



PROGRAM GUIDELINES

Enterprise Program 2011

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Screen Australia is committed to assisting in the development and creation of viable screen businesses.

The Enterprise Program will provide funding of up to \$350,000 per year for a three-year period to support screen businesses that have identified opportunities to develop and expand in terms of turnover, scale of production activity and/or the range of business activities undertaken to enhance the company's sustainability. We anticipate supporting a diverse range of companies and budget levels through this program.

The program aims to enhance Australia's screen businesses by:

- supporting existing businesses to grow to their next stage
- encouraging new business partnerships and alliances
- assisting Australian screen companies to develop a strong presence in the international marketplace
- encouraging the development of new revenue streams
- facilitating increased development of quality Australian projects and talent
- encouraging development, production and marketing strategies which address new opportunities in the digital and online realm.

The Enterprise Program will achieve these aims by supporting Australian producers seeking to progress their business through a range of strategies such as further developing their slate of projects, investigating new business opportunities, developing industry and marketplace relationships, forming new business alliances, and attracting increased levels of private investment and marketplace attachments.

Companies are encouraged to develop relationships in the private sector to support their ongoing enterprises and finance their production slates. Companies are also encouraged to look beyond traditional revenue streams and develop strategies for exploiting opportunities in the fast-evolving multimedia environment.

Screen Australia will prioritise ambitious and developing companies that do not yet have the capacity to access private capital but may be enabled by Enterprise funding to accelerate their growth and enhance their ability to attract private equity.

Companies with a substantial capital base that are already sustainable – or entities associated with such companies – will need to justify why they require Screen Australia Enterprise Program funding to achieve their business goals or progress their production slates.

Available funding

Applicants may apply for any amount up to \$350,000 per year for a three-year period. The level of funding sought should relate closely to the applicant's proposed three-year business strategy, and applicants will be required to submit a breakdown of proposed expenditure. Applicants' present and projected scale of operation will be considered in determining whether the funding sought is appropriate to the proposed use of funds, and Screen Australia reserves the right to amend the amounts approved to successful applicants.

For the 2011 funding round, up to \$3 million will be available to be split over the three-year funded period, ie up to \$1 million each year across the successful applicants.

Eligibility

A key aim of the program is to provide a step up towards sustainable screen businesses.

To be eligible, companies must at least:

- meet the General Eligibility requirements set out in Screen Australia's Terms of Trade
- have control of the project development process
- demonstrate that their proposal is consistent with three or more of the aims of the Enterprise Program as set out above
- demonstrate that they have the appropriate capacity, experience and track record to develop and implement their proposal
- include at least one company director with a minimum of five years' participation in the media and entertainment industry and able to demonstrate the following minimum credits in a relevant screen content area, or demonstrable equivalent:
 - three credits as producer or executive producer of any combination of feature film, television drama, television series, documentary or factual program; OR
 - one credit as producer or executive producer of a feature film selected for a major film festival (eg Cannes, Venice, Berlin, Sundance or Toronto, or equivalent factual showcase).

The features (drama or documentary) must have been released on a minimum of five commercial screens in one territory, and the television dramas or series or documentaries must have been broadcast in prime viewing time on Australian free-to-air or pay television. Children's programs or series must have been broadcast in scheduled C periods.

In the case of new media, at least one of the company directors must be able to demonstrate credits as producer on at least three major produced

and released games, online projects, multi-platform productions, interactive drama/factual extensions, etc.

Enterprise Program funds may not be used to cover costs of production, post-production, deliverables or re-versioning for foreign territory sales, etc. Costs associated with infrastructure, office set-up, equipment purchases, etc will be eligible only if, and to the extent that, they directly contribute to revenue-generating activities that are integral to the applicant's Enterprise proposal.

In the case of television drama, Enterprise funds may be used to develop projects to treatment or outline stage only, as Screen Australia regards television drama development as the remit of broadcasters.

Business plans based around news and current affairs programming, social networking sites (unless creating original content for distribution via social networking platforms), straightforward e-commerce, websites without screen content, or event management, etc are unlikely to be considered for Enterprise Program support.

Successful Enterprise Program applicants may not apply to the program again. Unsuccessful applicants may not apply again unless they present a more developed business plan.

Eligibility for other Screen Australia programs

In general (see below), recipients of Enterprise Program funding are not eligible to apply for other Screen Australia development funding or marketing travel grants while they receive Enterprise assistance, though they are able to work as executive producer with a producer applying to those schemes. They are able to apply for production finance at any time, including that available through the All Media Program.

Screen Australia has stated its commitment to finding and developing outstanding feature projects and will therefore allow some exceptions to the above provisions. Where feature development has not been included or accepted as part of a company's Enterprise plan, an Enterprise recipient may be eligible to apply for single-project feature development funding.

Where such an Enterprise recipient is deemed eligible to apply, single-project feature development funding would be provided only for specific approved items such as fees for writer, script editor and director (if applicable) or for costs associated with participation in competitively selected workshops, development programs, or forums that enable the project to advance to the next stage; not for company or producer costs including overheads, budgeting, financing, legals or marketing.

Application materials

Applications must be made on the relevant application form, and submitted in both hard and soft copy form in the specified number of copies, including all supporting documentation listed on that form. Application forms are available on the Screen Australia website. Additional materials submitted with applications will not be returned.

Applicants will be required to submit a detailed three-year business plan that includes company history; future vision for the company; financial records for

the past three years; forward projections; CVs of company directors and key personnel; documentation of produced credits including box office, sales and ratings performance; details of current slate; and a budgeted proposal for Enterprise Program funding. A current ASIC company search must be included with each application.

Assessment process

Applications will be assessed by a committee of Screen Australia executives and external industry assessors as required. Following preliminary eligibility checks, the Enterprise Assessment Committee will use a non-weighted point system to score each application against the assessment criteria listed below. The Committee may request interviews with the company directors or consult specialist assessors in order to arrive at consensus as to each application's score. Applications are then ranked in order and a shortlist is compiled of the highest-ranked applications. Final recommendations for funding allocations are presented to Screen Australia's CEO and Board for approval.

Screen Australia's decisions are final. Screen Australia will advise applicants of the success or otherwise of their application. Where an application is unsuccessful, the reasons will be conveyed verbally to the applicant, with a written statement of reasons provided on request.

Assessment criteria

Applications will be assessed according to the following criteria:

- **The Business Plan**

The strength of the company's business plan will be assessed as to its (i) three-year strategy, including impacts on future business sustainability, (ii) viability, (iii) ability to implement and achieve financial milestones, (iv) financing plans for development, production and marketing, (v) contingency plans, (vi) revenue and business opportunities, (vii) capacity to fulfil recoupment requirements, and (viii) strategies which will also develop the industry generally through mentorships, traineeships, opportunities for writers, etc.

- **Track Record**

The track record of the company and its directors will be assessed according to (i) previous creative, financial and managerial success, (ii) the network of business relationships to allow the business plan to be achieved, (iii) their expertise and skills and their ability to successfully realise the business plan, and (iv) previous success in relevant production genres in terms of domestic and international box office, sales, ratings and awards.

- **Slate of Projects**

Screen Australia will take into account the range of genres and formats and the applicant's overall strategy for development, production, marketing and distribution.

- **Resources**

Both the financial and human resources required to successfully achieve the business plan will be assessed, including any plans to access (i) third party finance including private equity, (ii) business and marketing skills,

and (iii) development and production expertise including, where relevant, proposed heads of departments and key creative appointments.

Application timing

Applications to the Enterprise Program will be considered in a single round in 2011. **The deadline for receipt of applications is available on the Screen Australia website.**

Applications must be submitted by close of business on the deadline date. Applications post-marked after that date will not be accepted.

Depending on the number of applications received, producers should be notified of the outcome within 12 weeks of the deadline date.

Terms and recoupment

A proportion of the Enterprise funds will be treated as a recoupable loan, with the amount and mechanism negotiated case-by-case depending on the proposed business plan.

Where Enterprise funds have been spent on project development and the project subsequently receives production finance from Screen Australia, the relevant portion of the Enterprise funds will become part of Screen Australia's total investment in the project.

Successful Enterprise applicants who have received General Development Investment (GDI) from the AFC, or Screen Business Venture Program (SBVP) funds from Screen Australia or the AFC, are required to meet the contractual obligations of their previous investment agreements. However, Screen Australia may approve revised repayment and reporting milestones to align with their current business strategies.

Applicants who have received SBVP funding will need to demonstrate that their Enterprise Program proposal represents a step up from their previous business plan.

Key Performance Indicators

Applicants will need to submit Key Performance Indicators appropriate to their business plan for approval as part of their Enterprise Agreement, and Enterprise recipients' progress against the KPIs will be reviewed six-monthly. Ongoing payments under the Enterprise Agreement will be subject to satisfactory performance and reporting.

Fairness and reasonableness

As set out in its Terms of Trade, Screen Australia requires all successful applicants to act fairly and reasonably towards all third parties participating in their projects.