

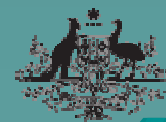
# ENTERPRISE ROADSHOW

Screen Australia

29 March to 28 April 2010

Chris Oliver  
Senior Manager

Megan McMurchy  
Enterprise Manager



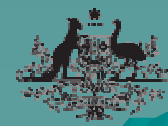
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# Aims of the Enterprise Program

*"Assisting in the development and creation of viable screen businesses"*

- ◆ 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 employ digital media

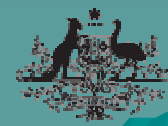


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## 2009 Enterprise funding round

- ◆ 137 Expressions of Interest (EOI) requesting \$129m
- ◆ 27 companies invited to make full application
- ◆ 12 companies funded to total value of \$8.95m over 3 years
- ◆ A diverse mix of television, feature, factual, distribution and new media-oriented companies



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# Assessors' comments from 2009 Enterprise funding round

- ◆ continuing over-reliance on production fees & overheads rather than downstream revenue potential
- ◆ dearth of joint ventures or corporate linkages; many companies are still stand-alone entities
- ◆ need to apply business perspectives via non-executive directors on boards and seek input from business/financial mentors
- ◆ need more sophisticated analysis/research of market and audience requirements ('demand-pull' rather than 'supply-push')
- ◆ lack of up-to-date market intelligence hinders international expansion; need to seek market advice at early stage of development

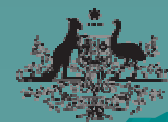


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## Revised Enterprise Guidelines 2010:

- ◆ Expression of Interest (EOI) stage removed
- ◆ eligibility bar for applicants raised
- ◆ funding available per year now \$1m (\$3m over 3 years)
- ◆ maximum amount of funding per year per company is \$350k
- ◆ priority given to companies that can use Enterprise to accelerate growth and enhance ability to attract private equity
- ◆ companies with 'substantial capital base' to justify why they require Enterprise funding
- ◆ eligibility for other Screen Australia programs



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# Enterprise application requirements

- ◆ 3-year business plan incorporating Enterprise proposal and budget
- ◆ details of slate and any offers from third parties to finance projects
- ◆ extensive financial records and projections
- ◆ details of principals' track record, listing commercial and critical success of produced credits
- ◆ info about key personnel and proposed joint ventures, new alliances
- ◆ proposed KPIs

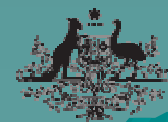


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## To be eligible, applicant companies must:

- ◆ meet the General Eligibility Requirements in Screen Australia's Terms of Trade (e.g. broadcasters may not apply)
- ◆ meet 3 or more aims of the Enterprise Program
- ◆ be incorporated in Australia, carries on business in Australia and has its central management and control in Australia
- ◆ have the capacity and resources to carry out the Enterprise proposal
- ◆ have the necessary rights for projects on slate and meaningful creative control of projects
- ◆ not be in breach of any existing contracts with Screen Australia or its predecessor agencies
- ◆ have at least one principal with 5 years participation in the industry and minimum of 3 major produced credits



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# Assessment Criteria

- ◆ The Business Plan
- ◆ Track Record
- ◆ Slate of Projects
- ◆ Resources

[For full details refer to Enterprise Program Guidelines]

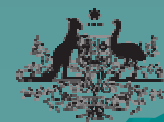


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# Enterprise assessment process

- ◆ Eligibility checks
- ◆ Applications are assessed by Enterprise Assessment Committee which includes External Assessors
- ◆ In the event of large number of applications, Assessment Committee may delegate SA managers to select initial shortlist
- ◆ Assessment Committee scores applications against the published assessment criteria and ranks them in order
- ◆ Available funding is allocated to the highest-ranked applications
- ◆ Final recommendations for funding are presented to CEO and Board for approval

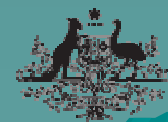


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# Terms of Enterprise Agreement

- ◆ Companies must report 12-monthly against KPIs negotiated with Screen Australia, plus 6-monthly narrative and financial reports
- ◆ Companies must repay a proportion of their Enterprise funding in equal annual instalments over 5 years (not linked to production financing)
- ◆ Enterprise funds used to develop specific projects become recoupable Screen Australia investment when rolled over into Screen Australia-financed productions
- ◆ Projects financed during the period of Enterprise funding must include a credit for Screen Australia's Enterprise Program



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Enterprise Connect website:

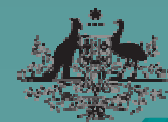
[www.enterpriseconnect.gov.au](http://www.enterpriseconnect.gov.au)

Small Business Mentoring Service Inc website:

<http://www.sbms.org.au/>

Catapult website:

<http://www.abc.net.au/catapult/basics/s1255782.htm>



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