



## **Outline of new process for contracting production funding**

**August 2012**

Screen NSW has reviewed its contracting processes and adopted a new approach to the contracting of production funding to avoid duplication and to streamline contracting for NSW producers.

This is a response by Screen NSW to longstanding industry concerns about increasing delays and costs involved in contracting, particularly production funding. This approach aligns with NSW 2021 objective of cutting red tape.

For projects that commence contracting from August 2012, Screen NSW will review production agreements for consistency with its conditions of investment for that project and with its terms of trade; where transaction documents are reviewed by Screen Australia (or another agency investor/broadcaster where Screen Australia is not co-investing), those documents will not be reviewed by Screen NSW.

Further, Screen NSW will not review chain of title documents where those documents are reviewed by Screen Australia (or another agency investor/broadcaster where Screen Australia is not co-investing) and where a solicitor's opinion is provided in the usual way.

Completion guarantee documents reviewed by Screen Australia (or another screen agency investor/broadcaster where Screen Australia is not co-investing) will not be reviewed by Screen NSW; where there is a completion guarantee, Screen NSW will commission an external budget assessment only of the NSW spend.

Screen NSW will, where necessary, agree to the provision of fully executed transaction documents (excluding the completion guarantee, which must be of full force and effect) by second drawdown for NSW based producers who have previously done business without incident with Screen NSW and/or have Slate Loans that are being repaid.

Where Screen Australia is not a co-investor, Screen NSW will work with other investors to agree on the preparation of the production agreement, with the intention that the agreement will be prepared by a "lead" investor who will manage the process.

Similar processes will be followed for grants and, generally, Screen NSW will prepare its own grant agreements. Screen NSW will still require the producer to ensure that Screen NSW is included on all email traffic relating to the review of transaction documents by other investors. Should any specific issues of concern arise, Screen NSW may require further documentation and information in relation to those issues.

These arrangements will be reviewed in 12 months to gauge the effect on transaction costs and timing