the sector before providing. The example of multi-camera directing was noted as a high-demand skills need, but one which, for budget reasons, and given the limited number of shows using such a model, was not a priority more than once a year.

The model also works on flexibility around the time for individuals working in the sector. Recognising the freelance model, there is a close integration with the production sector to ensure people are free to have the time to attend courses. Such courses are also subsidised, so that people can attend without cost being a major concern.

5.8.3. Impact of intervention

Though no formal evaluation has been undertaken, the impact of SSI's interventions is clear. Testimonials from participants underline the value which the sector achieves from the work, and the ongoing growth of the Screen sectors – and attraction of ever-larger international projects – shows that the international industry also values Irish skills.

Since the introduction of the original short course model, the approach of SSI has been expanded to reach into other parts of the industry. This has included the highly-regarded

Screen Leaders course, which leverages European funding to develop business skills for emerging producers as well as other longer certified programmes.

Recognising the need for more data, recent reforms to the Irish production incentive (Section 481) include a more detailed skills component, under which each production will have to submit a skills development plan based on local needs. This will allow the generation of a more detailed database in future, which should facilitate the planning of interventions and analysis of their impact.

5.8.4. Summary of best practice learnings

- The model in Ireland is a strong one: by working with industry, ensuring flexible courses which do not place an undue value on certification and formality, and subsidising these to ensure access, the development of a diverse, highly-skilled sector has been prioritised
- SSI has also worked throughout with the industry to underline the value of upskilling to the sector. This reflects the inherent tension that future demands for skills need to be solved at an early stage, but the sector tends not to want to let people go on courses while they are on set. By underlining the value that this generates in the long-term, and working with industry, SSI has helped to ensure the development of a highly skilled Irish production sector.

5.9. Ineffective Practice

5.9.1. Lack of alignment with international standards

The engagement of local workforce is a critical component of the value a location generates from an incentive, both in terms of financial impact and skills transfer. However, these individuals need to have the skills and work ethic expected by international productions and be able to work within typical international crew and production structures. Training and skills development interventions that are not closely informed by international norms will be of limited effectiveness.

5.9.2. Onerous requirements for producers

Incentive systems can be leveraged to support workforce development – for example, by requiring a certain level of local workers or trainees. While these can be very valuable, such requirements need to be calibrated to the scale and impact of the production, as well as the availability of skilled crew. In a number of territories, incentives require large numbers of local workers, often larger than the scale required to generate the project. This acts as a tax on the production.

5.9.3. Lack of strategy

The absence of a strategy to develop the wide range of workers required by productions, across technical and non-technical roles, will inhibit the growth of a sector. Development strategies that do not deliver the right kind of roles or skills are also ineffective.

6. BEST PRACTICE IN MEETING THE DEMANDS OF CAPACITY BUILDING – PHYSICAL INFRASTRUCTURE AND SERVICES

6.1. Physical Infrastructure and Services and Production Need

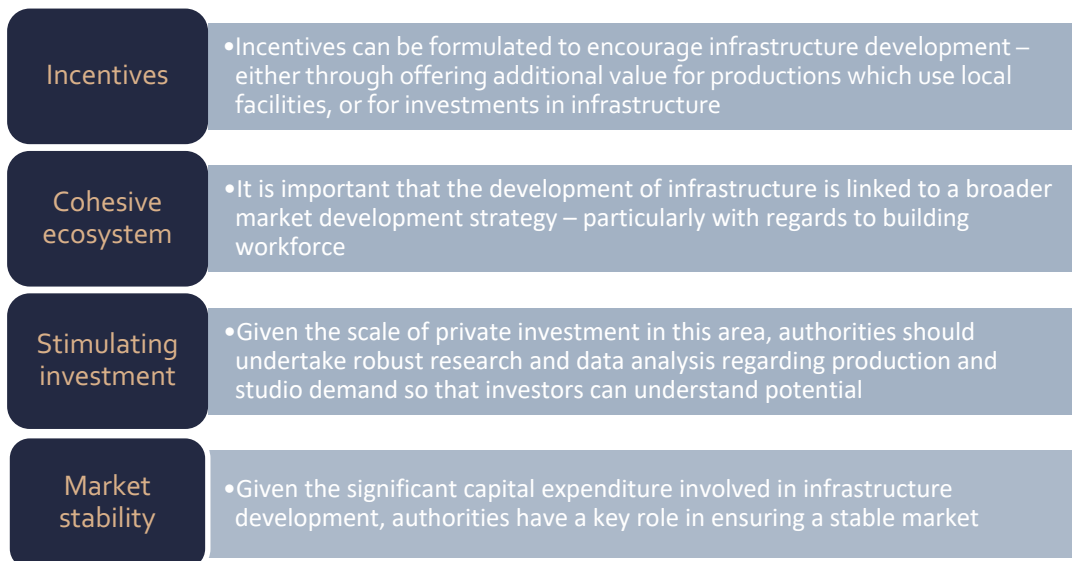
The availability of high-quality physical infrastructure (particularly studios and post production facilities) is a key factor in the attractiveness of a market for Screen production.

Increases in the volume of global production, and the in the size and technical requirements of high-end productions, means that there is currently an undersupply of physical production space in many markets worldwide. At the same time, the elevated importance of post production and visual effects in modern film-making has created a huge demand for studio infrastructure of this kind – making an adequate supply of it invaluable to hubs like the UK, Vancouver and Australia.

Strategies that encourage capacity building are therefore a key area of best practice but should be considered as part of a production ecosystem alongside incentives, workforce, and a film-friendly production environment. Infrastructure will provide additional long-term viability to a jurisdiction's incentives, while requiring a sufficiently sized and trained workforce.

Georgia, Ontario, and the UK have consistently attracted high-value productions which to some degree can be ascribed to the availability of high-quality studios combined with attractive and efficient incentives. Croatia, Estonia, and Scotland in the UK have all recognised that the absence of a studio inhibits the efficacy of their local fiscal incentives and are considering plans to address this by creating local studios.

Figure 8: Building Infrastructure and Services and Key Areas of Producer Need



6.2. Typical Elements of Studios, Facilities and Services Provision

Physical infrastructure generally includes the following elements:

- Studios;
- Post production;
- Equipment and rentals;
- Construction;
- Transport;
- Dressing and props; and
- Artist treatments.

Within each of these areas, a number of specific infrastructure types can be developed in order to have the capacity locally to provide for high-value productions. Within studios, for instance, a jurisdiction can develop sound stages, water tanks, workshops, standing sets, scene docks, and workshops (all facilities).

A typical list of infrastructure is provided in the following table:

Table 3: Typical Elements of Studios, Facilities and Services Provision

<p>Studios</p> <p>Sound stages; tank; green screen; workshops; standing sets / scene docks.</p>	<p>Equipment Rentals</p> <p>Camera; grip and electric; specialist grip – cranes and tracking; DIT / archiving; hot heads and aerial gyroscopes; sound and video playback; specialist EQ.</p>
<p>Post Production</p> <p>Sound recording and dubbing; cutting rooms; visual effects; pre-visualisation.</p>	<p>Construction</p> <p>Sawmill and workshop; paint, spray and plaster, vacform workshops; lifting / high-access equipment.</p>
<p>Transport</p> <p>Mobile catering and dining; specialised mobile facilities; specialist access vehicles.</p>	<p>Dressing and Props</p> <p>Prop and animal rental; vehicle rental and builds.</p>
<p>Artist Treatments</p> <p>Specialised make-up – prosthetics; hairdressing – wig and hairpiece; design and manufacture; costume rental and manufacture.</p>	

6.3. Key Findings

This section outlines key findings in relation to best practices in capacity building in physical infrastructure and services, as well as selected examples from markets around the world.

6.3.1. Government support for facilities

Studios require large amounts of capital expenditure, and financial support from the state can be necessary either to promote private investment in the facility by lending upfront costs on favourable terms, or by directly investing in infrastructure. Government support is more necessary (but also somewhat riskier) in territories which do not have a consistent track record of attracting production.

In the European Union, state support of studios and other infrastructure projects is complicated by State Aid rules, under which 'aid for film studio infrastructures shall not be eligible'. Numerous facilities in the EU have however been supported by governments in other ways than direct investment.

While there are examples of successful publicly-controlled studios, most involve public-private partnership or are privately owned. Best practice often therefore relates to strategies that facilitate interest and investment from the private sector. Capacity-building interventions can be broadly split into two categories:

1. Direct public funding of infrastructure

A jurisdiction can directly support a production facility development or can purchase land and offer it to studio developers.

2. Stimulating private investment in infrastructure

Outside of any direct investment, either in a facility development or in land, authorities can still take an active role in stimulating infrastructure development by private investors. This is most often done through the targeting of incentives to offer additional value *to productions* which make use of facilities, but more successful has been offering additional value *to companies which make long-term investments* in infrastructure.

An example of this is New Mexico, where two major studio projects have been announced (from Netflix and NBCUniversal) since it was announced earlier this year that companies making long-term commitments to studio facilities in the state would be exempt from the annual incentive cap. New Zealand's 5% uplift for projects with significant economic benefit has also been leveraged to develop studio infrastructure.

6.3.2. Non-financial assistance

Authorities can also take an active role in facilitating investors by identifying available land or properties which are suitable for development into facilities or other production spaces or designating land for specific types of development. For example, Fox Studios Australia in Sydney was built on land reserved for 'furthering the development of Sydney as a world class film, television and video production centre'.⁸⁰

It is important that governments and other stakeholders are able to make the case for development of physical infrastructure to potential investors, and to that end they can take a role in alerting investors and developing the market by undertaking research into studio demand. This can include research which looks at the investment lost due to the absence of infrastructure, and the resulting opportunity.

6.3.3. Market stability

Long-term investment in facilities requires a stable and future-facing production environment which guarantees access to incentives. Strategies that build market confidence are therefore part of best practice in this area.

In terms of incentives, two areas should be considered if aiming to attract investment in physical infrastructure:

- Incentives should have long sunset dates, or no sunset dates. This gives developers the confidence that the production conditions (which the infrastructure will often rely on for viability) will not change. In this area, developers will also look for broad political support for incentives so that a change in government will not result in a change in feasibility
- Caps on incentives should be avoided, as these limit the certainty that a production will be able to access the rebate. An uptick in spend would be a desired effect of increased facility capacity, but this may not be possible without an incentive which can scale up with additional production.

6.3.4. Broad strategy

New infrastructure should be developed as part of a broad sector strategy, especially if demand for workforce and skills will significantly increase with the establishment of a facility. The

⁸⁰ *State Environmental Planning Policy No 47 - Moore Park Showground*. New South Wales Government, Historical version for 15 December 2008 to 21 February 2014

development of a new post production studio, for instance, will only be viable if the jurisdiction has (or could ensure a future supply of) skilled people that can take on the additional roles.

Studio infrastructure may also be developed or consolidated as part of larger property plans involving a larger media complex or housing as a means of helping to generate revenue and/or playing a broader role in the industrial and social fabric of the local community.

Authorities must also ensure that high-level communications infrastructure is sufficient for developments to be made – for instance access to superfast broadband is critical for contemporary film-making purposes where large files need to be transmitted at high speed, while availability of mobile services is also essential in a business so heavily dependent on people. The availability of excellent transport links and first-class hotel accommodation are also important factors in the feasibility and sustainability of physical infrastructure.

6.3.5. Environmental sustainability

This is a key area of focus in screen production with recent studies showing that the film industry is one of the more significant producers of carbon emissions and waste. The Green Screen summary report published in 2009 noted that the carbon footprint for London's screen production industry was approximately 125,000 tonnes a year, while in the US a film with a budget of \$50 million produces the equivalent of 4,000 metric tonnes of CO₂.^{81, 82}

The Screen sector is focusing on practices to reduce this impact. For example, *The Amazing Spider-Man 2* reduced waste significantly through eliminating plastic water bottle usage and diverting 49.7 tonnes of material from the landfill through reuse or donation initiatives.⁸³ The production is estimated to have saved \$400,000 through various environmental initiatives. Recycling and the donation of set materials, costuming and food produce is gaining popularity as production-led initiatives, for example the Fox television production *Salam* donated \$200,000 worth of set materials to the construction of a new aquarium in Louisiana and recently James Cameron noted that vegan-only catering is being supplied on the sets of his *Avatar* projects.^{84, 85}

There is also a focus on developing sustainable practices through screen bodies, organisations and public policy. These approaches range from providing targeted information to productions to incorporating sustainability pledges into funding initiatives.

Many screen bodies and organisations – for example, Screen Queensland, the Producers Guild of America (PGA), and Creative BC – provide information on sustainable approaches through their websites. Creative BC's environmental initiative, Reel Green, was created in 2006 and the framework – providing waste and power reduction options to key production departments – has been adopted by others in the industry.⁸⁶ In addition to offering tips on reducing waste, Creative BC has developed workshops on carbon literacy and a Reel Green ambassador programme to promote its sustainability focus.

⁸¹ *Green Screen Summary Report*. Film London / Mayor of London, 2009

⁸² *Cut! How the Entertainment Industry is Reducing Environmental Impacts*. Earth Institute / Columbia University, 29th March 2018

⁸³ 'The Amazing Spider-Man 2' Honored for Environmental Efforts. *Hollywood Reporter*, 4th April 2014

⁸⁴ Fox's 'Salem' donates more than \$200,000 in set materials toward the construction of new Louisiana aquarium. Green Production Guide webpage

⁸⁵ James Cameron Brings Pro-Vegan Message to Sundance Docu and to the Set of 'Avatar' Sequels. *Deadline*, 27th January 2018

⁸⁶ *Reel Green*. Creative BC webpage

The e-mission project created by Flanders Audiovisual fund (VAF) in 2013 also provides various tools and workshops to support sustainable production practices, as well as set visits from an eco-coach to assess practices in place and offer advice to productions.

Productions are able to access a range of online tools to support their sustainable practices. PGA created the Green Production Guide, a website directory for international green vendors for film productions, as well as a range of programmes, documents and tools available for free including a carbon calculator, a Production Environmental Accounting Report and exemplars of informational flyers and posters to incorporate on set.⁸⁷

The UK online tool Green Screen was developed by Film London and Greenshoot. It provides resources to productions so that they can create and follow an action plan over the course of their production to reduce carbon usage and waste. If a production follows the action plan, they are eligible for a 'green screen stamp' which can be used in their promotional material and endroll. Additionally, productions are also eligible to receive a 3-5% discount to filming fees at certain London locations – for example: Somerset House and the Royal Botanical Gardens at Kew.⁸⁸ Filmförderung Hamburg Schleswig-Holstein employs a similar programme, issuing a Green Film Shooting Card to productions which are able to verify that their films conform to environmentally-friendly practices.⁸⁹ Holding a Green Shooting Card can simplify 'cooperation with the City's permit issuers'. The Centre National du Cinema (CNC) in France provides studios and audiovisual technical service providers financial support for costs incurred when investing in environmentally-friendly practices, which can be as 'significant as 40%-60% of the costs'.⁹⁰

There has also been a shift to incorporating sustainability as a condition of funding. The BFI now requires all productions receiving BFI funding to submit a carbon calculation upon completion of their project. Similarly, VAF in Belgium requires producers to provide evidence of their production's efforts towards sustainability in order to receive the final 10% of their VAF funding. Producers are required to attend an information session, complete the carbon calculation of their project and show evidence of the attempts made to enact sustainable practices within their project.

6.4. Physical Infrastructure and Services Case Study: Ontario, Canada

6.4.1. Context

Ontario's suite of tax credits, which have been in operation since 1998, have underpinned the development and growth of the province's dynamic and internationally-recognised Screen production sector. This has led to the development of more than 2 million ft² of stage space, but the ongoing success of the province in attracting projects means that this is now insufficient for the demands of the industry.

Despite this, banks and investors struggled to fill the gap – studios inherently mismatch capital requirements and risk, due to the long timescales for return on capex, and the relatively short rentals that the sector requires for stage space.

In order to address this, Ontario Creates and the provincial administration developed a range of data, including on lost spending and available space for the development of studio projects, working with municipalities to encourage investment in existing and new facilities.

6.4.2. Specifics of best practice

Working with the industry to provide data on lost productions helped to spur investment, as it demonstrated demand, and helped banks and investors to properly understand the risk of any

⁸⁷ *About the Green Production Guide*. Green Production Guide webpage

⁸⁸ Filming in London – Green Screen. Film London webpage

⁸⁹ *A Mark of Distinction for Environment-friendly Shooting*. Film Commission Hamburg Schleswig-Holstein webpage

⁹⁰ *The French Connection*. Green Production Guide webpage

studio projects. This was aligned with the creation of a dossier of available, suitable sites, making it clear where space for growth was available, and what the nature of any available sites was.

Though this wasn't a designed intervention, the two elements aligned serendipitously to provide a significant benefit to the province.

Municipalities within Ontario which are responsible for zoning have proven flexible in their approach to land, and have been willing to engage constructively in the marketplace, recognising the opportunity offered by the sector in Ontario.

6.4.3. Impact of intervention

The availability of data provided confidence to investors, who were previously put off by the mismatch between lease lengths and capex requirements. This has led to plans which will double the stage space in Ontario to 4 million sq. ft by early 2022.

Municipalities have also bought out studios for sale, to ensure that they remain available to the sector as opposed to being redeveloped into housing or other commercial uses.

6.4.4. Summary of best practice learnings

- Investors need to have some defrayal of risk to make infrastructure investments work, given the diverging risk and reward timescales. The Ontario model shows that public financial investment is not required – though it was not an intentional model, investment in developing coherent information filled the gap, and encouraged the investment in facilities which will allow the ongoing growth of the sector in the province.

6.5. Physical Infrastructure and Services Case Study: Queensland, Australia

6.5.1. Context

The Queensland Screen sector has experienced significant growth in recent years, particularly in relation to international production. A key factor in this growth has been an early and sustained focus on supporting infrastructure development in the region.

A studio opened in Queensland in 1986 and has been operated by Village Roadshow Studios (VRS) since 1988. In 2016, the Queensland state government partnered with VRS and the Gold Coast 2018 Commonwealth Games Corporation to deliver a loan of \$11.3 million (A\$16.5 million) towards building a new soundstage at the Gold Coast VRS site – the ninth soundstage there and the largest in the Southern Hemisphere.

The loan drew from two primary funding sources – \$7.9 million (A\$11.5 million) diverted from the Commonwealth Games Infrastructure Fund and \$3.4 million (A\$5 million) from Screen Queensland's Revolving Film Finance Fund.⁹¹ The sound stage was built to house the squash competition at the Gold Coast Commonwealth Games in 2018: however, development of the site was fast-tracked to ensure the stage could first be used for the film *Thor: Ragnarok* in 2016.

In January 2019, the new publicly-owned Screen Queensland Studios in Brisbane also opened. \$8 million (A\$12 million) was allocated by the Queensland state government towards the development of this site, with the funding part of the *Screen Industry 10-year Roadmap and Action Plan* and earmarked for the development of a fit-for-purpose studio 'to make it easier for local and emerging businesses to make local productions'.⁹² Operated by Screen Queensland, the studio will focus on international and local low- to mid-budget feature films, television drama, streaming series and television commercials.

⁹¹ *Taxpayers lend Village Roadshow its share of \$16.5 million studio bill.* Gold Coast Bulletin, 9th September, 2016

⁹² *Advance Queensland Screen Industry 10-year roadmap and action plan.* Queensland State Government

The new site includes lettable space of 164,052 ft² in the form of two soundstages, two warehouses, a mixed-use building and production office. The first project filmed in the new studios was Paramount Pictures' *Monster Problems*.

6.5.2. Specifics of best practice

Queensland's strategic focus on infrastructure development has ensured effective development relevant to both national and inward investment projects.

Making funding available for infrastructure development is also a key element of support. Screen Queensland's Revolving Film Finance Fund provides loans for productions as well as infrastructure in the state that will 'establish and maintain a commercially viable screen industry in Queensland'.⁹³

6.5.3. Impact of intervention

South East Queensland now offers 11 soundstages, three water tanks, and a number of construction workshops, production spaces and editing suites across the two locations. In 2016-2017, the state's screen industry contributed an estimated \$675 million (A\$981 million) to the Queensland economy.⁹⁴

Impacts from individual projects has also been significant. *Monster Problems* is estimated to have created approximately 260 jobs for Queensland crew and spent more than \$20 million (A\$29 million) directly in the state.⁹⁵ Recent projects to film at VRS's new Stage 9 include *Aquaman*, which created 2,100 jobs and spent \$69 million (A\$100 million) in the local economy and *Thor: Ragnarok* which employed 1,000 Queensland cast and crew and spent \$100 million (A\$145 million) within Queensland.⁹⁶ Baz Luhrmann's upcoming Elvis biopic is also due to film at the Queensland VRS location and is expected to create 900 jobs for cast and crew and inject \$72 million (A\$105 million) into the local economy.⁹⁷

6.5.4. Summary of best practice learnings

- The growth of production in Queensland underlines the importance of infrastructure in developing a competitive Screen sector
- Financial support from authorities or key agencies can also be critical in establishing studios.

6.6. Physical Infrastructure and Services Case Study: Taiwan

6.6.1. Context

Taiwan is emerging as one of East Asia's most important markets for international productions. Held back by restrictive clauses included in its incentive (which required key creative staff to have won major industry awards), these have been removed, and television productions have been made eligible, resulting in a noticeable increase in production interest.

To facilitate the demand from local and regional Mandarin-speaking players, as well as growing interest from national productions, Taiwan is developing its production infrastructure offer so it can host more productions concurrently. While the screen sector is mainly based in the northern capital of Taipei, where there is a strong crew base and two studio facilities, a studio has opened this year in the central-Taiwanese city of Taichung.

⁹³ *Revolving Film Finance Fund*. Screen Queensland

⁹⁴ *Advance Queensland Screen Industry 10-year roadmap and action plan*, *ibid*

⁹⁵ *Paramount Pictures' Monster Problems to film in Queensland*. Screen Queensland media release, 11th February, 2019

⁹⁶ *Yes! We Did It: Dora Comes to Queensland!* Screen Queensland media release, 18th March, 2018

⁹⁷ *Baz Luhrmann's Untitled Elvis Project to be filmed in Queensland*. Screen Queensland media release, 1st May, 2019

6.6.2. Specifics of best practice

Responding to its desire to grow Taichung as a production location, and the demand from producers, the city government has in this case covered construction costs – construction started in late 2016 – and hired the experienced Taiwanese studio operator Central Motion Picture Corporation to run the facility.

A water tank and wave machines were built at Taichung's disused Shuinan airport, which became the temporary base for *Life of Pi*, but in 2015 it was announced that the infrastructure would move to a permanent home in the district of Wufeng. The facility also includes soundstages, production offices, and workshop space.

Taichung City Government has also indicated that a number of support measures for the studio are being developed, including co-operating with local educational institutions to offer training programs for students seeking careers in film production.

6.6.3. Impact of intervention

According to local reports, municipal authorities in Taichung have been considering building a studio since 2000. A number of successful large-scale international productions, a strong local industry, and regulatory change has given the city the confidence to build on this success by developing infrastructure to meet future needs.

The changes that were made to the Taiwanese incentive have also brought a marked increase in the number of applications to shoot in the country. Particularly for television series productions – both Netflix and HBO have recently filmed series in Taiwan – the changes to the incentive have been crucial in ensuring that Taiwan is open for business.

6.6.4. Summary of best practice learnings

- Infrastructure built for single productions can be repurposed for permanent facilities
- Governments can be critical in supporting the capital costs of developing infrastructure.

6.7. Physical Infrastructure and Services Case Study: Västra Götaland, Sweden

6.7.1. Context

The marked growth of the Screen sector in West Sweden is an example of the potential to drive strong development at regional level with a strategic approach to infrastructure development and funding.

In 1992 the region of Västra Götaland created the funding and strategic Screen agency Film i Väst in response to difficulties in the regional economy, which was focused around heavy industry. The region has since attracted over 1,000 feature films, television dramas, shorts and documentaries.⁹⁸

A key factor in this growth has been the equity funding offered by Film i Väst, which requires elements of production or post to be placed in the region and to use regional crew and services. To this end, the organisation's strong focus on the development of infrastructure and services – as well as workforce – has ensured the development and ongoing growth of a valuable and highly capable Screen sector.

⁹⁸ *Your Scandinavian Partner in Co-Productions*. Film i Väst webpage. The agency's investments have focused on projects able to obtain high artistic quality and audience impact and have spanned such projects as Ruben Östlund's Palme d'Or-winning *The Square*, Jim Jarmusch's *The Dead Don't Die* and Susanne Bier's Oscar-winning *In A Better World*

6.7.2. Specifics of best practice

The development of Västra Götaland's Screen industry underlines the critical importance of a cohesive approach that focuses on development of infrastructure, services and workforce – as well as an underlying financial offer for productions.

West Sweden's production sector contains a range of key services and infrastructure including major sound and visual effects companies and equipment rental houses, and a developed crew base. In 2004, Film i Väst opened Studio Fares, built and owned by the municipal authorities. In order to build the studio, the agency presented both the cultural and economic case for expansion to local government, focusing on jobs, regional branding, and supporting other local businesses.

Film i Väst's strategic approach extends to support. In March, 2019, it expanded the region's financial offer with the launch of an automatic production rebate for feature films and television dramas of up to 30% of qualifying spend.⁹⁹

While underlying project funding can attract productions to a region, the development of infrastructure and services ensures that the impacts of production can be retained by businesses and individuals in the region, and in turn sharpens the region's competitive edge as a production market.

6.7.3. Impact of intervention

Film i Väst co-produced a total of 18 films in 2018, with wide-ranging impacts for the region.¹⁰⁰

The studio has helped Trollhättan, around 45 miles from Gothenburg, to become a key hub in the Swedish production sector. It has also brought new and high-value jobs to a region which had seen a decline in traditional industry, demonstrating the value of screen production as a driver of economic activity. The region's growth underlines the potential of the Screen sector for job creation, even in regions without a long-term history of Screen production.¹⁰¹

6.7.4. Summary of best practice learnings

- Development of infrastructure and services – including soundstages – alongside a financial offer is essential to ensure a competitive sector and to retain impacts of production
- Screen agencies can take a strategic role in developing infrastructure and services, which includes informing investors of the opportunity
- Strategic investment in infrastructure and services can create employment in markets even without a long history of Screen production
- It is possible for regions to become central hubs in a nation's production sector.

6.8. Ineffective Practice

6.8.1. Unrealistic expectation of demand

Realistically assessing the market demand for a new studio is essential, but there are examples of poorly-conceived facilities which fail to attract sufficient market interest after construction. It is critical that infrastructure is developed with close attention paid to the underlying market to avoid creating facilities that will be underused.

Even if a new facility is feasible, need will almost certainly differ between jurisdictions with an established industry and those without. It is therefore important that developments in smaller

⁹⁹ *Film i Väst introduces Sweden's first rebate program for film and TV.* Film i Väst webpage, 8th March 2019

¹⁰⁰ *Film i Väst: Record number of film shoots.* Film i Väst webpage, 8th November 2018

¹⁰¹ In 2019, SPI was engaged by Film i Väst to undertake a production infrastructure and capacity audit of the Swedish production sector

markets are scaled to reflect the demand, available workforce, and quality/capacity of incentives, and do not set out to simply replicate facilities which work elsewhere.

6.8.2. *Lack of sectoral strategy*

While studios can be a key requirement for international producers, attracting projects is also dependent on sufficient workforce, incentives, and film-friendly policy. Infrastructure that is not reflective of these areas may see the extra capacity under-utilised, as infrastructure capacity can only be built if there is workforce and incentive capacity to meet it.

6.8.3. *Underlying market instability*

Given the high capital expenditure required by studios, anything that creates market instability or reduces investor confidence are examples of ineffective practice. This includes poorly designed or administered incentives. Systems which consistently hit their budgetary cap are unlikely to be able to service additional production attracted by a new studio, while weak or divided political support for production incentives and other incentive policy will be viewed as a threat to investment in the sector.

6.8.4. *Transgressing regulatory framework*

Public resources (whether financial or human) can be used to support the development of physical infrastructure, but it is essential that they do not breach competition law in the market that they operate. Any developments in the European Union for instance must comply with State Aid rules.

7. BEST PRACTICE IN CREATING A FILM-FRIENDLY PRODUCTION ENVIRONMENT

7.1. Film-Friendliness and Production Need

While interventions such as production incentives and workforce development are critical for ensuring that a jurisdiction is globally competitive, it is essential that such measures are underpinned by a film-friendly production environment for their impact to be optimised.

Without the reassurance that a market is film friendly, its attractiveness to producers is greatly diminished. To be fully effective, elements such as incentives must be part of a well-rounded range of support from policies and agencies across the screen sectors which make it straightforward for producers to work in a particular jurisdiction.

Film-friendliness covers both formal policy and informal approaches and processes, and relates to the need for production to occur with as little difficulty or friction as possible. Screen projects are highly expensive and risky undertakings, with significant logistical challenges across multiple locations during the production cycle. Best practice therefore relates to policies, agencies and approaches that are closely mindful of production need. Key areas of need are outlined in the following figure.

Figure 9: Film-Friendliness and Key Areas of Producer Need



7.2. Key Findings

This section outlines key findings in relation to best practices in creating a film-friendly production environment, as well as selected examples from markets around the world.

7.2.1. Building consensus – and the importance of film commissions

Screen production intersects with a unique range of stakeholders, from central and local governments, to emergency services, and public and private organisations across sectors including transport, tourism, economic development, finance, skills development, and culture.

For a jurisdiction to build film-friendliness it is important that all stakeholders across these areas are engaged. This is achieved through ensuring that they all have a broad understanding of the value of the creative industries landscape – and the unique value of the Screen sector within this.

Ideally, stakeholder understanding should be underpinned by a supportive central government approach that commands cross-party consensus so that this support is pursued by successive governments.

Within this landscape, a well-resourced and connected film commission is essential – both in building stakeholder consensus – along with other industry bodies – and assisting producers in navigating stakeholders and services.

Specialist responsibility and/or dedicated units within key service institutions such as the authorities controlling traffic, fire, police, and parks can also contribute greatly to the film friendliness of an environment.

One example of this is the London Filming Partnership. Launched in 2005 and developed by Film London in association with the Mayor of London and the London Development Agency, this includes over 560 organisations and agencies, with the partnership agreement stating: 'The partnership is designed to demonstrate that London is a film-friendly city. This means ensuring that London is a place where location filming can be conducted efficiently and successfully thereby delivering the significant economic benefits associated with filming (including local employment and tourism) while also being sensitive to the needs of those who live and work in London.'¹⁰²

7.2.2. Communicating the value of production

Evidence-based policy is one of the cornerstones for building a political environment which helps ensure that film-friendly policies are pursued.

Screen production is a valuable industrial manufacturing process, with significant employment and expenditure impacts. Modelling this value using accepted economic methodologies and metrics such as GVA, employment and other impacts such as tourism are demonstrably important tools in making the case to government and agencies to support the Screen sector.

A number of markets have undertaken detailed economic impact studies that robustly assess the value of production. These include SPI's evaluation of Australia's screen production Offsets, published in 2018 and undertaken for the Australian Screen Association. This examined how Australia's Offsets generate value for the country's production sector and wider economy, and evaluated the potential impact of proposed changes to the system.¹⁰³

Organisations including the lead Screen agency (where it exists), film commissions and trade associations representing producers and talent are all important stakeholders in helping to achieve both political and industry consensus.

7.2.3. Holistic creative industries policy approach

Government should be holistic in approach, and while Screen sector policy support is critical to film-friendliness it is stronger if linked to a broader creative industries policy approach. The holistic nature of such policies ensures buy in across the creative sectors well beyond Screen, positioning them at the cutting edge of the digital economy.

An example of this is the UK, which has had a cohesive set of policies in place to support the creative industries, and in particular the Screen sector, since the early 1990s. The UK is also a strong example of how this policy has been pursued regardless of Government changes in the UK over this time.

The roots of the UK's Screen policy to attract internationally-mobile production go back to a 1990 Downing Street seminar on film, chaired by Conservative Prime Minister Margaret

¹⁰² London Filming Partnership webpage, Film London

¹⁰³ *Impact of Film and TV Incentives in Australia*. A Report for the Australian Screen Association by Olsberg•SPI, 12th March 2018

Thatcher. This was attended by a group drawn from across the film sector, including representatives from the Hollywood studios.

This seminar, which led to the introduction of a tax relief for film in 1992, also led directly to the creation of the BFI. Known as Section 42, this incentive allowed a write-off over three years of 100% of qualifying film production expenditure.

Under the UK's subsequent Labour Government, these initiatives were followed by *A Bigger Picture*, the 1998 report of the Film Policy Review Group, which recommended the setting up of a strategic body for the film industry which ultimately became the UK Film Council. That report also strongly reinforced the global nature of the Screen industry and the need for a holistic approach to the sector which extended well beyond the UK domestic market: 'Film is an international business. Even if our plans to boost the domestic market have the major impact that we intend, receipts from overseas, in the form of export earnings and inward investment, will still be of crucial importance to the UK film economy. We need to build on our strengths in these areas by creating an environment that is attractive to foreign investors and supportive of British exporters.'¹⁰⁴

Strengthening the wider creative industries landscape remains a focus for the UK Government's industrial strategy, as evidenced by 2018's Creative Industries Sector Deal. This agreement between the Government and industry acknowledged that 'The creative industries are at the heart of the UK's competitive advantage, and – in the face of technological transformation at home and new possibilities globally – represent a major strategic opportunity'.¹⁰⁵ In the Screen sector, policy support was outlined for areas including training.

In terms of specific policy, the factors influencing where productions locate can be volatile and far beyond the control of the business (e.g. currency movements, climate, increase in trade protectionism). This requires realistic policies which have mitigation strategies in place to address unforeseen challenges.

Most recently, this idea of an industrial strategy for the creative industries, including the screen sectors, can be seen in President Macron's strategy for the sectors in France.

7.2.4. Permit processes

The availability of permits to facilitate filming is essential in helping to provide the most film-friendly environment possible. Permits must be straightforward and quick to access, without onerous considerations. The need to obtain multiple filming permits from different agencies in a jurisdiction can also reduce film friendliness.

While film commissions may not offer direct permitting services, they can lead or advise on the creation of cohesive permitting systems that could streamline production.

In India, the Ministry of Information & Broadcasting, set up the Film Facilitation Office (FFO) within the National Film Development Corporation (NFDC) to assist productions obtain required permissions, with an online application. An example of film friendliness, the FFO has created a 'single window facilitation and clearance mechanism' that eases the process of filming in India, which is made up of many independently-governed states.

One commonly-required area is the arranging of road closures for filming. For example, in London until 2008 due to the nature of the description of an 'event' it was not always clear whether or not local authorities had the power to close roads for the purpose of filming and this legislation was considered restrictive when compared to other cities worldwide.

¹⁰⁴ *Film Policy in the UK 2000-2010 An Overview*, report for the UK Film Council, 2010

¹⁰⁵ *Industrial Strategy – Creative Industries Sector Deal*. HM Government, 2018

After work led by Film London whose remit includes filming in the city, in September 2008 the London Local Authorities (LLA) and Transport for London (TfL) Act 2008 became law. This Act provided new legislation which means that road closures could be granted by the Traffic Authority specifically for the purpose of filming on London's streets and highways. This has significantly helped to strengthen London's reputation as a world class location in which to film.

Along with many other cities, Vancouver, for example, has a clearly signposted system of filming permits, as does New York.^{106, 107}

7.2.5. Immigration, customs, tax and other legislation

Screen production commonly utilises international labour, talent, and filming equipment and related processes need to be as simple and streamlined as possible to enable people and goods to enter and exit a country with the minimum of friction. Related processes are usually controlled by national governments but there are examples of trading blocs where general freedom of movement operates.

The EU's Single Market is unique in being comprised of a set of (currently) 28 territories offering freedom of movement for workers of all kinds and tariff-free movement for goods and equipment – including filming equipment. The Schengen Area is a zone in which 26 European countries have abolished their internal borders allowing for the free and unrestricted movement of people (but not goods).

This has enabled some EU Member States to explore the harmonisation of their markets. North Star Film Alliance is an innovative project formed by partners across Estonia, Finland and Latvia to explore an allied Screen region across such key areas as incentives and workforce.¹⁰⁸

Free Trade Agreements (FTAs) between a territory and other countries, or trading blocs, can also help facilitate the movement of professionals and equipment. Such agreements often specifically refer to filming equipment and remove tariff barriers to their transportation between different jurisdictions. For example, reference to the removal of barriers in such equipment is included in the recently signed EU-Japan FTA and the EU-Chile FTA.^{109, 110}

A flexible customs policy that enables friction-free importation of specialist equipment and sensitive items such as weapons also offers a source of competitive advantage. Such customs policies can often be facilitated by FTAs. For example, the EU has multiple FTAs with other trading blocs across the world including Canada and Chile, and is negotiating many more such as those with Australia, New Zealand and the Mercosur block of countries in South America.

Favourable general taxation policies are also very helpful. For example, while countries will typically refund VAT to productions, Morocco allows producers to avoid paying it up front, by supplying a document of exemption for production use when making purchases.

7.3. Film-Friendly Production Environment Case Study: Jordan

7.3.1. Context

While Jordan has a history of film production dating back to the 1960s – notably 1962's *Lawrence of Arabia*, which shot in Wadi Rum, the location of the action it was based on – it wasn't until the 1980s that the country emerged as a production destination. This followed a significant period of lobbying from HM King Abdullah II, who frequently visited the US studios

¹⁰⁶ *Film Permits*. City of Vancouver

¹⁰⁷ *Shoot Your Project in NYC with these 3 Steps!* NYC Media and Entertainment

¹⁰⁸ SPI has provided strategic advice to North Star Film Alliance

¹⁰⁹ *Free Trade Agreement Between the European Union and Japan*. European Commission, August 2018

¹¹⁰ *Free Trade Agreement between the European Union and Chile*. EUR-Lex, 30th December 2002

during his visits to the country, identifying for them the locations which might be of interest for their work.

This proved successful in the late 1980s, when George Lucas was attracted to film the climax of *Indiana Jones and the Last Crusade* in Jordan's historic Petra archaeological site. The location was provided free of charge by the royal family, which recognised the reputational and tourism benefits filming would offer, as well as the limited facilities the country had at that point, and the low experience of local crews.

Since this point, the government has invested in a variety of ways, developing local skills, investing in the sector through the introduction of an incentive, and launching a film commission in 2005. This has led to a significant growth in production spend, particularly as Jordan can stand in for the sites film-makers want to use to portray the Iraq and Syrian wars, whilst remaining a safe location with limited censorship.

7.3.2. Specifics of best practice

Government support has been a key component of the growth of the film sector in Jordan – the royal family in particular have been consistent supporters of the industry, underlined by the title of the national film agency, the Royal Jordanian Film Commission.

This support has manifested not only through the commission, but also the incentive, and the wider industry investment programmes which have been undertaken. These have included low-level work with schools and local communities to help them understand and value the film sector, as well as higher-level investments in the skills needed to produce content.

Such higher-level programmes have seen partnerships with the University of Southern California – to develop a master's degree in the country – and with Sundance on an annual writing lab programme, which is now in its fifteenth year. In both cases, scholarships and support are open to the wider Middle East, further cementing Jordan's position as a regional hub.

For Western productions, meanwhile, the stability of the government and lack of censorship – allied with the ability of the country to double for most of its neighbours, and an increasingly-competitive incentive – provide a unique regional offer.

7.3.3. Impact of intervention

Since the introduction of the film commission in 2005, Jordanian engagement in international productions has grown substantially. The first film which came in 2005 – Italy's *The Holy Family* – had 90% foreign cast and crew. Four years later, when *Transformers 2* filmed in Jordan, local crew had increased to 30% of workforce with the share of Jordanian crew growing not just in manual, below-the-line elements, but also in technical vocations.

This growth has continued ever since, as Jordan has attracted ever-greater numbers and scale of productions. Between 2010 and 2018, total foreign production spend in Jordan amounted to \$350 million, including major productions such as Disney's 2019 remake of *Aladdin*.

7.3.4. Summary of best practice learnings

- Ongoing government support for film, led by the king, including facilitated access to locations
- A leading regional incentive, and limited censorship
- Strong skills-development programmes, which have developed a highly-regarded regional crew
- An extensive above-the-line development programme, which has provided increasing skills for high-value local and regional productions.

7.4. Film-Friendly Production Environment Case Study: Morocco

7.4.1. Context

With a decades-long history of film-making, Morocco is a leading and well-established production hub in the MENA region. It has a strong production offer with quality facilities, services and crew, and has built recognition for a supportive approach to international Screen projects. Morocco also operates a 20% rebate incentive and an up-front VAT exemption for goods and services in Morocco.

7.4.2. Specifics of best practice

Morocco is known for its production expertise and facilities such as Atlas Studios and CLA Studios in Ouarzazate and Cinedina studios in Casablanca.

While Morocco's production capabilities have been honed over many years – and not, therefore, immediately replicable – its flexible approach to servicing Screen projects should be considered best practice.

This includes film-friendly public administration processes, including a simplified procedure for temporary imports of arms and munitions for Screen productions, and customs clearance procedures for filming equipment.

Support from key national institutions such as the military and airport and other relevant authorities has also been critical. Support from the country's army – which has its own film office – has also helped develop this reputation, particularly given interest in Morocco from large projects set in the Middle East such as *American Sniper*. Morocco's locations, which can double for a wide range of other countries in the region, are a key attraction along with its stability.

7.4.3. Impact of intervention

Morocco's film-friendliness has helped it become a commonly-used location for stories set in desert locations as well as the broader MENA region. This includes such major shoots as *Game of Thrones* and *Kingdom of Heaven*. In 2018, foreign productions spent \$76 million (MAD 731.5 million) in Morocco, a rise of 47% on the \$51 million (MAD 497 million) spent in 2018.¹¹¹

7.4.4. Summary of best practice learnings

- A film-friendly production environment in which key institutions understand the value of Screen production and, in some cases, have dedicated screen liaison units or officers
- Building this consensus and ensuring a broad understanding of the employment and economic value of Screen production throughout a country's institutions and administrative agencies is best practice for any jurisdiction.

7.5. Film-Friendly Production Environment Case Study: New Mexico, US

7.5.1. Context

New Mexico has offered a film incentive since 2003, but in 2019 the new administration made a series of innovative changes which have already encouraged long-term infrastructure, expenditure, and skills development commitments from production companies. In addition, the state itself committed to quickly paying off a nine-figure tax credit backlog which was hindering growth in the sector.¹¹²

¹¹¹ *Bilan Cinematographique 2018*. Centre Cinematographique Marocain

¹¹² *New Mexico Film Production Tax Incentive Study: Phase I Report*, MNP for the State of New Mexico, 21st July 2014

7.5.2. Specifics of best practice

Before these changes, the New Mexico production incentive had a \$50 million 'rolling' cap, meaning that if in a given year the amount of credits went over that amount, they would be considered as part of the following year's budget. By 2019, however, this system created an estimated \$382 million credit backlog, which meant productions would wait years before receiving the agreed reimbursement.¹¹³ This year the state committed to pay off the backlog, creating room for growth in the sector.

The incentive now has a \$110 million rolling cap instead, with a hard cap of \$100 million to limit the amount of backlog that can be accrued. In order to promote long-term investment in the state, however, the cap does not apply for companies that make both 10-year infrastructure and production spend commitments (termed 'New Mexico Film Partners').

7.5.3. Impact of intervention

In response, both Netflix and NBCUniversal have signed up to be New Mexico Film Partners – Netflix has bought ABQ Studios and NBCUniversal will convert a warehouse in Albuquerque. Together these commitments represent a planned \$1.5 billion in production spend over the next ten years while creating more than 1,300 production jobs a year.^{114, 115}

The state's film office says that production is growing in New Mexico and that, following the introduction of the new measures, enquiries about filming in the state have been at record levels.¹¹⁶ The incentive also includes a 5% uplift for filming outside of the Albuquerque / Bernalillo and Santa Fe county lines, which has boosted enquiries about filming outside the established hub of Albuquerque. The state is also seeing crew who moved out-of-state returning now that there are increased opportunities to work in New Mexico.

7.5.4. Summary of best practice learnings

- Incentives are normally project-based, but New Mexico's has been innovatively modified to be both producer-friendly and to deliver long-term economic impacts for the state.

7.6. Film-Friendly Production Environment Case Study: Uruguay

7.6.1. Context

Since the beginning of 2019, the Uruguay Audiovisual Program (PUA) – International Productions Component has been in operation. This new incentive, which offers a cash rebate of 20-25% depending on production expenditure, is part of a broader strategy to further revitalise the sector in Uruguay.

In launching the incentive, a series of detailed guidance documents was created for potential international production clients. These were made accessible through the website of the Institute of Cinema and Audiovisual of Uruguay (ICAU), under the Ministry of Education and Culture (MEC).

7.6.2. Specifics of best practice

For any new incentive entering the competitive global market, best practice is to produce clear and complete system guidelines in several languages.

¹¹³ *NM's film credit backlog reaches \$382M.* Albuquerque Journal, 26th February 2019

¹¹⁴ *Netflix announces plans to open new U.S. production hub in Albuquerque.* Netflix Media Centre, 8th October 2018

¹¹⁵ *NBCUniversal Announces Major Albuquerque Production Venture.* Office of the Governor Michelle Lujan Grisham, 14th June 2019

¹¹⁶ *Abortion politics help fuel NM film boom.* Albuquerque Journal, 12th June 2019

Uruguay's guidelines outline the central incentive processes, together with a step-by-step guide to the application process, complete with estimated processing times for the different stages. They were produced in relevant languages for key potential clients – i.e. Spanish, English and Portuguese.

Incentive systems can be highly technical, and it is essential that key elements, requirements and characteristics and other points are fully and clearly explained to potential users. Uruguay's detailed and multilingual approach is informative and minimises the need for producers to commit to costly legal or translation services at the initial stage of location research. Therefore, potential customers can easily understand the suitability of the incentive for their project.

The guidelines also include the institutions involved with the system, which underlines the fact that the incentive is Uruguayan state policy and helps drive confidence in prospective users.

7.6.3. *Impact of intervention*

While Uruguay's incentive is relatively new, the provision of multilingual guidelines enables a wide range of potential clients to understand the system.

7.6.4. *Summary of best practice learnings*

- It is important for new incentive systems to communicate clearly and in concrete detail
- Where a jurisdiction's national language is not shared by potential key markets detailed guidelines should be produced at launch to minimise any misunderstandings and reduce translation or initial legal cost to the producer
- The combination of clear written language, a direct web presence and brief instructions is key to film friendliness
- Details on the institutions involved in an incentive programme can add greater confidence to the market.

7.7. *Ineffective Practice*

7.7.1. *Excessive state interference and bureaucracy*

While government support is essential to create a film-friendly environment, intrusive state involvement – for example via censorship regimes, overly restrictive immigration regimes for temporary workers or cumbersome bureaucracy for shooting permits – can be a serious barrier to creating a film-friendly environment. For instance, state censorship can potentially interfere with creative freedom of expression preventing certain scripts from being shot in a territory – for example if they include politically contentious material.

7.7.2. *Restrictive rights legislation*

Unrelated legislation that restricts rights can have a detrimental effect on the ability to attract productions. A recent example of this is the controversy caused by legislation tightening up restrictions on abortion in the US state of Georgia. This has led to a number of companies indicating that productions would be moved from the state if the laws come into effect.

7.7.3. *Failure to adapt, plan and invest*

The pace of technological change in the Screen sector is intense. Film-friendly policy that is not responsive to change, or tied to established practice, will be ineffective. For example, incentives which do not reflect the changing means of distribution (i.e. streaming) and which require theatrical release will potentially lose out on valuable productions.

8. EVIDENCE OF POSITIVE IMPACTS OF A THRIVING PRODUCTION SECTOR

8.1. Overview

In recent years, evidence-based policy has increasingly become an essential tool for the Screen sector to make the case to government for support. Ex ante studies which demonstrate the potential benefits of policies to support production are as important as ex post studies which demonstrate that those benefits were actually realised.

Impacts on other sectors – for example the way in which the use of locations by productions boosts tourism – can also be woven into these analyses or form the basis for separate studies. For example, the impact of Screen production on tourism can be highly substantial, as demonstrated by SPI's 2015 study for Creative England, *Quantifying Film and Television Tourism in England*.¹¹⁷

A sign of the importance of such evidence is that the creation in the UK of the Creative Industries Policy and Evidence Centre (PEC). The PEC was created to provide independent research and authoritative recommendations that will aid the development of policies for the UK's creative industries, contributing to their continued success.¹¹⁸

8.2. Economic Impacts

8.2.1. GVA

GVA is an output statistic that can be used to measure the contribution to the economy of each individual producer, industry or sector in a country. GVA provides a value for the amount of goods and services that have been produced in a country, minus the cost of all inputs and raw materials that are directly attributable to that production. It is related to, but distinct from, the GDP measures used in assessing the output of national economies.

GVA is widely used as the metric to measure the impact of support for Screen production on a country's overall economy, as exemplified below.¹¹⁹

Territory	Study ¹²⁰	GVA Calculated
Canada	<i>Profile 2018</i>	C\$12.77 billion
New York	<i>Economic Impact of the Film Industry in New York State, 2017 and 2018</i>	\$15.23 billion ¹²¹
Ireland	<i>Economic Analysis of the Audiovisual Sector in the Republic of Ireland (2016)</i>	€692.0 million ¹²²
UK	<i>Screen Business (2016)</i>	£7.91 billion ¹²³
Australia	<i>Impact of Film and TV Incentives in Australia (2016-17)</i>	A\$1.18 billion

¹¹⁷ *Quantifying Film and Television Tourism in England*. Ibid

¹¹⁸ <https://pec.ac.uk/>

¹¹⁹ Most studies measure the impact of support, but others (i.e., Canada's *Profile*) assess the impact of the entirety of the film sector in a territory

¹²⁰ Year of reference in brackets, if not made clear in the title

¹²¹ Reported share of 'Gross State Product', cumulative figure for 2017 and 2018

¹²² For film, TV, and animation

¹²³ GVA related to Tax Reliefs, including value chain elements

8.2.2. Employment

Screen production is a labour-intensive activity, with a cast and crew that can number hundreds of people, once pre and post production activities are included. Many of these people are hired on a freelance basis, taking a contract for a specific portion of the production, before moving onto other work.

A headcount approach to measuring this labour would be insufficient, as it is not clear from such a measure whether the individuals are hired for one week or one year. Similarly, given the fact that an individual can take multiple jobs in a year, headcount can also over-count total employment, as it may sum total roles within a jurisdiction. As a consequence, the metric of FTE jobs is usually used to measure the contribution of freelancers.

One FTE represents the average annual workload of an individual employed in a full-time job, and while this definition will vary somewhat from country-to-country, the model represents the best way to assess the employment contribution that the sector makes in comparison to those with more standard employment models.

A variety of models are used to assess FTE employment, depending on the quality and completeness of data in individual markets. Most of the economic impact studies noted above report FTEs, with the results as follows:

Territory	Study	FTEs Calculated
Canada	<i>Profile 2018</i>	179,000
Ireland	<i>Economic Analysis of the Audiovisual Sector in the Republic of Ireland (2016)</i>	11,960
UK	<i>Screen Business (2016)</i>	137,340
Australia	<i>Impact of Film and TV Incentives in Australia (2016-17)</i>	94,265

8.2.3. Inward investment

Inward investment is the volume of incoming production, attracted from outside the territory to film or post-produce wholly or partially within it. This is usually measured as the amount of total inward investment in a given territory, and the share of expenditure which this represents.

As previously noted, inward investment is a key driver in the growth of a healthy Screen sector, supporting a diverse and well-rounded production sector, as well as contributing to strong balance of payments at a national accounts level.

In order to measure this robustly, it is essential that long-term data is collected, in a comprehensive and comparable way. This reflects the fact that whereas inward production spend may vary year-to-year – as Screen content may choose to shoot in different jurisdictions for creative or other reasons – a positive trend is a useful data point, of interest to industry and the public sector.

8.2.4. Screen tourism

One significant benefit of Screen production is screen tourism, with evidence pointing to a pronounced relationship between exposure of a destination on screen and subsequent tourist interest. The global popularity of Screen productions worldwide is a major influence on travel motivation, and aligns with wider sectoral trends in areas such as experiential travel and social media-influenced tourism.

For example, data from Tourism NI shows that one in six out-of-state visitors were influenced to visit Northern Ireland because of *Game of Thrones*. According to Tourism NI estimates, *Game of Thrones* visitors contributed more than \$61 million (£50 million) to the local economy in 2018.¹²⁴

Research undertaken by SPI also conservatively estimated that the value of screen tourism to film locations in England outside of London was worth around \$123 million-\$172 million (£100 million-£140 million) annually in 2014.¹²⁵ SPI's *Screen Business* report revised this, with an estimate of total inbound film-related screen tourism of \$733.6 million (£597.7 million) in 2016. This generated 13,440 FTEs of total employment.¹²⁶

Screen production can also be highly impactful in terms of soft power, national branding and promotion, informing international audiences about a jurisdiction's locations, stories, and character in a way that can be very powerful and authentic. According to a British Council survey, 17% of people said that film contributes to making the UK attractive.¹²⁷

8.3. Other Impacts

8.3.1. Social

Screen productions can contribute to social cohesion through a sense of shared identification with the characters and ideas represented on screen. They also contribute to the common values of democracy and freedom of expression and creation. It can thereby also promote a sense of well-being among individuals.

National Screen production can also help to develop media literacy. Through the use of national projects in an educational setting, people can be taught to better understand how different media use words, images and conventions to communicate. A media literate person will be more confident about to participate in a creative and empowering way in the digital world. Such literacy is particularly important in an era of widespread disinformation and manipulation of moving images.

8.3.2. Cultural

Typically, a thriving production is also of huge cultural importance – enabling talent across the Screen sector to produce the richest possible range of films, television programmes and video games, which create IP and are enjoyed by audiences both at home and around the world.

In particular, the Screen sector is seen by many nations as making a vital contribution to the promotion of cultural diversity – helping to maintain and strengthen a variety of ways of looking at, and understanding, the world. In this way, it helps fulfil the commitments to helping to deliver cultural diversity made by all those nations which are signatories to the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.¹²⁸ This Convention is regarded by many organisations, such as the European Film Agency Directors (EFADs), as one of the principal means of underlining a commitment to cultural diversity and cultural diversity is a key objective of public organisations in film across Europe.¹²⁹

¹²⁴ *Game of Thrones* tourists spent €58m in North last year. Ibid

¹²⁵ *Quantifying Film and Television Tourism in England*. Ibid

¹²⁶ *Screen Business*. Ibid

¹²⁷ *As Others See Us*. British Council, 2014. This report underlines the importance of soft power: 'In a multipolar, hyperconnected world, a country's power is increasingly measured by its ability to inspire and attract citizens of other nations to take an interest in its national story, enjoy its passions, and ultimately respect its values, ideas and aspirations.'

¹²⁸ *The Convention on the Protection and Promotion of the Diversity of Cultural Expressions*. UNESCO webpage,

¹²⁹ *EFADs Vision Paper 2019*. EFADs, 2019

Such a contribution by production to cultural diversity is also the rationale for quotas on broadcasters and platforms – for example the requirement on linear services to carry a majority of ‘European works’ in the EU’s Audiovisual Media Services Directive (AVMSD) and the 30% ‘European works’ quota on VoD services in the EU’s revised 2018 AVMSD.

The cultural impact of the Screen sector can encourage viewers to pursue careers in the industry, notably through exposure to a wide range of different kinds of productions.

9. APPENDICES

The appendices for this Study are as follows:

- Global Incentives Index. Compiled by SPI, this is a comprehensive guide to all automatic incentives worldwide. Fully updated, the Global Incentives Index is published twice annually in MBI's *World of Locations* magazine
- Bibliography
- About Olsberg•SPI.

9.1. Global Incentives Index

GLOBAL INCENTIVES INDEX 2019										
JURISDICTION	NAME OF INCENTIVE	TYPE	VALUE	ADDITIONAL VALUE	PER PROJECT CAP	ANNUAL BUDGET/CAP	APPLICATION DEADLINE	ELIGIBLE	LIMITS/RESTRICTIONS/CONSIDERATIONS	SUNSET DATE
EUROPE										
Austria filmindustriupportaustria.com	FISA – Film Industry Support Austria	Rebate	25% for service productions and co-productions; 20% for Austrian productions.	–	Support cannot surpass 15% of annual scheme budget.	\$8.2m (€7.5m)	None. Applications submitted on an ongoing, first-come first-served basis.	Film, documentary	Eligible production costs capped at 80% of total production costs. For service productions, minimum total production budget of \$4.4m (€4m) for fiction films – documentaries are \$550,000 (€500,000) – with minimum Austrian expenditure of \$440,000 (€400,000) for a fiction film. An Austrian service producer must file the application. For Austrian films and co-productions, the minimum total production budget is \$2.5m (€2.3m) for a fiction film, or \$385,000 (€350,000) for a documentary. Fiction films must shoot in Austria for at least five days. The film must be released in Austrian cinemas within a year of production being completed. Incentive is generally disbursed in two instalments for service productions, or three instalments for Austrian films and co-productions. Financing must be in place before an application is submitted, and shooting should start within six months of approval. Cultural test applies.	–
Belgium belgiumfilm.be	Belgian Tax Shelter	Tax shelter	A Federal investment-driven scheme, value is dependent on the qualifying expenses made by the producer in Belgium and in the European Economic Area. For an ideal investment, scheme provides up to 42% of the Belgian expenses to the producer.	–	The maximum amount of tax sheltered for a single work may not exceed \$8m (€7.25m) (= certificate value of maximum \$16.5m [€15m])	–	–	Film, TV drama, other TV, documentary	Not a selective programme – for European works and qualifying international co-productions with Belgium or the Belgian Communities. System involves investor, production company and possibly an intermediary. Investors and production companies must be resident companies or the Belgian establishment of a non-resident company. Producer and intermediary must be approved by the minister of finance. Investor must pay the sums within three months, while expenses must be spent within 18 months (24 months for animation). Can be combined with regional selective funding in Belgium.	December 31, 2020
Croatia filmingincroatia.hr	Rebate for Film and TV Production	Rebate	25%	Additional 5% for productions in regions with below-average development.	\$740,000 (HRK5m). Exceptions can be made for projects budgeted at more than \$3m (HRK20m) in eligible Croatian spend.	\$14.8m (HRK100m)	First-come, first-served though the complete application must be submitted at least eight days prior to the start of principal photography.	Film, TV drama, other TV, documentary	Minimum spend of \$300,000 (HRK2m) for feature films and \$110,000 (HRK750,000) for each TV episode. Applicant must be a Croatian producer, co-producer or production service provider that has produced or provided services for at least one publicly shown audiovisual work in the last three years. Applicant must prove that at least 70% of financing for Croatian costs has been secured, that cast and crew consist of at least 30% national citizens (for productions filming partially in Croatia), or 50% for productions filming entirely in Croatia, and pass the cultural test.	–

Best Practice in Screen Sector Development

GLOBAL INCENTIVES INDEX 2019										
JURISDICTION	NAME OF INCENTIVE	TYPE	VALUE	ADDITIONAL VALUE	PER PROJECT CAP	ANNUAL BUDGET/CAP	APPLICATION DEADLINE	ELIGIBLE	LIMITS/RESTRICTIONS/CONSIDERATIONS	SUNSET DATE
Cyprus filmincyprus.org.cy	Cyprus Filming Scheme	Rebate/ tax credit	25%-35%	–	–	\$27.5m (€25m), with flexibility for exceptions.	–	Film, TV drama, other TV, documentary	–	2020
Czech Republic filmcommission.cz	Film Incentives (Czech Film Fund)	Rebate	20%	66% rebate on withholding tax paid in the Czech Republic by international cast and crew.	–	\$34 (CZK800m)	A project must complete at least 10 days of shooting within four months of an application being filed (or nine months in the case of a project in receipt of Eurimages funding). The latest that an application may be filed is on the 10th day of shooting in the Czech Republic. Prior to this, projects must register for eligibility. This is possible at any time, with eligibility valid for four years.	Film, TV drama, other TV, documentary	Applicant must be a tax resident in the Czech Republic with a place of business or permanent establishment in the Czech Republic. Minimum expenditures are \$630,000 (CZK15m) for a feature, animated or TV film; \$85,000 (CZK2m) for a documentary film; \$340,000 (CZK8m) for a TV series episode; \$42,000 (CZK1m) for an episode of an animated series. Application must be submitted with a Czech version of the script. Cultural test applies.	–
Estonia filmestonia.eu/index.php/film-estonia-cash-rebate/	Film Estonia Support Scheme	Rebate	20%-30% depending on Estonian expenditure and engaging Estonian creative staff.	–	–	–	–	Film, TV drama, documentary, other	Minimum overall budgets of \$1.1m (€1m) for feature films, \$275,000 (€250,000) for animation films, \$550,000 (€500,000) for animated series, \$220,000 (€200,000) per episode for TV series, and \$220,000 (€200,000) for documentary films. Application must be submitted by an Estonian company, a branch of an EU-based company registered in Estonia, or an Estonian subsidiary of a company registered outside the EU.	–
Finland businessfinland.fi/en/cash-rebate	Production Incentive for Audiovisual Industry	Rebate	25%	–	–	\$11m (€10m)	Applications taken on a first-come, first-served basis; only Finnish spending undertaken after application is registered is eligible for the incentive.	Film, TV drama, other TV, documentary	Minimum total budgets [and spend] of €2.5m [€150,000 spend] – \$2.8m [\$165,000 spend] – for feature films; €325,000 [€50,000 spend] – \$355,000 [\$55,000 spend] – for docs; and €5,500 per minute [€250,000 spend in total] – \$6,000 per minute [\$275,000 spend in total] – for TV series and animations. Eligible Finnish costs can be a maximum of 80% of total production budget. To make an application, 60% of funding must be confirmed and at least 20% of overall funding must come from outside Finland. A distribution agreement for at least one platform or one territory is required. Foreign applicants must apply through a Finnish production	–

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									co-ordinator company. Payments during production available.	
France cnc.fr/web/en/tax-rebate filmfrance.net	Tax Rebate for International Production (TRIP)	Rebate	30%	–	\$33m (€30m)	–	–	Film, TV drama, other TV, other	Application must be submitted by a company subject to corporate income tax in France that has been contracted to manage the physical production in France. Projects cannot be in receipt of any French state traditional financial support, so official French co-pros do not qualify. Minimum spend is \$275,000 (€250,000) or at least 50% of the total budget to be spent in France. Live-action projects must shoot for at least five days. Cultural test applies (bespoke version for animation/VFX).	–
Georgia filminggeorgia.ge/financial-incentive	Georgia Cash Rebate	Rebate	20%	Up to 5% available for meeting specific cultural test points.	–	–	–	Film, TV drama, other TV, documentary, other	International and local productions must be registered as legal entities in Georgia. At least 50% of the total production budget should be in place when applying. Minimum expenditure requirements apply, including \$167,000 (GEL500,000) for features, TV films and drama series. The production must pass a cultural test to qualify for the additional incentive.	–
Germany	German Federal Film Fund (DFFF) dff-ffa.de/en.html	Rebate	DFFF 1: 20% DFFF 2: 25%	DFFF 1 is worth 25% for projects with German production costs of more than \$8.8m (€8m).	DFFF 1: \$4.4m (€4m) DFFF 2: \$27.5m (€25m)	Combined, \$137m (€125m) is available annually from 2018.	DFFF 1 and 2: no later than six weeks before the start of shooting.	DFFF 1: Film, documentary DFFF 2: Film	For DFFF 1, minimum production costs of \$1.1m (€1m) for features, \$220,000 (€200,000) for documentaries and \$2.2m (€2m) for animated films. German production costs must be 25% of total, or 20% if total costs exceed \$22m (€20m). Film must be released theatrically in Germany. Cultural test applies. At least 75% of the total budget must be confirmed before the grant can be issued, but the application can be made before this is secured. DFFF 2 can be utilised for entire productions as well as specific elements of a production, such as VFX. Feature films must have minimum German production costs of \$8.8m (€8m), with minimum production costs of \$22m (€20m). German production costs for animated films must amount to at least \$2.2m (€2m). Film must be released theatrically in Germany. Cultural test applies. At least 75% of the total budget must be confirmed before the grant can be issued, but the application can be made before this is secured.	December 31, 2020
	German Motion Picture Fund (GMPF) ffa.de/german-motion-picture-fund-1.html	Rebate	Series: 20% on German production costs. Film: 20% on German production costs.	–	\$2.75m (€2.5m) per film. \$2.75m (€2.5m) per TV series (\$4.4m [€4m] for series with German spend of more than \$22m [€20m]).	\$16.5m (€15m)	Six weeks before the start of shooting.	TV series, film (TV or VoD, not for cinema release)	For producers of TV series with total production costs of at least \$1.3m (€1.2m) per episode; for producers of films not for cinema release with total production costs of at least \$27.5m (€25m) per film; German financial contribution of at least 20% of total production costs.	December 31, 2019

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Greece ekome.media	Greek Cash Rebate	Rebate	35%	–	–	\$82m (€75m) for 2018-22.	No later than 60 days before principal photography and/or post-production. Final application no later than six months after completion of production and/or post-production.	Film, TV drama, other TV, documentary	Minimum eligible Greek expenditure of \$110,000 (€100,000) for feature films and for TV series starting at \$33,000 (€30,000) per episode with total minimum of all eligible expenses at \$110,000 (€100,000). Applicant must be a Greek company or a foreign company that has set up a branch in Greece or has hired a Greek production company. Applications may be made for international and local productions and/or co-productions. Cultural test applies. Maximum 80% of eligible production if total budget is spent in Greece. Rebate can be combined with other aid schemes for up to 70% in case of 'difficult' audiovisual works.	–
Hungary mnf.hu/en	Hungarian Tax Rebate for Film Productions	Rebate	30%	–	–	\$109m (HUF33bn)	–	Film, TV drama, other TV, documentary, other	Necessary to involve a Hungarian production partner. Expenses occurring abroad can also qualify, up to a quarter of total expenses paid to service providers in Hungary. Covers direct pre-production, production and post-production expenses. Cultural test applies.	End of 2024
Iceland filminiceland.com	The 25% Reimbursement	Rebate	25%	–	–	–	–	Film, TV drama, other TV, documentary	Application must be submitted by an Icelandic or Iceland-based EEA producer or production co-ordinator company. When more than 80% of total production costs occur in Iceland, the incentive is calculated from the total production cost within the EEA. Cultural test applies.	December 31, 2021
Ireland screenireland.ie	Section 481	Tax credit	32%	5% regional uplift for projects substantially produced outside Dublin/Wicklow and Cork City & County, subject to specific training requirements.	80% of total production costs, or \$77m (€70m), whichever is lower.	–	–	Film, TV drama, other TV, documentary	Applicant must be resident in Ireland or trading through an Irish branch or agency and must not be connected to a broadcaster. Payment can be received at 100% on delivery of the project and submission of a compliance report, or up front as two conditional 90% and 10% instalments. Minimum in-country spend of \$137,000 (€125,000) and minimum total budget of \$275,000 (€250,000). Cultural test applies.	2024
Italy cinema.beniculturali.it/	Tax Credit for the Attraction of Film and Audiovisual Investments to Italy	Tax credit	30%	–	Italian eligible production costs cannot exceed 75% of total production costs.	Minimum \$27.5m (€25m). Possible increase based on the applications.	Three deadlines per year: from February 1 to May 15; from June 16 to September 15; from October 15 to December 30.	Film, TV drama, other TV, documentary	Tax credit for Italian executive production and post-production companies working on foreign productions. Maximum annual limit for each company or group of companies of \$22m (€20m). Italian companies do not have to hold shares of rights. Companies must submit application not before 90 days before principal photography. Cultural test applies. Italy's Law 220/2016 also provides tax credits for the development, production, national distribution and international distribution of local projects, and for investors from outside the film and television sector.	–

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Latvia nkc.gov.lv filmlatvia.lv	Latvian Co-Financing Fund	Rebate	20%	Extra 5% if Latvia features culturally.	–	\$880,000 (€800,000)	–	Film, TV drama, other TV, documentary	Can be combined with rebate provided by Riga Film Fund for value of up to 40%, or 50% if Latvia features culturally. At least 50% of the total budget must be confirmed prior to application. Minimum total budgets of \$780,000 (€711,436) for feature films and animations and \$155,000 (€142,287) for documentaries.	–
Lithuania lkc.lt	Lithuanian Film Tax Incentive	Tax shelter	30%	–	The aggregate maximum amount of the donation funds provided cannot exceed 30% of the production expenses of the film or its part.	\$55m (€50m) annual cap	–	Film, TV drama, documentary	Application must be submitted by a Lithuania-registered producer or production co-ordinator company. Minimum in-country spend of \$47,000 (€43,000) applies. Minimum 80% of Lithuanian production costs have to be spent in Lithuania. A minimum requirement for 51% of crew to be from the EEA applies. Cultural test applies.	2023
Malta maltafilmcommission.com	Malta Cash Rebate	Rebate	30%	5% when Malta features as Malta or local usage of facilities. 5% when maximising local resources.	–	–	30 working days prior to the start of principal photography.	Film, TV drama, other TV, documentary, other	Minimum spend \$110,000 (€100,000)	December 31, 2020
Montenegro fccg.me/film-in-montenegro/	Montenegro Cash Rebate	Rebate	25%	–	–	–	30 days before shooting.	Film, TV drama, other TV, documentary	Applicable to expenditure over \$110,000 (€100,000) that is undertaken in Montenegro and is not provided from the budget of Montenegro or the Film Centre of Montenegro. All legally prescribed taxes, contributions and other fiscal obligations must have been previously settled in Montenegro, and bankruptcy or winding-up proceedings must not have been initiated against the producer. A producer or co-producer must have at least one feature film that was shown to the public.	–
Netherlands filmfund.nl	Netherlands Film Production Incentive	Rebate	Up to 35% for film productions and 30% for high-end TV series.	For international feature co-productions, a cash rebate of 35% can be obtained if at least 75% of the digital production costs for a feature film are spent on parties subject to Dutch taxation, 25% in the case of a feature-length documentary or 10% in the case of a feature-length animated film. A 35% cash rebate can also be obtained if no other Dutch state aid is part	\$1.65m (€1.5m) per project.	\$21.2m (€19.25m). For TV series, a pilot started on October 1, 2017.	2019 application deadline for film productions and high-end TV series: February 5, May 7, August 27, October 15.	Film, TV drama, other TV, documentary	Applicant must be a production company that has operated consistently in the area of production and distribution in the Netherlands, EU, EEA or Switzerland for the last two years and must have produced at least one film production in the last seven years that has been released theatrically in the Netherlands. This also applies in the case of an application for a series or single episode, with the condition that the representing producer has produced one film as mentioned above, or one high-end TV-series that has been distributed by Dutch broadcasters or on VoD platforms publicly accessible in the Netherlands. Minimum total budgets of \$660,000 (€600,000) for features and animated film productions and \$275,000 (€250,000) for feature documentaries. Minimum in-country spend of \$165,000 (€150,000). For high-end TV series, the	December 31, 2020 (renewed annually)

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				of the financing of the film's production.					following minimum production budgets apply: drama series \$13,000 (€12,000) per minute; animated series \$8,800 (€8,000) per minute; documentary series \$4,400 (€4,000) per minute; drama for children \$8,800 (€8,000) per minute; single episodes \$1.1m (€1m). There is a limit of \$3.3m (€3m) per applicant per year for film productions and \$3.3m (€3m) per applicant per year for TV series.	
North Macedonia filmingacedonia.com/cash-rebate	20% Cash Rebate – Stimulating Investments for Film or Television Projects	Rebate	20%	–	–	–	At least 15 days prior to the start of principal photography.	Film, TV drama, other TV, documentary	Applicant must be based in Macedonia and must make film or TV content for cinema, broadcast or online, must have produced at least one feature film and must be authorised to act as a producer, co-producer or provide production services. Minimum in-country spend of \$110,000 (€100,000) applies.	–
Norway nfi.no/eng/grantsfunding/the-incentive-scheme	Norwegian Incentive Scheme	Rebate	25%	–	–	\$7.5m (NOK67m) for 2019. 2020 budget TBC.	Application period for 2020 budget opens May 2, 2019 and closes November 27, 2019.	Film, TV drama, documentary	Applicant must have produced at least one film, drama series or documentary series in the previous five years that was widely distributed. A minimum of 30% of the budget must come from international sources. An international distribution agreement must be in place. Recipient must be a production company registered in the Norwegian Register of Business Enterprises, established specifically for the applicant production. Qualification test applies. Minimum total budgets apply, including \$2.8m (NOK25m) for features, \$1.1m (NOK10m) for documentary films, \$1.1m (NOK10m) per episode for drama series, and \$550,000 (NOK5m) per episode for documentary series.	–
Poland en.pisf.pl/incentives/	Financial Support for Audiovisual Production	Rebate	30%	–	\$3.8m (PLN15m)	\$53m (PLN210m) for 2019	No earlier than six months and no later than two months before the start of qualifying production.	Film, TV drama, other TV, documentary	For service productions, eligible Polish costs must exceed: \$250,000 (PLN1m) per fiction feature or series season; \$76,000 (PLN300,000) per documentary feature or season (for series); and \$127,000 (PLN500,000) per animated feature or season (for series). For domestic productions and international co-productions, Polish costs must exceed: \$630,000 (PLN2.5m) for feature film; \$250,000 (PLN1m) per episode for series; \$76,000 (PLN300,000) for feature documentary; \$250,000 (PLN1m) per documentary season (for series); \$250,000 (PLN1m) per animated feature or season (for series).	2027
Portugal ica-ip.pt picportugal.com	Incentive for Film and Audiovisual Production (part of the Support	Rebate	25%	5% for projects with a significant cultural and economic impact; 5% for costs incurred in	\$4.4m (€4m), which may be increased in special circumstances.	\$13.2m (€12m) annually from 2019-21, which may be	–	Film, TV drama, documentary	Minimum eligible production expenses of \$550,000 (€500,000) or \$275,000 (€250,000) for documentaries or when only post-production services are used. Cultural test applies.	2022

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	Fund for Tourism and Film)			areas of low population density, and for remuneration of actors and technicians with disabilities.		increased in special circumstances.				
Romania cnp.ro/ro/schema_ajutor_de_stat	The Romanian State Aid Scheme to Support the Film Industry	Rebate	35%	10% if production explicitly promotes Romania.	\$11m (€10m)	\$55m (€50m)	–	Film, TV drama, other TV, documentary, other	Minimum expenditure of 20% of total budget but not less than \$110,000 (€100,000).	December 31, 2020
Serbia filminserbia.com	Incentive for Investment in Audiovisual Production in Serbia	Rebate	25%	30% for projects with local expenditure of over \$5.5m (€5m)	–	\$8.4m (RSD900m)	–	Film, TV drama, other TV, documentary, other	Applicant must be a legal entity registered in Serbia and responsible for paying Serbian taxes for the production. Minimum in-country spend of \$330,000 (€300,000) for feature films, TV films and TV series with \$110,000 (€100,000) per episode for TV series, \$165,000 (€150,000) for animated films and post-production, \$110,000 (€100,000) for commercials and \$55,000 (€50,000) for documentaries. Minimum running time and series length requirements apply.	–
Slovakia filmlocations.sk	Cash Rebate	Rebate	20%	–	–	–	–	Film, TV drama, other TV, documentary	Minimum expenditure of \$165,000 (€150,000) for a single feature, documentary or animated film with a minimum length of 70 minutes. Minimum expenditure of \$330,000 (€300,000) for a slate of films (maximum 3 films in a slate) or a television series. No requirement for minimum total budget. Cultural test applies.	–
Slovenia film-center.si/en/	Promoting Investments in Audiovisual Production	Rebate	25%	–	–	\$1.1m (€1m)	December 31, 2019, or until funds have been disbursed.	Film, TV drama, other TV, documentary	Funds for the incentive can be drawn from 2019. Applications considered on a first-come, first-served basis. Not applicable to commercials, sitcoms, or soaps. Application must be submitted 45 days before filming in Slovenia, or before production in the case of an animated film. Cultural test applies.	–
Spain shootinginspain.info	Rebates for Investments in Film and Television Series	Rebate/ tax credit	For foreign productions: 20% tax rebate at national level; at regional level there is a 35% tax credit in Navarre and a 40% tax rebate in Canary Islands. For Spanish productions and co-productions: 25% tax credit at national level (up to \$1.1m [€1m] expenditure, and 20% after); at regional level	–	National level: \$3.3m (€3m) maximum rebate limit. Regional level: \$6m (€5.4m) maximum rebate limit for Canary Islands. Incentives cannot exceed 50% of the production cost.	–	The 20% tax rebate must be applied for during the month of July of the year after the end of filming.	Film, TV drama, other TV, documentary	\$1.1m (€1m) minimum spend required for tax rebate. Applicant production company must be registered in Spain as producer.	–

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			there is a 45% tax credit in Canary Islands (up to \$1.1m [€1m] expenditure, and 40% after), a 35% tax credit in Navarre, and a 30% tax credit in Basque Country.							
Switzerland bak.admin.ch/bak/en/home/cultural-creativity/film/filmfoerderung/film-investment-refund-switzerland--pics-.html	Film Investment Refund Switzerland (PICS)	Rebate	20%	–	\$600,000 (CHF600,000)	\$6m (CHF6m)	No later than six weeks before the start of principal photography.	Film, documentary	Applicant production company must be a Swiss company. Minimum production budget for film or animation of \$2.5m (CHF2.5m) and for documentaries \$500,000 (CHF500,000). Minimum Swiss eligible spend of \$400,000 (CHF400,000) for film and \$200,000 (CHF200,000) for documentaries and animation.	–
UK britishfilmcommission.org.uk	Creative Sector Tax Reliefs	Tax credit	25%	–	–	–	–	Film, TV drama, other TV, documentary	Applicant production company must be a UK corporate taxpayer. Films must be intended for theatrical release. Minimum in-country spend of 10% of costs applies. Cultural test applies.	–
ASIA/OCEANIA										
Australia arts.gov.au/funding-and-support/tax-rebates-film-and-television-producers	Producer Offset	Tax credit	40% for features released theatrically; 20% for other productions.	–	–	–	–	40%: theatrically released features including documentary, animation and Imax. 20%: single dramas and documentary including features released on DVD or online, TV drama, documentary series, short-form animation.	Can be combined with state and territory government incentives. Producers can access only one government incentive per project. Official co-productions are eligible. Subject to Significant Australian Content test. Minimum qualifying expenditure thresholds apply, including \$340,000 (A\$500,000) for features and \$680,000 (A\$1m) for a drama series. Available to companies, which must be Australian resident or have permanent establishment in Australia and be able to lodge a tax return.	–
	Post, Digital & Visual Effects (PDV) Offset	Tax credit	30%	–	–	–	–	Film, TV drama, other TV,	Can be combined with state and territory government incentives. Producers can access only one government incentive per project. No cultural or content test. Productions do not need to be filmed in	–

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								documentary, other	Australia. Calculated on qualifying PDV expenditure of at least \$340,000 (A\$500,000). PDV work can be performed at one facility or across different facilities. New South Wales, South Australia and Queensland each provide a 10% uplift on eligible in-state PDV expenditure.		
	Location Offset	Tax credit	17%	13.5% additional value available through Location Incentive Program, with separate terms and conditions. The Location Offset is dependent only on meeting the minimum threshold for spend in Australia, whereas the Location Incentive is a merit-assessed grant.	–	–	–	Film, TV drama, other TV, documentary, other	Can be combined with state, territory and local government incentives; producers can access only one government incentive per project. No cultural or content test. Features must have minimum qualifying spend of \$10m (A\$15m), and television series must spend \$680,000 (A\$1m) per episode. The Location Incentive Program offers \$96m (A\$140m) funding over four years, or \$24m (A\$35m) annually to 2023.	June 30, 2023	
Fiji film-fiji.com	Film Tax Rebate	Rebate	75%	–	\$6.8m (FJ\$15m)	–	–	Film, TV drama, other TV, other	Available to fully funded offshore productions. There is no minimum percentage of shooting undertaken in Fiji, although there is a minimum qualifying spend of \$114,000 (FJ\$250,000) for large format films, feature films, short films, television shows and television commercials. Production company must be registered locally.	–	
Kazakhstan filmkazakhstan.com/en/subsidies/	Investment Subsidy	Rebate	30%	–	–	–	–	Film, TV drama, other TV, documentary, other	Full regulations not available but the film commission is taking enquiries. The recipient of the subsidy must be a foreign legal entity. Minimum cost threshold of US\$990,000 (KZT383,05m). No minimum hiring requirement, travel expenses qualified if arranged through a local agency.	–	
Malaysia filminmalaysia.com	Film in Malaysia Incentive (FIMI)	Rebate	30%	–	–	–	To be eligible, producers must submit a provisional certificate application form three months before production.	Film, TV drama, other TV, documentary, other	FIMI is offered in two streams: for production or post-production. Both Malaysian and foreign production companies are eligible, as are majority and minority co-productions. For foreign projects, qualifying production, or combined production and post, spend is \$1.2m (MYR5m). For the post-production FIMI, a minimum spend of \$360,000 (MYR1.5m) is required. Foreign TV series must spend a minimum of \$92,000 (MYR385,000) per hour of completed project. Minimum spend threshold lower for domestic productions.	–	
New Zealand nzfilm.co.nz	New Zealand Screen Production Grant	Rebate	20%	5% 'Uplift' offered to productions with significant economic benefits to New	–	–	To be eligible, a production must submit a registration form to the New	Film, TV drama, other TV,	Films must incur \$9.6m (NZ\$15m) of qualifying spend. TV and other formats must incur \$2.7m (NZ\$4m). The Post, Digital and VFX (PDV) scheme offers 20% of qualifying spend up to \$16m (NZ\$25m)	–	

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				Zealand. Productions must be invited to apply.			Zealand Film Commission prior to the start of principal photography (or PDV activity) in New Zealand. Final applications must be submitted within six months after completion.	documentary, other	and 18% above \$16m (NZ\$25m). PDV productions must incur \$320,000 (NZ\$500,000) or more. A domestic rebate is available to New Zealand productions and official co-productions worth 40% of qualifying spend.	
South Korea koreanfilm.or.kr	Location Incentive	Rebate	20%	25% for productions which shoot for more than 10 days in South Korea and spend upwards of \$1.6m (KRW2bn) in South Korea.	\$1.3m (KRW1.5bn) per production.	\$1.5m (KRW1.78bn)	Year-round. The applicant must submit the provisional application with supporting documents no later than 15 days and no earlier than 90 days prior to the commencement of the principal photography in South Korea.	Film, TV drama, other TV, documentary	Production must shoot for more than three days in Korea and spend between \$84,000 and \$1.6m (KRW100m and KRW2bn) to receive the 20% rebate. Eligible projects must be developed and produced by a foreign production company and must be 80% financed with foreign capital. Any corporations organized and registered as a business in Korea are eligible applicants. The incentive amount is determined by the remaining grant programme budget on the date of the application. Grants are taxable.	December 31, 2019
Taiwan taiwancinema.com/eng/index	Directions for Funding Production of Motion Pictures and Television Dramas in the Republic of China by Foreign Motion Picture and Television Production Enterprises	Rebate	30% for the total expenses in Taiwan. Among the funding is 45% HR expenses, 35% pre- and post-production expenses and 20% insurance, transportation and accommodation expenses.	–	\$1m	–	Before the start of principal photography.	Film, TV Drama	Projects must be produced by foreign production companies or directed by internationally renowned directors. For the former, this means production expenses in Taiwan must be at least \$1m, not including the incentive by other Taiwanese government agencies/organisations, state enterprises and foundations established with government support. For the latter, this means directors who have won best director prizes at Cannes, Venice, Berlin, the Oscars, or who have won best drama or best director prizes at the International Emmy Awards or Seoul International Drama Awards, and production expenses in Taiwan must be at least \$100,000, not including the incentive by other Taiwanese government agencies/organisations, state enterprises and foundations established with government support. Funding decisions may be based on consideration of the scheme's budget.	–
Thailand thailandfilmoffice.org/index.php	The Foreign Film and Television Production and	Rebate	15%	Additional 3% for hire of Thai key personnel; additional 2% for	\$2.4m (THB75m)	Not stated, but in the event the allocated budget for a	Application periods in January, May and September.	Film, TV drama, other TV,	Foreign film productions must have already obtained the necessary permit for filming in Thailand and must hire a local co-ordinator company. Productions must spend more than \$1.6m (THB50m) in Thailand	–

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	Post-Production Incentive			promotion of Thai tourism.		fiscal year has been spent, the application period for incentive measures of that fiscal year will be closed.		documentary, other	on Thai-registered businesses and other Thai services and individuals. Where applications are for production and post, production should be at least 50% of the total local spend. For the 2% additional rate, a final release copy of the film must be shown to the incentive committee to establish whether the film meets the criteria.	
AFRICA										
Mauritius filminmauritius.com	Film Rebate Scheme	Rebate	30%-40% depending on qualifying expenditure.	–	–	–	–	Film, TV drama, other TV, documentary, other	Minimum qualifying expenditure for 30% rebate: \$100,000 for feature film; \$50,000 per episode for TV drama series or single drama, or TV documentary; \$30,000 for high-end international TV commercial or other TV programme. Minimum qualifying expenditure for up to 40% rebate: \$1m for feature film; \$150,000 per episode for TV drama series. Productions must also promote Mauritius at the time of the film's promotion. The scheme is applicable to all above- and below-the-line cast and crew, including Mauritian and non-residents. However, total remuneration paid to foreign cast and crew shall not exceed 40% of the total production budget allocated to Mauritius; all cast and crew who are providing services in Mauritius are required to have a contract of employment with the local production company incorporated in Mauritius by the film producer; remuneration paid by the local production company to cast and crew is subject to withholding tax.	–
Morocco ccm.ma/foreign_production/pe/index.html	Production Support for Foreign Cinema and Audiovisual Work in Morocco	Rebate	20%	–	\$1.8m (MAD18m)	\$10.2m (MAD100m)	–	Film, TV drama, other TV, documentary, other	Eligible projects must spend \$1m (MAD10m) in Morocco and undertake at least 18 days of work in the country, including set building. Eligible expenditure may not exceed 90% of the total production budget invested in Morocco. On conditional approval, applicants must pay a 5% deposit of the amount requested, which is refunded if the planned investment is undertaken. Applicants then have six months to start work and 12 months from the first day of shooting to finish the shoot. Applicants must transfer the cultural exploitation rights of the work in Morocco – i.e. non-commercial projection at events in Morocco – to the benefit of the Centre Cinématographique Marocain indefinitely from one year after the first commercial and worldwide release of the film.	–

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South Africa thedti.gov.za	Foreign Film and Television Production and Post-Production Incentive	Rebate	25% of qualifying South African production expenditure, or 20% of qualifying post-production expenditure.	5% of qualifying production expenditure for productions conducting post in South Africa and utilising the services of a 'level 2' black-owned service company. Post-production incentive (for productions conducting only post): 2.5% of qualifying expenditure for spending at least \$680,000 (ZAR10m) of the post budget in South Africa; 5% for spending at least \$1m (ZAR15m) of the post budget. (Results in cumulative 25%).	\$3.4m (zar50m)	–	Included as part of application for approval of foreign production shoot in South Africa. Applications must be received within 45 days prior to commencing with principal photography and productions cannot start prior to receiving response from the Department of Trade and Industry.	Film, TV drama, other TV, documentary, other	A minimum qualifying production expenditure of \$1m (ZAR15m), or \$810,000 (ZAR12m) when using 'level 1' black-owned service companies shooting on location in South Africa. For post production, a minimum qualifying expenditure of \$102,000 (ZAR1.5m) is required in South Africa.	–
MIDDLE EAST										
Jordan film.jo/Contents/Tax-Incentive-Program.aspx	The Jordan Film Incentive	Rebate	10% if total qualifying expenditure is between \$1m-\$3m; 15% if between \$3m-\$5m; 20% if between \$5m - \$7m, 25% if over \$7m.	–	\$1m	–	–	Film, TV drama, other TV, other	The production must employ a minimum of 50 Jordanian staff, not including trainees or employees of the service companies. Productions must also train no less than 20 Jordanian filmmakers on pre-production and production stages in Jordan.	–
UAE film.gov.ae	Abu Dhabi Production Incentive Scheme	Rebate	30% of qualifying expenditure on pre-production, production and post-production.	–	Production: film \$5m, TV \$1m, commercials \$500,000. Post-production: film \$250,000, TV and commercials \$150,000.	–	20 business days before commencement of production (40 business days if script approval needed).	Film, TV drama, other TV, documentary, other	Minimum qualifying production spend: film \$200,000; TV \$50,000; commercials \$25,000. Minimum qualifying post-production spend: film \$70,000; TV \$15,000; commercials \$10,000. Applicant can be a production and/or services company applying through a partnership with a Media Zone Abu Dhabi-registered entity or a production or production services company that is a Media Zone Abu Dhabi-registered entity.	–
LATIN AMERICA/CARIBBEAN										
Chile corfo.cl/sites/cpp/convocatorias/programa_de_apoyo_a_	Public Support Program for Audiovisual	Rebate	Up to 30%	–	–	–	For 2019: September 2 to September 30	Film, TV drama, other	Film production must undertake a \$1m net spend in Chile. Recipients are foreign legal entities, in charge of producing an audiovisual creation, made fully or	–

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inversiones_audiovisuales_de_alto_impacto	Investment Projects								partially in Chilean territory, or working with a local Chilean company.	
Colombia locationcolombia.com	Cash Rebate Law 1556	Rebate	40% for film services; 20% for film logistics services.	–	–	Colombia Film Fund, which pays the incentive, has a budget that is allocated every year.	–	Film, documentary	The cash rebate applies to services provided by Colombian entities or persons that are domiciled or residing in the country. The project must spend a minimum of the equivalent of 1,800 monthly minimum salaries (approximately \$466,000).	–
Dominican Republic dgcine.gob.do	Transferable Tax Credit	Tax credit	25% transferable tax credit.	–	–	–	Can apply as soon as expenditure exceeds minimum spend.	Film, TV drama, other TV, documentaries, other	Minimum spend of \$500,000. Resident and non-resident labour are eligible. Foreign productions need to comply with minimum local personnel requirements. Tax credit cannot be transferred for less than 60% of its value.	–
Panama filmpanama.gob.pa	15% Rebate Program	Rebate	15%	–	–	–	Apply when registering production.	Film, TV drama, other TV, documentary, other	Foreign productions must undertake a minimum of \$3m in eligible spend up to a maximum of \$40m.	–
Puerto Rico	Production Tax Credits	Tax credit	40% for Puerto Rico companies and individuals. 20% for non-resident qualified spending.	–	–	\$50m annual cap on credits for payment to Puerto Rico-resident companies and individuals (can be expanded to \$350m if in Film Development Zone). No cap on non-resident, though subject to 20% withholding over Puerto Rico-sourced income.	Application must be filed before the end of principal photography.	Film, TV drama, other TV, documentary, other	\$100,000 minimum spend requirement. Preferential tax rates or exemptions for persons engaged in qualifying projects.	–
Trinidad & Tobago filmtt.co.tt	Production Expenditure Rebate Programme	Rebate	12.5%-35% based on expenditure. Additional 20% rebate on local labour.	–	Rebate capped at \$8m per qualified production for the fiscal period in which the rebate is submitted, for both national and	–	Submit application for Provisional Certificate six months before the start of principal photography; submit final application within	Film, TV drama, other TV, documentary, other	Minimum spend of \$100,000 per project for international producers, and \$15,000 per project for local producers. At least 50% of the principal photography must be done in Trinidad & Tobago, and for international crews, a minimum of two weeks of principal photography.	December 31, 2021

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					international producers.		three months of film premiere.			
Uruguay ica.u.mec.gub.uy ande.org.uy	New Incentives Program for International Productions	Rebate	20% for net Uruguayan expenses of between \$600,000 and \$1m and 25% for net Uruguayan expenses of more than \$1m.	–	\$200,000 (20%) and \$400,000 (25%).	\$2m	April 15, 2019 to October 15, 2020	Film, TV drama, other TV, documentary, other	Recipients are foreign legal entities, responsible for producing an audiovisual creation of any kind, carried out totally or partially in Uruguayan territory, or working with a local Uruguayan company.	–
US Virgin Islands filmusvi.com/incen tives/	Sustainable Tourism Through Arts-Based Revenue Stream	Tax credit and cash rebate	For tax credit, 10% on resident hires of 20%-25%, 15% on resident hires of 25.1%-30%, or 17% on resident hires of 30.1% or greater. Cash rebate is 9%.	For cash rebate an additional 10% with a US Virgin Islands promotion and an additional 10% if produced in St Croix.	For cash rebate, maximum rebate is \$500,000.	–	–	Film, TV drama, other TV, Documentary, other	Minimum spend of \$250,000. Minimum of 20% local resident hires. US Virgin islands credits must be included, and an above-the-line crew member must speak at a local school or university.	–
CANADA										
Federal canada.ca/en/cana dian- heritage/services/f unding/cavco-tax- credits/film-video- production- services.html	Film or Video Production Services Tax Credit (PSTC)	Tax credit	16% of qualified Canadian labour	Stackable with Canada's provincial tax credits.	–	–	–	Film, TV drama, other TV, documentary, other	Applicant production company must have a permanent establishment in Canada and its primary activity must be the production of film or videos, or the provision of production services. Minimum total budgets must exceed \$760,000 (C\$1m) for feature films, \$76,000 (C\$100,000) per episode for TV projects less than 30 minutes, and \$150,000 (C\$200,000) for TV projects above 30 minutes or more.	–
Alberta alberta.ca/screen- based-production- grant.aspx	Screen-based Production Grant	Cash grant	Up to 30% relative to Albertan ownership.	1% bonus may be granted to applicants who provide an existing corporate hiring policy or corporate policies and/or practices for inclusion of marginalised or under-represented people and/or groups. To obtain this point, applicants must provide a copy of the policy attached to the application.	Cultural Envelope: \$2.2m (C\$3m) maximum grant for grant requests up to \$2.2m (C\$3m). Commercial Envelope: \$3.8m (C\$5m) for grant requests over \$2.2m (C\$3m). Under the Commercial Envelope grant, a cap increase of up to \$5.7m (C\$7.5m) is available for eligible productions.	–	Four 30-day application windows: January 15 to February 15; April 15 to May 15; July 15 to August 15; October 15 to November 15.	Film, TV drama, other TV, documentary	Incentive offered in relation to two funding envelopes: a Cultural Envelope for requests up to \$2.2m (C\$3m), and a Commercial Envelope for requests over \$2.2m (C\$3m). There are two tiers within each envelope relating to Albertan and non-Albertan ownership. For less than 50% Albertan ownership, grants are 25% or 26%. For more than 50% Albertan ownership, grants are 29% or 30%. Amount spent in Alberta must be greater than \$38,000 (C\$50,000) before GST. Grants are paid in two instalments.	–
British Columbia creativebc.com	Production Services Tax Credit (PSTC)	Tax credit	Basic PSTC: 28%	Regional Tax Credit: 6%. Distant Location Regional Tax Credit: 6%. Digital animation,	–	–	–	Film, TV drama, other TV,	Applicant production company must be BC-based and its primary activity must be the production of film or videos, or the provision of production services. Minimum total budgets of \$76,000	–

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				visual effects and post-production: 16%.				documentary, other	(C\$100,000) per episode for TV projects 30 minutes or less; \$150,000 (C\$200,000) for TV projects above 30 minutes; and \$750,000 (C\$1m) for all other projects.	
Manitoba mbfilmmusic.ca	The Manitoba Film and Video Production Tax Credit – Cost of Production Tax Credit & Cost of Salaries Tax Credit	Tax credit	Cost of Production Tax Credit: 30% on Eligible Manitoba Expenditures including labour; Cost of Salaries Tax Credit: 45% base credit on Eligible Manitoba Labour Expenditures plus applicable bonuses.	Cost of Salaries Tax Credit Bonuses: +10% frequent filming bonus (on third film shot within two years); +5% Manitoba co-producer bonus; +5% rural and northern bonus (if at least 50% of the Manitoba principal photography is shot at least 35km from Winnipeg's centre). Maximum credit on salaries is 65%.	–	–	Completion (Part B) Application must be received within 30 months of the end of the taxation year in which principal photography began.	Film, TV drama, other TV, documentary, other	Applicants must have a permanent establishment (as defined in the Income Tax Act) in Manitoba, be incorporated in Canada (either federally or provincially), and must be a taxable Canadian corporation primarily carrying on a business that is a film or video production. A minimum 25% of the corporation's T4 Summary must be paid to eligible Manitoba employees for work performed in Manitoba (excluding documentaries).	–
New Brunswick www2.gnb.ca/content/gnb/en/departments/10/services/services_renderer.201386.Film_and_Television_Industry_Program_-_Production_Incentive.html	NB Film, Television and New Media Industry Support Program – Production Incentive	Cash grant	25%-30% for all-spend incentive. 40% for labour-based incentive.	–	Feature films and TV drama (six episodes+): \$607,000 (C\$800,000). TV drama mini-series: \$150,000 (C\$200,000) per episode. Variety/reality/lifestyle TV series: \$227,000 (C\$300,000). Children's/documentary TV series: \$189,000 (C\$250,000). Animated TV series: \$150,000 (C\$200,000). Single documentary: \$57,000 (C\$75,000). \$760,000 (C\$1m) limit per company per year.	–	For the 2019-20 fiscal year, applications accepted until April 19, 2019. If budget permits, a second call for applications may be issued later in the year.	Film, TV drama, other TV, documentary, other	For service productions a minimum of 50% of total production costs must take place in New Brunswick and a minimum of 25% of all labour must be New Brunswick-based.	–
Newfoundland and Labrador nlfdc.ca	Newfoundland and Labrador Film Tax Credit	Tax credit	40%	–	The lesser of 40% of eligible Newfoundland and Labrador labour expenditures or 25%	–	–	Film, TV drama, other TV, documentary, other	Applicant production company must be Canada- or Newfoundland and Labrador-based and its primary activity must be the production of film, TV or video. A minimum of 25% of total salaries and wages must	–

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					of total production costs. Maximum of \$3m (C\$4m) per project/company, per year.				be paid in Newfoundland and Labrador to eligible employees.	
Nova Scotia screennovascotia.com	Nova Scotia Film and Television Production Incentive Fund	Rebate	25%-32% for all-spend incentive.	All-spend incentive model of 25%-32%, with bonuses available for geographic region, length of shoot, Nova Scotia content and principal performers.	-	-	-	Film, TV drama, other TV, documentary, other	Applicant production company must be Nova Scotia-based (i.e. producer, co-producer or service producer) and its primary activity must be the production of film or videos. Minimum in-province spend of \$19,000 (C\$25,000). Application must be submitted prior to the start of principal photography, and are administrated on a first-come, first-served basis.	-
Ontario	Ontario Production Services Tax Credit ontariocreates.ca/film_and_tv/tax_credits/OPSTC.htm	Tax credit	22%	-	-	-	-	Film, TV drama, other TV, documentary	Applicant production company must be paying corporate tax in Ontario, be Ontario-based and its primary activity must be the production of film or videos. It must either own copyright or contract directly with the copyright owner. Minimum global budgets must exceed \$760,000 (C\$1m) for a one-off; \$76,000 (C\$100,000) per episode for TV projects that are 30 minutes or less; and \$150,000 (C\$200,000) for TV projects that are more than 30 minutes. While there are no per project or annual corporate limits on the amount of the OPSTC that may be claimed, a qualifying corporation's Ontario labour expenditure must amount to at least 25% of the qualifying production expenditures claimed. There is a stackable Ontario Computer Animation and Special Effects Tax Credit.	-
	Ontario Computer Animation & Special Effects Tax Credit (OCASE) ontariocreates.ca/film_and_tv/tax_credits/OCASE.htm	Tax credit	18% of eligible Ontario labour.	-	-	-	-	Film, TV drama, other TV, documentary	OCASE is relevant for computer and special-effects activities undertaken using digital technologies (including animation and VFX work). To qualify, eligible labour activities must be for work attributable to an eligible film or television production that has been issued an Ontario Film and Television Tax Credit (OFTTC) or an Ontario Producer Services Tax Credit (OPSTC) certificate of eligibility. The applicant production/VFX/animation company must have a permanent establishment in Ontario, and be paying taxes in the province. OCASE is stackable and can be claimed for the same production that received an OFTTC and OPSTC tax credit. There are no per-production budgetary limits.	-
Quebec qftc.ca	Production Services	Tax credit	20%	16% on labour for VFX, computer animation	-	-	-	Film, TV drama, documentary	Minimum budget requirement \$190,000 (C\$250,000). Eligible categories include virtual reality and augmented reality productions.	-

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	Refundable Tax Credit			and green-screen production.						
Yukon reelyukon.com	Yukon Locations Incentive Fund	Rebate	25%	–	–	–	Projects must be preapproved prior to first day of principal photography in Yukon.	Film, TV drama, other TV, documentary	Applicants must registered and in good standing with Yukon Corporate Affairs. 25% value is for below-the-line spend to Yukon residents and businesses. 50% of below-the-line crew must be eligible Yukon residents.	None. Currently under review.
US STATES										
Alabama alabamafilm.org	Entertainment Industry Incentive	Tax credit	25% for eligible production spend in Alabama. 35% for payroll to Alabama residents.	–	Incentive not available above \$20m of eligible spend in Alabama.	Annual cap of \$20m.	30 days prior to the start of production in Alabama.	Film, TV drama, other TV, documentary, other	Certain sales, use and lodging taxes are exempted for qualifying projects. Minimum production expenditure of \$500,000.	–
Arkansas arkansasedc.com	Digital Product and Motion Picture Industry Development Rebate	Rebate	20% for eligible production spend in Arkansas.	10% bonus for below-the-line Arkansas residents, which includes actors and writers.	Only the first \$500,000 of wages paid to each resident and non-resident are eligible for the incentive.	–	Prior to Arkansas pre-production.	Film, TV drama, other TV, documentary, other	Minimum production expenditure of \$200,000 or \$50,000 for post. Recommended that production expenses are made from the account of an Arkansas-based financial institution.	2029
California film.ca.gov	Film & Television Tax Credit Program 2.0	Tax credit	25% non-transferable tax credit for relocating TV series; 20% non-transferable tax credit for feature films, TV series, pilots, MOWs, mini-series. 25% transferable tax credit for independent films.	Projects eligible for 20% credit may get additional 5% credit uplift for 'out of zone' filming as well as visual effects and music.	Feature films: first \$100m of qualifiable expenditures (plus uplift). Independent films: first \$10m of qualifiable expenditures.	\$330m	Six application periods per year. For dates, see: film.ca.gov/tax-credit/application-dates/	Film, TV drama, other TV	Relocating TV show: \$1m minimum episode budget, can be any length, reduces to 20% after one season. Independent feature films: \$1m minimum budget. New TV shows: \$1m minimum episode budget, at least 40 minutes per episode.	45809
Colorado coloradofilm.org	Colorado Film Incentive Program	Rebate	20%	–	–	–	Must be under contract with the State prior to principal photography.	Film, TV drama, other TV, documentary, other	Minimum local expenditure is \$100,000 for Colorado resident companies and \$1m for non-Colorado resident companies. Commercials and video games must spend at least \$250,000 on qualified, local expenditures. Productions must hire a cast and crew of at least 50% Colorado residents. The production company must retain a Colorado-based Certified Public Accountant (CPA) to review and report on all expenses incurred in the course of production activities in Colorado.	–
Connecticut ctfilm.com	Digital Media and Motion Picture Tax Credit	Tax credit	10% on production costs between \$100,000 and \$500,000. Value increased to 15% on projects with eligible spend of more than \$500,000. Projects of	–	\$20m for all star salaries.	–	Within 90 days of the first qualified expenditure in the state.	Film, TV drama, other TV, documentary, other	Projects must spend a minimum of 50% of principal photography days in Connecticut, or 50% of post-production budget, or at least \$1m in post-production in the state. Ongoing series must re-submit their documentation on an annual basis to continue to be eligible. Only 25% of credits earned may be transferred annually unless working at a	–

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			more than \$1m qualifying spend get 30%.						qualified production facility, and these cannot be used to offset personal taxes.	
DC entertainment.dc.gov	DC Film, Television and Entertainment Rebate Fund	Rebate	10% of personnel expenditures for non-DC residents; 30% for residents; 21% of production expenditures without a tax obligation to DC-registered vendors; 35% of production expenditures with a tax obligation to DC-registered vendors.	50% of qualified job training expenses are eligible. 25% of qualified infrastructure investment is eligible.	Eligible above-the-line crew spend capped at \$500,000 (aggregate, per project).	Varies by fiscal year. Please contact OCTFME for details.	Prior to the start of principal photography.	Film, TV drama, other TV, documentary, other	Minimum spend of \$250,000 in qualified DC expenditures required to be eligible for a rebate.	–
Georgia georgia.org	Entertainment Industry Tax Credit	Tax credit	20% basic incentive.	10% for including Georgia promotional logo in final production.	–	–	No earlier than 90 days before the start of principal photography.	Film, TV drama, other TV, other	Production expenditures qualify only if paid to a Georgia-resident supplier. Production companies must spend \$500,000 per tax year – on one or multiple projects – to be eligible. New applications are required for each tax year of production.	–
Hawaii filmoffice.hawaii.gov	Motion Picture, Digital Media and Film Production Income Tax Credit	Tax credit	20% for Oahu productions. 25% for other islands.	–	\$15m	\$50m	Five days prior to the start of principal photography.	Film, TV drama, other TV, other	Minimum in-state spend of \$200,000. All productions must secure third-party review from a qualified certified public accountant; make reasonable efforts to hire local talent and crew; sign a sworn statement that imported items could not be procured locally; and must make contributions to education and workforce development programs totalling 0.1% of production's qualified spend.	January 1, 2026
Illinois film.illinois.gov	Illinois Film Production Services Tax Credit	Tax credit	30%	Additional 15% tax credit on Illinois labour expenditures of employees who live in areas of high unemployment.	–	–	Film and TV five days prior to the start of principal photography. Commercials 24 hours prior to shoot call time.	Film, TV drama, documentary, other	Minimum spend of \$100,000 for projects of more than 30 minutes, or \$50,000 for less than 30 minutes. Only spending to Illinois vendors and Illinois resident salaries are eligible. Applicant productions must show competitive need and show they have options for other locations.	May 6, 2021
Kentucky filmoffice.ky.gov	Tax Incentives for Film Production	Non-refundable/Non-transferable tax credit	30%, or 35% for Kentucky resident labour.	35% also available for filming in selected 'enhanced incentive counties'.	–	\$100m annually.	At least 30 days prior to the first expenditure in the state.	Film, TV drama, other TV, documentary, other	Applications for incentives are assessed on the third Wednesday of the month at the call of the executive director. Minimum spend of \$250,000 for feature films and TV productions, and \$20,000 for documentaries and Broadway productions. Above-the-line is capped at \$1m per person.	–
Louisiana louisianaentertainment.gov	Motion Picture Production Tax Credit Program	Tax credit	25% base credit.	5% for out-of-zone filming; 10% for a Louisiana screenplay on expenditures between	\$20m for single productions, or \$25m per season for episodic content.	\$150m in tax credits in any fiscal year, with \$7.5m for	Applications accepted and reviewed on a monthly basis.	Film, TV drama, other TV,	Minimum spend of \$300,000 if a project is not a 'Louisiana screenplay production'. All applicants must participate in a career-based learning and training programme.	July 1, 2025

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				\$50,000 and \$5m; 15% for Louisiana payroll; 5% for visual effects. Maximum overall tax credit is 40% of base investment.				documentary, other		
Maine filminmaine.com	Maine Attraction Film Incentive Plan	Rebate/ tax credit	Rebate: 10% on non-resident wages; 12% on resident wages. Tax Credit: 5% on other eligible spend.	–	–	–	At most 60 days prior to the start of production activity in Maine.	Film, TV drama, other TV, other	Minimum eligible Maine spend of \$75,000 required. Wage rebate covers both above-the-line and below-the-line.	–
Maryland marylandfilm.org	Film Production Activity Tax Credit	Tax credit	25% for film production. 27% for TV production.	–	\$10m	\$11m for 2020 fiscal year.	Before start of production in Maryland.	Film, TV drama, other	A sales and use tax exemption for productions is also available. Individuals with wages of more than \$500,000 for the production are not eligible for relief. Productions must spend at least \$250,000 in Maryland to be eligible. 50% of principal photography must be in-state.	–
Massachusetts mafilm.org	Film Incentive Programme	Tax credit	25%	Spending more than 50% of total budget or filming at least 50% of the principal photography days in Massachusetts makes the project eligible for a 25% production credit and a sales tax exemption.	–	–	–	Film, TV drama, other TV, documentary, other	Minimum spend of \$50,000 in Massachusetts. Payroll tax credit applies above- and below-the-line costs, and provided the 50% tests is met, there are no caps on individuals regardless of residency. Production credit includes out-of-state production expenses.	January 1, 2023
Minnesota mnfilmtv.org	Snowbate	Rebate	20%	5% additional rebate for productions with more than \$1m qualifying spend, or 60% of days outside metro area.	–	\$1m for next two years.	At most 90 days before the start of principal photography or post-production.	Film, TV drama, other TV, documentary, other	Minimum spend of \$100,000 for production projects, and \$50,000 for post-production projects.	–
Mississippi filmmississippi.org	Motion Picture Incentive Program	Rebate	25% for local spend. 25% for non-resident	5% additional rebate for honourably discharged armed forces veterans.	\$10m	\$20m	Before start of Mississippi portion of the project.	Film, TV drama, other TV,	Minimum Mississippi local expenditure of \$50,000 per project. 20% of the production crew on payroll must be Mississippi residents. Partial sales and use	–

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GLOBAL INCENTIVES INDEX 2019										
JURISDICTION	NAME OF INCENTIVE	TYPE	VALUE	ADDITIONAL VALUE	PER PROJECT CAP	ANNUAL BUDGET/CAP	APPLICATION DEADLINE	ELIGIBLE	LIMITS/RESTRICTIONS/CONSIDERATIONS	SUNSET DATE
			payroll. 30% for resident payroll.					documentary, other	tax exemption is available. In order to access the non-resident payroll rebate, an out-of-state company must be working in conjunction with a Mississippi-based company or resident that has paid taxes in Mississippi the previous three years and has engaged in the activities related to the production of at least two motion pictures in Mississippi within the last 10 years.	
Montana montanafilm.com	Montana Economic Development Industry Advancement (MEDIA) Act	Tax credit	25% of compensation for Montana resident crews; 15% of compensation for non-Montana resident crew; 30% of compensation paid to students; 20% of above the line compensation per production or television series season, with ceiling; 15% of compensation paid to actors; 10% of payments to Montana colleges or universities; 10% of all in-studio facility and equipment rental expenditures.	5% of expenditures in a high poverty county; 5% for Montana screen credit.	–	–	–	Film, TV drama, other TV, other	–	December 31, 2029
Nevada nevadafilm.com	Transferable Tax Credit	Tax credit	Above-the-line: 15% resident, 12% non-resident. Below-the-line: 15% resident. Costs: 15%.	5% if more than 50% below-the-line are Nevada resident. 5% for more than 50% filming in specified counties.	\$6m compensation cap \$750,000 per individual.	\$10m	At most 90 days before the start of principal photography.	Film, TV drama, other TV, documentary, other	Minimum in-state spend of \$500,000, and 60% of production budget must be qualified direct production expenditure in Nevada. Producer fee cap of 10% of Nevada expenditures for Nevada-resident producers, and 5% for non-Nevada resident producers.	–
New Jersey	New Jersey Tax Credit Program for Film and Digital Media	Tax credit	30%	Rate is 35% in certain municipalities. Additional 2% if diversity plan is submitted and achieved.	–	\$75m	–	Film, TV drama, other TV, documentary, other	Production companies must incur at least 60% of total production expenses in state, or more than \$1m in qualifying expenditure. Principal photography must begin within 180 days of application or 150 days from approval of application by New Jersey Economic Development Authority. Payments over \$500,000 to highly-compensated individuals are not qualified expenditure. Reality TV shows qualify if certain stipulations regarding production facilities are met.	June 30, 2023
New Mexico nmfilm.com	Refundable Film Production Tax Credit	Tax credit	25% for qualifying New Mexico expenditures including above-the-	Extra 5% for features utilising qualifying production facilities for	–	\$110m per year with \$100m backlog cap.	Within one year of the last qualifying	Film, TV drama, other TV,	–	–

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			line (on-screen talent only) and below-the-line for film (New Mexico residents). 30% above-the-line (on screen talent only) and below-the-line for TV (New Mexico residents). 15% below-the-line for non-residents up to 15% of total crew number.	a minimum number of days. Extra 5% for shooting in designated rural areas.		New Mexico Film Partners exempt from cap.	production expenditure.	documentary, other		
New York nysfilm.com	Film/TV Production Tax Credit	Tax credit	30%	Additional 10% credit available on qualified labour expenses in most Upstate counties.	–	\$420m (of which \$25m is available for post-production program).	First day of principal photography. Recommended submission of application no later than 10 days prior.	Film, TV drama, other TV	For film/TV with a production budget of more than \$15m, or which are more than 5% affiliated with publicly traded entities, at least 10% of principal photography must take place at a qualified production facility (QPF) in New York State. All other films/TV, one day at a QPF is required. 75% of location days must be in New York State in order for location days to be credit-eligible. Credits above \$1m must be claimed in instalments. Credits are non-transferrable and cannot be sold. Separate post-production only credit (includes production and post for fully-animated productions). To be eligible, 75% of standard qualified post-production and/or 20% of VFX/Animation costs must be incurred in New York State.	2024
North Carolina filmmc.com	Film and Entertainment Grant	Rebate	25%	–	\$12m for TV series (per season). \$7m for film. \$250,000 for commercials.	\$31m, although unused funds roll over to subsequent fiscal year.	Prior to the start of principal photography.	Film, TV drama, other TV, documentary, other	Minimum spend of \$1m per episode for TV, \$3m for feature-length films, \$1m for made-for-TV movies, \$250,000 for commercials. Only first \$1m each of resident and non-resident labour qualify. 4% withholding on loan-outs.	–
Ohio development.ohio.gov/filmoffice/Incentives.html	Ohio Motion Picture Tax Credit	Tax credit	30%	–	–	\$40m	No deadline; however, expenditures are not eligible until after an award letter is issued.	Film, TV drama, other TV, documentary, other	Minimum eligible spend of \$300,000 per project. Projects are required to submit a report 90 days after grant of credits and proof of progress if/when requested after 90 days.	–
Oklahoma okfilmmusic.org	Film Enhancement Rebate	Rebate	35%	2% bonus if \$20,000 is spent on Oklahoma music for the production.	–	\$8m	Between 180 and 60 days prior to the start of pre-production.	Film, TV drama, other TV, other	Minimum production budget of \$50,000; minimum Oklahoma budget of \$25,000.	July 1, 2027
Oregon oregonfilm.org	Oregon Production Investment Fund (OPIF)	Rebate	20% on goods and services. 10% on labour.	6.2% Greenlight labour rebate for qualifying projects spending more than \$1m.	No single project can be awarded more than 50% of the Oregon Production	OPIF is capped at \$14m; no cap on Greenlight rebate	Prior to the start of pre-production.	Film, TV drama, other TV, other	Minimum Oregon spend of \$1m. A separate iOPIF programme is available for locally produced projects with a majority Oregon cast and crew and which spend between \$75,000 and \$1m in Oregon. The Regional Oregon Production Investment Fund	January 1, 2024

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					Investment Fund amount.				(rOPIF) is available for projects (including OPIF and iOPIF) that shoot all or part of their production outside a 30-mile zone from Portland.	
Pennsylvania film.inpa.com	Film Production Tax Credit	Tax credit	25%	A rate of 30% for eligible post-production expenses incurred at a qualified production or post-production facility.	–	\$65m	Four application review periods per year.	Film, TV drama, other TV, other	Minimum of 60% of production budget must be spent in Pennsylvania. Cap of \$15m on above-the-line payments to principal actors.	–
Rhode Island film.ri.gov	Motion Picture Production Tax Credit	Tax credit	30%	–	\$7m cap per project, which can be waived for qualifying productions.	\$15m (\$20m from January 1 2020)	Prior to the start of principal photography.	Film, TV drama, other TV, documentary, other	Minimum total production budget of \$100,000.	July 1, 2027
South Carolina film.sc.com	Motion Picture Incentive Act	Rebate	25% on resident labour 20% on non-resident labour 30% on in-state supplies 25% on out-of-state supplies	–	–	\$15.5m	Prior to the start of filming in South Carolina.	Film, TV drama, other TV, other	Wage cap of \$1m per qualifying person. Sales, use and accommodation tax exemption.	–
Tennessee tnentertainment.com	Tennessee Entertainment Commission Production Incentive	Rebate	25%	5% on resident labour for scripted TV series that include Film In TN logo	–	–	Up to 120 days prior to the start of principal photography in Tennessee	Film, TV drama	Minimum Tennessee qualified spend of \$200,000 per feature or TV pilot, or \$500,000 per scripted TV episode.	–
Texas gov.texas.gov/film	Texas Moving Image Industry Incentive Program	Rebate	Base rate of 5%-20%; 5% for \$250,000 to \$1m; 10% for projects of \$1m-\$3.5m; 20% for projects of \$3.5m+	2.5% for under-utilised or economically distressed areas.	–	In 2019 the state allocated \$50m over two years.	Between 120 and five business days prior to the start of principal photography.	Film, documentary, TV drama, other TV, other	Minimum eligible Texas spend of \$250,000, or \$250,000 per season for episodic television series. Separate incentives for commercials, video games, reality TV and VFX available. Total compensation capped at \$1m per worker, per project. Minimum 70% cast and 70% crew must be Texas residents, 60% of production days in Texas. Discretionary funding for Texan heritage projects, capped at \$2.5m per two years.	–
Utah film.utah.gov	Motion Picture Incentive Program	Rebate/ Tax credit	Rebate: 20% for projects spending between \$500,000 and \$1m; Tax credit: 20% for projects that will spend \$500,000-\$1m; 25% for projects that spend above \$1m and if additional criteria are met.	–	\$500,000 for cash rebate, none for tax credit.	\$8.29m	Prior to the start of principal photography.	Film, TV drama, other TV, documentary, other	5% increase may be reached by hiring 75% Utah cast and crew (excluding extras and five principal cast) or 75% of production days in rural Utah.	–
Virginia film.virginia.org	Motion Picture Tax Credit Fund	Tax credit	15%	5% bonus for filming in an economically distressed area of	–	\$6.5m	At least 30 days prior to the start of	Film, TV drama, other TV,	Minimum Virginia spend of \$250,000. The production must demonstrate that a best-faith effort has been made to film at least 50% of principal	January 1, 2022

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GLOBAL INCENTIVES INDEX 2019										
JURISDICTION	NAME OF INCENTIVE	TYPE	VALUE	ADDITIONAL VALUE	PER PROJECT CAP	ANNUAL BUDGET/CAP	APPLICATION DEADLINE	ELIGIBLE	LIMITS/RESTRICTIONS/CONSIDERATIONS	SUNSET DATE
				Virginia. 10% bonus for Virginia resident payroll if total expenditure in Virginia of \$250,000-\$1m, or 20% for Virginia resident payroll if total expenditure in Virginia of \$1m+. 10% bonus for Virginia resident payroll for Virginia residents employed for the first time as actors or members of a production crew.			principal photography.	documentary, other	photography days in the Commonwealth. Virginia also offers the discretionary Motion Picture Opportunity Fund, which provides a cash rebate with no minimum spend.	
Washington washingtonfilmworks.org	Motion Picture Competitiveness Program	Rebate	Up to 30% for films and TV series. 35% for TV series of more than six episodes. 15% for commercials.	-	-	\$3.5m	At least five days prior to the start of principal photography.	Film, TV drama, other TV, other	Minimum spend of \$500,000 for films, \$300,000 per episode for TV series and \$150,000 for commercials. To qualify, a Washington resident must hold at least one position as director, producer or screenwriter. In addition, 75% of the paid labour force on a production must be Washington residents, and 85% of all production days must take place in Washington State.	2027

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9.3. About Olsberg•SPI

SPI provides a range of expert consultancy and strategic advisory services to public and private sector clients, specialising in the worlds of film, television, video games and digital media. Formed in 1992, it has become one of the leading international consultancies in these dynamic creative screen industries. With its trusted insight and track record the firm has a diverse client base that includes:

- Multi-national public authorities
- National governments, including culture and economics ministries
- National film institutes and screen agencies
- Regional and city development agencies and local authorities
- National and regional tourism agencies
- Studios and facilities companies
- Independent companies at all points of the screen business value chain
- National and international broadcasters
- Trade associations and guilds
- Training and skills development organisations
- Publishers and conference organisers

Olsberg•SPI has expertise in all areas of the fast-moving global creative sectors, and the firm's services span:

- Strategy and policy development for the creation and management of healthy and sustainable national and regional screen sectors
- Advising on the creation and implementation of fiscal incentives for the screen industries
- Research projects on all aspects of the value chain – including mapping and economic impact studies
- Business development for content companies
- Strategic development of studio facilities, including business planning and feasibility studies
- Acquisition and divestment advice for owners of SMEs
- Evaluations of publicly funded investment schemes
- Creating prospectus-style funding proposals
- International cost comparisons for film and television productions
- Advising on inward investment and exports for national and regional public bodies
- Identifying and measuring the cultural value of a productive screen sector
- Analysing workforce skills, diversity and related best practice strategies
- Assessing the value of tourism generated by a nation or region's film and television output and developing strategies to maximise future impacts
- Providing strategic advice for screen commissions, including business and marketing plans

Clients for these services have included:

- Australian Film, Television and Radio School
- Australian Screen Association
- Barcelona Culture Institute
- BBC Worldwide
- The Bottle Yard Studios (Bristol)
- The British Film Commission
- The British Film Institute
- Canada Media Fund
- The Canadian Media Production Association
- The Commercial Broadcasters Association (London)
- The Council of Europe
- Creative England
- Creative Scotland
- Department of Culture, Heritage and the Gaeltacht (Dublin)
- Directors UK
- Doha Film Institute
- Emerging Pictures (New York)
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- The Norwegian Film Institute
- Pinewood Group
- Polish Audiovisual Centre Foundation
- Prime Studios (Leeds)
- Producers Alliance for Cinema and Television (London)
- Sarajevo Film Festival
- Screen Australia
- Screenwest (Perth)
- Screen Yorkshire
- Sigma Films
- Tourism NI (Belfast)
- Trinidad and Tobago Film Company (FilmTT)
- Ukie