

F I L M P R O J E C T S

51 Bournemouth Street, Bundeena, Sydney, NSW 2230 Australia
T 612 8521 7350 F 612 8521 7351 Website: www.filmprojects.com.au

ENTERPRISE FUNDING- PROGRAM REVIEW AND FUTURE OPTIONS

Flexibility, Innovation and Risk Taking.

Thank you for giving us the opportunity to respond to the Enterprise Program Review.

This is a short response and we have only addressed a few of the criteria proposed in the Review Paper. We also provide feedback on the impact on other players in the sector.

Summary

In summary the program should continue but **should be modified to accommodate smaller entities, individual producers and slate development.**

Without doubt the financial assistance provided to the production sector through the Enterprise Program and other channels, such as the Producer Off Set, has led to a strengthening of business activity in the sector. This is especially the case for those practitioners who demonstrate a deep knowledge of the industry and willingness to address the needs of distributors and broadcasters in satisfying and stimulating audiences both locally and internationally.

Context

We offer the perspective of a small production company, with deep production experience and producing one to three hours of fully financed Broadcast television a year over the past 10-15 years.

Experienced producers working at this level are Flexible, Innovative and Risk Taking; these qualities have served the sector well and have fed diversity and succeeded in delivering quality content to local and international distributors, broadcasters and developing new audiences. Such highly experienced producers who are not recipients of Enterprise Program Finance, now find themselves progressively disadvantaged because of lack of access to discretionary development funding.

Impacts

The Enterprise Program impacts not only on those who receive funding but also those who do not.

Areas of greatest impact for Non Enterprise Companies:

Positives for Non Enterprise companies

- More information on the production sector available.
- Shifting emphasis towards cooperation between different types of production companies.
- Acknowledgment that success lies in expanding the potential of development and marketing.
- Employment within Enterprise companies.

Negatives for non-enterprise companies

- Reduction in access to Travel and Marketing support from Screen Australia.
- Uneven playing field as Enterprise Companies are subsidised in the areas of Marketing, Travel and Administration.
- Project development- the shift from Slate development to one off development application adds a far greater administrative burden on Non Enterprise companies, which are least able to facilitate it due to lack of resources and permanent staff
- While the Enterprise Program has been highly advantageous for Enterprise companies it has had a flow on effect of disadvantage for non-enterprise companies.

Summary

Non Enterprise Companies and Producers are now in a weaker and less competitive position than before the Enterprise Program was introduced. At this stage the Enterprise Program has distorted the production environment so it is harder for non-enterprise companies and producers to continue in the current environment than it was prior to the shift to the Enterprise System.

A number of Individual and highly experienced producers did not opt for the Enterprise Program because their business model did not fit the guidelines and definition of business outcomes (profitability measures, growth rates, etc.) despite the fact these producers have decades of experience, sustainable businesses and high level production credits. It would be a mistake to allow a subsidy system such as the Enterprise Program to distort the production sector to the extent that these producers were to disappear.

In its current state the Program will effectively limit the number companies in the sector and reduce the diversity of companies. Above all, it is the quality and creativity of ideas and the ability to realise these at a level of high quality as programs that determines success in this industry. It is not beneficial across the board to force producers into a business model that may limit flexibility, innovation and risk-taking.

RECOMMENDATIONS

The Review of the Enterprise Program must consider how best to deal with successful smaller producers, who are still operating outside the Enterprise Program, while it also looks at the operational effectiveness of the Program.

There are a number of successful producers who run very efficient and productive companies on a smaller scale but for a number of reasons it has been not suitable for them to aspire to larger infrastructure at this stage. What these very experienced producers and director's need is not to take on the burden of an expensive infrastructure, but a streamlined access to development and marketing finance.

The ability to expand and contract and use contract staff on a needs base, as opposed to taking on a permanent staff with the entitlements that this entails, has been a method of keeping independent production companies lean and mean. A number of the smaller Enterprise recipients have complained that so much of the grant money went to business managers and accountants, rather than sustainable wages for the producers

Remedies and Reasons in the current production environment for production companies not operating under the Enterprise System.

Below are a number of considerations for the Review of the Enterprise Program.

1.

Enterprise Slate Development-

Establishment of a production slate based Development model, which allows for development and marketing finance for the purpose of securing production finance.

Successful companies are successful because they develop programs that are commissioned by Broadcasters. It is the quality of these concepts; research, including market research, and presentation of new ideas that leads to success.

Reinvigorating a GDI model to allow companies and producers who already have low overheads (and no access to development funds through Enterprise) to develop their slate, the successful production of which is the ultimate measure of their success.

The emphasis here is on a smaller amount of funding targeted towards specific projects.

International Co-Production

A focus should be on further facilitating international Co-productions, utilising the Producer Off Set, and which will not require Screen Australia investment.

Other company overheads can be derived from Producer Overheads in production budgets and from funds flowing from the Producer Off Set.

This subsidy should be available to producers who have a proven track record and need support across a number of projects in development.

Grants and Repayments should be based on the same premise and functionality already employed by the Enterprise Program.

2.

Two Tiered Enterprise Program- Experienced Producers Level.

- a) A lower capped but appropriate amount of money over three years that is sufficient to allow a producer to meet the costs of marketing and travel and to employ writers, researchers and development costs supported by the usual administrative framework of accounting and legal work.
- b) An EOI process should be used to enable producers to prioritise their time and financial outlay connected with the requirements in preparing an application to the Enterprise Program.
- c) Reporting should be streamlined for this second tier of the Enterprise Program.
- d) Enterprise allocates funding to allow selected companies to prepare business plans and applications.

Whether it is a multi genre production entity or a single producer, the key to success is the quality and suitability of their concepts and ideas. While a business model that aims to establish a turnover and possible exit strategy for the practitioner is suitable for some producers it is not a requirement for all who already operate in the sector.

Conclusion

In reviewing the Enterprise Program, how it is best utilized and structured, given its demonstrable success to date and taking into consideration the shifting production environment for which it is partly responsible, Screen Australia needs to look at ways to finesse and prioritise its development agenda to suit the many producers who have not, for a range of reasons, taken advantage of the Enterprise program.

A more flexible approach to Slate development will lead to a greater success in the ongoing development of sustainable production companies of all sizes.

Other recommendations.

- a) Limit further Targeted Enterprise Initiatives, Focus on the core functions.
- b) Recipient companies of the Enterprise Program should be required to fulfil all their undertakings regarding loans repayments.

Gregory Miller has 25 years experience as a Producer mainly working with international Co-Productions. He is a former board member and chair of the AIDC and his most recent production is the series *Breaker Morant The Retrial* (2013) for The History Channel.