AVCAL

The AUSTRALIAN PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION Limited

AVCAL year in review 2012

Highlights

- Commenced two major reviews on the economic impacts of the VC and PE industries
- Secured an additional $40m in funding for the Government's IIF programme
- Developed and implemented a Management Equity Plan template and employee shares and options advice for members
- Created a policy portal, enabling members to access up-to-date information
- Received positive and in-depth media pieces on the PE and VC industry
- Introduced four new professional development programs
- Received the highest delegate satisfaction with the AVCAL **alpha** conference in five years

Advocacy activities

AVCAL successfully lobbied the government to include an additional $40m in the final tranche of the current IIF round, bringing the fund to $100m.

Negotiations with Canberra on MIT implementation continued with slow but steady progress. A successful PE & VC 101 seminar was held at Parliament House in Canberra to help Government advisers to better understand the industry (late November 2012).

Five media roundtables were held involving fund managers from the entire PE/VC spectrum, and media outlets including the Financial Review, The Australian, various newswires and the Financial Standard. Due to AVCAL's increased focus on media engagement, there were a number of positive and in-depth media pieces focusing on the PE & VC industry.

There has been better information flow to members on the key domestic policy developments, AVCAL's advocacy activities and relevant global regulatory developments through the new Member Policy Portal.

Submissions

AVCAL made seven submissions in 2012, with progress tracked through the Member Policy Portal:

- McKeon Strategic Review of Health and Medical Research in Australia
- Business Tax Working Group's proposed reforms to the R&D tax incentive and thin capitalisation rules
- AVCAL submission to Treasury on fixed trusts
- AVCAL submission to Treasury on quarterly R&D credits
- AVCAL submission to Senate Standing Committee on Economics on the Cross Border Transfer Pricing Bill
- AVCAL submission to the Review of Venture Capital and Entrepreneurial Skills in Australia
- Submission to the Prime Minister's Science, Engineering and Innovation Council on its research and innovation review.

Publications & resources

Two new studies were commissioned showing the economic impact of the industry in the Australian economy. The study from Deloitte Access Economics focuses on the impact of PE, while AVCAL partnered with DIISRTE to study the impact of VC. The findings are expected to be published early in 2013

To provide AVCAL members with a one-stop centre for accessing current international research on PE and VC, a new online Research Library was created.

AVCAL delivered 11 research reports in 2012:

- AVCAL/PwC: How can fresh insights add greater value? (May 2012)
- Hamilton Lane: Private Equity Performance - Worth the Wait (May 2012)
- AVCAL Exit Study (July 2012) (members only)
- AVCAL Private Equity Cash Flows & Fees Factsheet (Oct 2012)
- AVCAL/Capital IQ Market Observations Report (Oct 2012)
- AVCAL/Ernst & Young 2012 Yearbook (Nov 2012)
- AVCAL/Pacific Strategy Partners Deal Metrics Report (Nov 2012)
- AVCAL/Cambridge Associates benchmark reports for Australian PE & VC (quarterly)

Two important resources were provided to members in 2012:

- AVCAL/Minter Ellison/KPMG Management Equity Plan template
- AVCAL/PwC Employee Share Option Plan model for early stage companies

Skills & networks

AVCAL held over 30 national events, attended by more than 1,300 people. These events had over 100 speakers and were supported by 34 corporate partners. Of those, there were:

- nine professional development events focused on building knowledge and skills. Topics included fundraising, PE bank finance, warranties and indemnities insurance, doing a private equity deal and our popular PE101.
- four industry forums including growth funds, CFO forum and industry briefings
- seventeen national networking events for members and stakeholders.

The AVCAL **alpha** conference attracted 461 delegates and received highly positive feedback, with 96% of survey respondents satisfied and 97% likely to promote the event to others. This year the conference featured a new growth funds stream and the inaugural **alpha**thon run.

AVCAL established a philanthropy connection with Future Direction Network, a not-for-profit organisation that aims to support and encourage children from poorer areas of Sydney to go to university by mentoring and providing scholarships.

To enable more seamless engagement, AVCAL launched a new system that integrates the online environment for members. Members can now manage multiple event registrations, their membership and track their professional development.

The annual AVCAL Awards were once again presented for the most outstanding exits of the year and for Excellence in Investor Reporting. The inaugural Michael Hirshorn Award was presented to BTF and Four Hats Capital.