

08

FV07/08
ANNUAL REPORT
FV FILM VICTORIA



Emily Robins and Miles Szanto in **The Elephant Princess**.
Jonathan M Shiff Productions. Supported through Cash Flow Facility & Production Investment.

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WHO WE ARE

FILM VICTORIA IS THE STATE GOVERNMENT AGENCY THAT PROVIDES STRATEGIC LEADERSHIP AND SUPPORT TO THE FILM, TELEVISION AND DIGITAL MEDIA SECTORS OF VICTORIA. WE INVEST IN LOCAL SCREEN INDUSTRY BUSINESSES AND PROJECTS, MARKET VICTORIA AS AN ATTRACTIVE PRODUCTION DESTINATION AND ENCOURAGE THE DEVELOPMENT OF STRONG LOCAL CONTENT.



Captain Cook: Obsession and Betrayal in the New World.
Film Australia/December Films Pty Ltd. Supported through Production Investment.

OUR HISTORY

Initially constituted as the Victorian Film Corporation in 1976 under an Act of Parliament, Film Victoria came into being in 1982 as the corporation evolved under the Film Victoria Act (1981).

The next major phase of transition occurred in 1997 when the core responsibilities and functions of Film Victoria were amalgamated with the State Film Centre of Victoria, to form Cinemedia Corporation. Later, the State Government via the Film Act 2001 abolished Cinemedia Corporation and established Film Victoria and the Australian Centre for the Moving Image (ACMI) as separate statutory authorities.

In November 2006, the Victorian Government transferred responsibility for Film Victoria from Arts Victoria to the Minister for Innovation, resulting in Film Victoria working closely with the Department for Innovation, Industry and Regional Development (DIIRD). This move offered increased access to the expertise, experience and connections of a business and investment-oriented department.



Jason Statham in *The Bank Job*
Baker Street Ltd. Supported through PIAF

THE FILM ACT 2001 DEFINES

FILM VICTORIA'S ROLE AS PROVIDING:

'Strategic leadership and assistance to the film, television and multimedia industry of Victoria to encourage innovation and the creation of new projects of high quality that are of economic or cultural benefit to Victoria'.

WHAT WE DO

As an advocate, driver, facilitator and supporter of film, television and digital media enterprises we:

- Provide financial and other assistance to the film, television and digital media industry in Victoria.
- Promote, whether in Victoria or elsewhere, the use of locations or services in Victoria for the production of any film, television or digital media project.
- Provide financial assistance, whether in Victoria or elsewhere, to organisations, events or activities including festivals, conferences, publications or exhibitions, where film or other screen-based programs are made, seen or discussed.
- Establish and facilitate, whether in Victoria or elsewhere, relationships for the development of film, television or digital media programs.
- Provide leadership to the film, television and digital media industry in Victoria.
- Develop strategic plans for the development and improvement of the film, television and digital media industry in Victoria.
- Advise the State Government on matters relating to the film, television and digital media industry in Victoria.
- Develop relationships or enter into partnerships with other organisations, including government bodies, whether in Victoria or elsewhere, to improve the film, television and digital industry in Victoria.

OUR VISION

OUR VISION IS FOR VICTORIA TO HAVE A WORLD LEADING SCREEN ECONOMY AND CULTURE.

OUR MISSION

OUR MISSION IS TO LEAD AN INNOVATIVE SCREEN INDUSTRY THAT ENRICHES OUR CULTURAL LIFE AND GENERATES JOBS, PROSPERITY AND CREATIVE OPPORTUNITIES.

WE SEE THE VALUE OF BOTH CULTURAL AND ECONOMIC OUTCOMES FOR VICTORIANS. RECOGNISING THIS BALANCE ACROSS **CULTURE** AND **ECONOMY** IS CRUCIAL TO OUR SUCCESS.

WE **LEAD** THE INDUSTRY BY DRIVING GOVERNMENT POLICY AND SETTING PROGRAM DIRECTIONS.

WE **SUPPORT** THE INDUSTRY BY BEING RESPONSIVE TO THEIR NEEDS.

WE DO THIS BY **INVESTING** IN THE LOCAL INDUSTRY AND **ATTRACTING** PRODUCTION TO VICTORIA. APPRECIATING THAT INVESTMENT CAN FUEL ATTRACTION AND ATTRACTION CAN FUEL FUTURE INVESTMENT.

OUR STRATEGIC OBJECTIVES

FILM VICTORIA'S STRATEGIC OBJECTIVES ARE DESIGNED TO HELP US ACHIEVE OUR VISION OF AN AGILE, INNOVATIVE AND SUSTAINABLE SCREEN INDUSTRY THAT IS A KEY CONTRIBUTOR TO THE AUSTRALIAN KNOWLEDGE AND IDEAS ECONOMY. THE FOLLOWING ARE OUR STRATEGIC OBJECTIVES AS OUTLINED IN THE FILM VICTORIA CORPORATE PLAN 2007 – 2010.

DEVELOP AN INNOVATIVE INDUSTRY

- Support and invest in innovative local projects that reflect Australian perspectives and engage audiences.
- Create a strategic framework and action plans for screen industry sustainability.
- Maximise opportunities for local production and post-production activity.
- Build local and international relationships that benefit the Victorian screen industry.
- Recognise best practice in creative and business partnerships and projects.

BUILD SKILLS AND CAPACITY

- Identify and encourage industry growth opportunities.
- Support professional development and other approaches to foster a skilled and productive workforce.
- Work with industry, associations and other government agencies to improve business skills capability.

MARKET VICTORIA AND ATTRACT PRODUCTION

- Position Melbourne and provincial Victoria as a world-class production destination.
- Increase international and national production and post-production activity in Victoria.
- Build awareness and recognition of Victorian product and talent in Australia and overseas.

ENHANCE AUDIENCE ENGAGEMENT

- Increase opportunities for people to view, understand and appreciate local content.
- Support organisations, events and initiatives that engage audiences.

SHAPE INDUSTRY POLICY

- Provide an integrated and focused industry policy framework that enhances sustainability, innovation and excellence.
- Strengthen Film Victoria's research and analysis capacity, and management and dissemination of industry knowledge.

STRENGTHEN ORGANISATIONAL CAPABILITY

- Provide effective, efficient and transparent corporate services, business systems and infrastructure to achieve Film Victoria's strategic objectives.
- Maintain corporate governance through policies, procedures, relevant legislation and departmental standards.
- Value and enhance our people and their skills.



Melanie Vallejo in **Dying Breed**.
Ambience Entertainment. Supported through PIAF & RLAF.

OUR STANDARDS

Reflecting a commitment to excellence, integrity and accountability, the following ethical and professional standards underpin all our activities and operations:

- Respect and support for the people and businesses that comprise Victoria's film, television and digital media industry.
- A commitment to sourcing and using sound industry research.
- Transparent accountability in our dealings with government.
- High standards of integrity and quality.
- Interactive working processes, openness and transparency.
- Active listening and communicating with stakeholders.
- A preference for action, creativity and innovation.
- Equity, consistency and fairness.
- Future orientation and planning.
- Encouragement of staff development.
- A commitment to sound corporate governance.

OUR CORPORATE GOVERNANCE

Film Victoria has the power to do all things necessary or convenient to be done in connection with, or as incidental to, the performance of its functions. In the exercise of these powers and performance of functions, Film Victoria is subject to the direction and control of Mr Gavin Jennings MLC, Minister for Innovation.



Wendy Harmer in **Stuff**.
Princess Pictures Pty Ltd. Supported through Factual Development & PIAF. Image courtesy of ABC TV.

OUR NATURE AND RANGE OF SERVICES

With an industry that is diverse in discipline, multi-faceted and dynamic, it is essential that our programs and services are designed to cultivate an environment in which the industry can achieve positive, meaningful and successful outcomes. We achieve this through a flexible and dynamic structure that allows us to remain responsive to change.

DIRECTORATE

Directorate is responsible for planning the future of the organisation and the industry. This role includes leading the development of industry policy, managing the relationships of the Board and Government, communicating with partners and key stakeholders, and marketing the activities of the organisation and the industry on both a local and international level.

INDUSTRY DEVELOPMENT AND INVESTMENT

Our Industry Development and Investment programs stimulate and support the Victorian screen industry by nurturing and investing in people, projects, events and organisations. These programs ensure Victorian practitioners maintain a strong marketplace advantage, and assist in the building of robust and sustainable businesses, the development of high quality projects and the cultivation of skilled, world-class practitioners.

MELBOURNE FILM OFFICE

Our Melbourne Film Office is the film commission for Victoria. The unit aims to increase the economic value of Victoria's film and television production industry by attracting national and international productions to the State. It also facilitates Victoria as a production-friendly state by providing financial incentives, production liaison, policy development and location services, as well as actively promoting Victoria as an exciting and viable filming destination to the local and international filmmaking community.

BUSINESS AFFAIRS

Business Affairs provides the foundation from which the programs and services of the organisation are delivered in an open, accountable, objective and responsible way.

The unit is responsible for and administers the organisation's financial, legal, recoupment, information technology, research, human resources, corporate governance and administrative activities.

FILM VICTORIA BOARD MEMBERS

RETIRING MEMBERS

Film Victoria acknowledges the contribution of retiring member **Jenni Tosi**.



JOHN HOWIE PRESIDENT

John Howie has been President of the Film Victoria Board since 2003 and was formerly the Chair of Film Victoria between 1989 and 1992. He was a member of the Film and Television Industry Task Force, which reported to the State Government in 2000, the Chair of the Film and Television Strategy Committee in 2005 and a member of the Project Steering Committee for the Victorian Screen Industry Review, which reported to DIIRD in August 2008. A lawyer and former senior partner in the firm of Howie & Maher Solicitors, John now acts as Special Counsel for Williams Winter Solicitors. He is currently the Chair of Victoria Legal Aid, the Chair of the VicSport Board and a member of the Melbourne and Olympic Park Trust.



KATHERINE BLASHKI

With a recognised background in the Communication Arts and IT faculties at numerous universities, Professor Katherine Blashki is also known for her experience in the multi-media sector with a focus on creating narrative and systems development. Katherine has taken on a new position as Director of Research and Education at the Australian Film, Television and Radio School and is also Chair of New Media Technologies, a collaboration between the faculties of Arts, Science and Technology at Deakin University. Katherine's research and writing credits include over 90 papers and journals, along with participation in community, industry and international consultancies in communications, IT and multimedia.



EWAN BURNETT

With more than 28 years experience in the industry, Ewan is an award-winning producer of both adult and children's television in Australia. Ewan's drama credits include **Last Man Standing**, **Kangaroo Palace** and **The Farm**. Ewan's work on children's television programs such as **Bootleg**, **Eugenie Sandler PI** and the recently completed animation series **Animalia** has established him as one of our most respected practitioners.



JO DAWSON

Jo is a chartered accountant with extensive experience in financial services and wealth management developed through senior roles at National Australia Bank and Deloitte. Jo has excellent management and strategy experience, and brings a strong corporate governance background to the Board through her career experience developed in a range of environments including the position of CFO of National Financial Management. She is managing director and adviser with Executive Wealth Strategies Pty Ltd, a financial planning practice established in 2002, and is also a director of the general insurance company Catholic Church Insurances Limited.



SIU LING HUI

Siu Ling established SLH Consulting and Communications Pty Ltd in 2002 to provide key strategic, finance sourcing, structuring and restructuring, and business advisory services to a wide range of clients. Previously the holder of management positions with GE Capital, Bank of Melbourne (Westpac) and Citibank, Siu Ling is also a freelance writer. She holds a Bachelor of Economics degree (Accounting) from Monash University and is a member of the Chartered Institute of Company Secretaries.



ANA KOKKINOS

Ana is an independent filmmaker based in Melbourne who commenced her career as a lawyer and industrial officer before graduating from the VCA School of Film and Television. She directed and co-wrote the award-winning films **Only the Brave** and **Head On**, which was selected for Director's Fortnight at Cannes and won numerous awards including an AWGIE for Best Adaptation. Ana has also directed episodes of the children's television series **Eugenie Sandler PI**, and television drama such as **The Secret Life of Us**. In 2006 Ana's feature film **The Book of Revelation** was launched at the Toronto International Film Festival and released theatrically in 2006. Ana is currently in production on her new film **Blessed**.



BRYCE MENZIES

Bryce is a leading entertainment lawyer with more than two decades of experience in film production. His expertise covers the areas of film finance, film law and deal structuring. He has worked as a lawyer on over 300 productions including **Muriel's Wedding**, **Ned Kelly**, **The Proposition**, **Kenny**, **Triangle** and **Blessed**. In addition to acting as legal advisor to many Australian films, his producer and executive producer credits include **Malcolm**, **Death in Brunswick**, **Two Hands**, **Ten Canoes** and **Noise**.



LEONIE MORGAN

Leonie provides professional services in diversity, equal employment opportunity and human resource management to the private, community and public sectors. She is currently a Senior Policy Advisor with Industrial Relations Victoria. She established and coordinated the Women Working in Television Project – a national industry partnership funded by Australia's free-to-air television networks, the subscription television sector and the Australian Film Commission. Leonie holds a Masters of Education and a Graduate Diploma of Media and Cinema. She is listed on the Victorian Women's Honour Roll for her services to women in decision making.



ROBERT MURRAY

Robert Murray has 15 years experience in the game development industry. As CEO of game developer Firemint, he has expanded the organisation to become a highly awarded company receiving recognition at the Australian Game Developers Conference, International Mobile Gaming Awards and the Governor of Victoria's Export Awards. Robert oversaw the development of numerous game projects such as **The Fast and the Furious: Fugitive**, **FIA World Rally Championship** and **Ratatouille**, working with leading publishers. Robert has been instrumental in the development of Richmotion; innovative software that allows designers and developers to create interactive content for mobile devices.



JAN SARDI

Jan Sardi is one of Australia's eminent screenwriters. In 1997 he received an Academy Award® Nomination for his screenplay for **Shine**, as well as nominations at the BAFTA's, the Writers' Guild of America, and the Golden Globes. Jan has won numerous awards for his work in Australia, including Best Screenplay for **Shine** (AFI and AWGIE Awards). In 2003 he wrote and directed the award winning film **Love's Brother**, an Australian/ UK co-production. Jan also adapted **The Notebook** and **Mao's Last Dancer**, directed by Bruce Beresford and due for release in 2009. Jan is currently adapting **The Secret River** by Kate Grenville, to be directed by Fred Schepisi.



Emily Robins in **The Elephant Princess**.
Jonathan M. Shiff Productions. Supported through Production Investment.

OUR YEAR

A RECORD YEAR FOR THE INDUSTRY WITH \$262 MILLION SPENT BY PRODUCTIONS IN VICTORIA, AN 80% INCREASE ON THE PREVIOUS YEAR.

OUR PROGRAMS LEVERAGED \$205 MILLION OF THE TOTAL PRODUCTION SPEND IN THE STATE.

7,862 FULL-TIME EMPLOYMENT OPPORTUNITIES WERE CREATED IN THE INDUSTRY, 78% LEVERAGED THROUGH OUR FUNDING SUPPORT.

57 FILM, TELEVISION AND DIGITAL MEDIA PRODUCTIONS WERE CREATED IN VICTORIA IN 2007/08.

THE PACIFIC, WHICH WAS BASED IN VICTORIA, WAS THE LARGEST MINI-SERIES EVER MADE, GENERATING APPROXIMATELY \$180 MILLION FOR VICTORIA'S ECONOMY.

OUR YEAR

WE INVESTED \$5.8 MILLION IN PRODUCTION, A 45% INCREASE ON 2006/07.

SPENDING BY PRODUCTIONS IN PROVINCIAL VICTORIA INCREASED BY 240%.

TWO DIGITAL MEDIA PROJECTS WE SUPPORTED ENTERED INTO MILLION DOLLAR COMMERCIALISATION AGREEMENTS.

THE HOME SONG STORIES RECEIVED 27 LOCAL AND INTERNATIONAL AWARDS INCLUDING THE AFI AWARD FOR BEST DIRECTOR AND BEST ORIGINAL SCREENPLAY (TONY AYRES) AND BEST LEAD ACTRESS (JOAN CHEN).

GIRL FRIDAY, WHICH SCREENED IN JULY 2007 ON TELSTRA BIGPOND, RECEIVED THE BEST ENTERTAINMENT AWARD AT THE AIMIA AWARDS.



Joel Lok and Irene Chen in *Home Song Stories*.
Big and Little Films Pty Ltd. Supported through Production Investment.



PRESIDENT'S REPORT WELCOME TO THE 2007/08 ANNUAL REPORT FOR FILM VICTORIA, WHICH CELEBRATES THE PHENOMENAL ACHIEVEMENTS OF THE INDUSTRY AND THE ORGANISATION.

It's been a record year for the screen industry in Victoria, with a production expenditure of \$262 million – the largest ever recorded for the State. This is an 80% increase from the last financial year and has meant that 7,862 full-time employment opportunities were created in the industry. These brilliant results are due to the creative nous and expertise of practitioners and confirm Victoria's status as a centre for excellence in screen content creation.

This financial year marks the commencement of our new three-year Corporate Plan. The plan outlines how we aim to strategically support the State's film, television and digital media industry through our programs and initiatives. The focus of this plan is on achieving key outcomes for the industry, taking advantage of new technologies and markets opening up across the globe.

In recognising that our screen industry plays a crucial role in Victoria's cultural,

economic and social development, in October 2007 the Victorian Government commissioned an independent review of the Victorian Screen Industry – the first step in the development of a new major strategy to continue growing the film, television and digital media industry into the future. Conducted by the Department for Innovation, Industry and Regional Development, the Victorian Screen Industry Review identified the major challenges and opportunities facing the global and local screen industry, and reviewed the current state of the Victorian screen industry. Both the Film Victoria Board and staff were involved in the Steering Committee of this project and we look forward to working with industry and the Department to guide long-term policies for the industry.

The Government's ongoing commitment to the industry was further demonstrated this year with confirmation of \$11 million in funding over three years to stimulate television production, digital media development and support the Melbourne International Film Festival. This funding is appreciated by both the industry and Film Victoria.

As always, I must extend a heartfelt thanks to my fellow board members for their invaluable contributions throughout the year. While members come from diverse business backgrounds, they share a passion for the industry and dedication to its future. During the year we welcomed two new members to the board from different industry sectors: screenwriter Jan Sardi and games expert Rob Murray. We also saw the retirement of board member Jenni Tosi and I thank her for sharing her expertise with us. I'm delighted that Jenni

continues to play an important role in the organisation as General Manager of Industry Development and Investment.

Film Victoria's reputation as a leading screen agency is due to the devotion of our CEO Sandra Sdraulig and her team of committed professionals. I would like to thank them for their hard work as they continue to lead and develop our industry, and champion its many talented practitioners.

To the Premier of Victoria, the Hon. John Brumby MP, Minister for Innovation, Gavin Jennings MLC, and the Department for Innovation, Industry and Regional Development our thanks and appreciation for your continued support to Film Victoria and the Victorian screen industry.

I would like to take this opportunity to thank all those whose expertise, guidance and encouragement has enabled Film Victoria to play such an important role in Victoria's cultural and economic life. Your collaboration has been invaluable to the organisation.

JOHN HOWIE
PRESIDENT



CEO'S REPORT ON BEHALF OF FILM VICTORIA, I'M DELIGHTED TO PRESENT OUR MOST EXCITING ANNUAL REPORT TO DATE. THIS HAS BEEN THE STRONGEST YEAR FOR PRODUCTION ACTIVITY THAT VICTORIA HAS EVER SEEN, DESPITE AN EVER CHANGING ENVIRONMENT.

I'm pleased to confirm that our funding programs leveraged \$205 million of total production expenditure in 2007/08. This commendable result is indicative of our success in anticipating and responding to the changing needs of the industry, with the full spectrum of our programs being leveraged to deliver engaging projects to diverse audiences.

Significantly, our production investment commitments totalled \$5.8 million in 2007/08; a 45% increase in funding compared with 2006/07. We also committed development funding for film television and digital media projects worth over \$2

million. As these projects move through the production cycle we look forward to seeing them come to fruition.

This year activity resulting from our incentive programs increased by a substantial 150%. These programs attracted production to Victoria from both overseas and interstate, including **Knowing, Rush** and most significantly, the Stephen Spielberg and Tom Hanks mini-series, **The Pacific**. The scale of this production has given Victoria an amazing opportunity to showcase its talent, beauty and state-of-the-art facilities.

In July 2007 we rolled out a new suite of Industry Development and Investment programs reflecting our commitment to keep Victoria at the forefront of Australia's industry. One of the most significant changes was the full integration of our digital and traditional media programs. We also extended our business support to assist producers in an increasingly competitive global market to assist in building robust, capable businesses.

Filmmakers and provincial communities continue to benefit from our provincial film strategy Location Victoria. In 2007 we confirmed that 100% of all provincial Victorian councils would participate in this initiative, clustering into seven regional areas. The launches of all seven provincial location websites have increased the promotion of provincial Victoria to filmmakers nationally and around the world. The success of this initiative is evident in this year's production activity results: regional Victorian production increased 240% from the last financial year, reaching \$3.9 million.

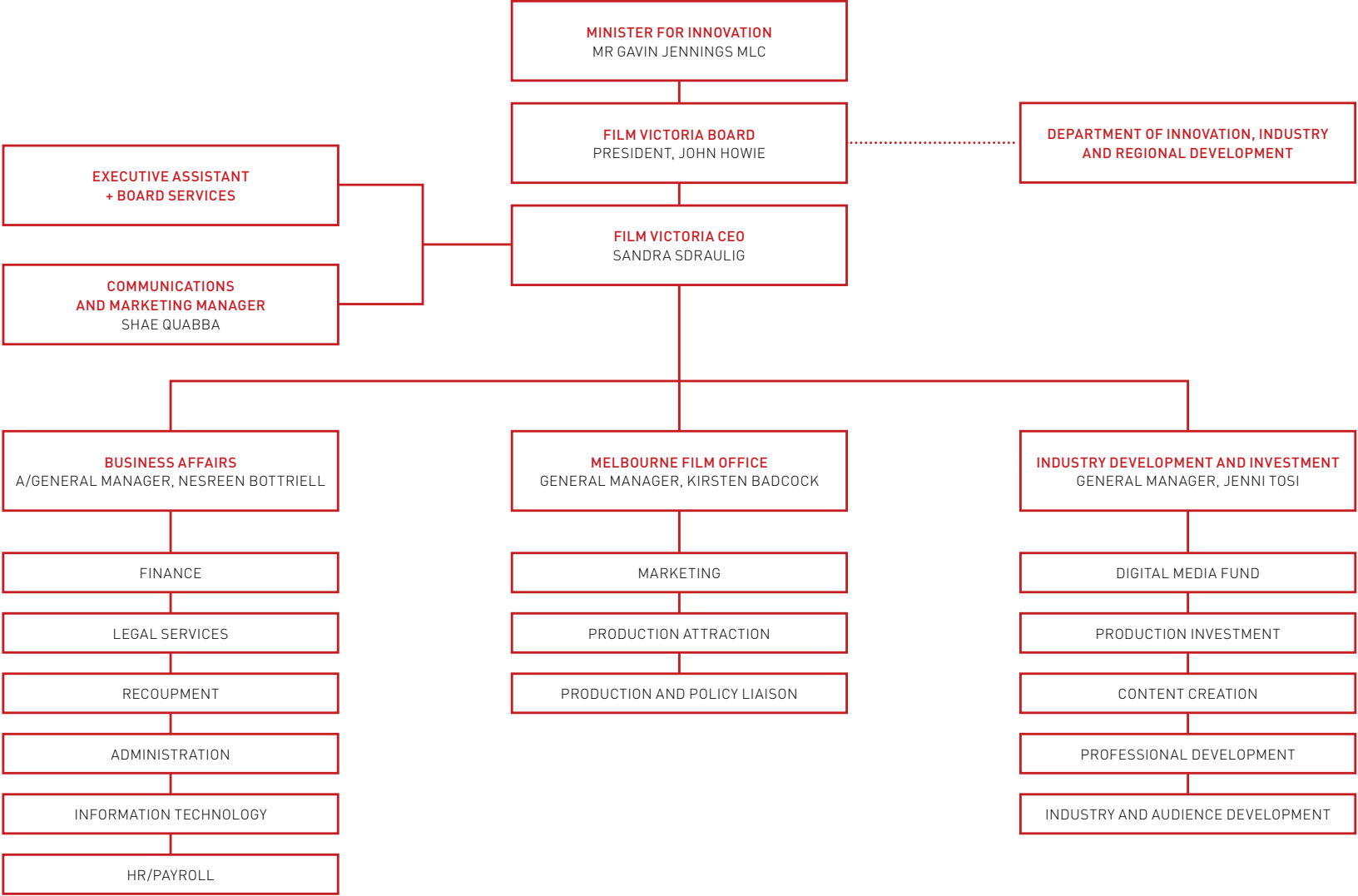
The launch of our renewed Locations Gallery and Industry Directory online tools marked a significant achievement for the agency this year. Both tools include functions that no other film commission in the world currently offer. Practitioners have welcomed this enhanced functionality, using the new technology to easily search over 36,000 locations in Victoria and download more than 26,000 resumes of Victorian practitioners.

As always, I would like to thank and acknowledge the Board, led by John Howie, for their continued commitment and leadership, and Film Victoria staff for all the hard work undertaken and the many achievements throughout the year.

In the spirit of this record year, we will continue to encourage and support talented screen professionals, and fulfil our vision for Victoria to have a world leading screen economy and culture.

SANDRA SDRAULIG
CHIEF EXECUTIVE OFFICER

OUR ORGANISATION



FILM VICTORIA STAFF

FRONT ROW (L – R)

Meghan Lew
Michelle Rubin
Amelia King
Samantha Lloyd
Fiona Howat
Kate Marks
Victoria Pope

MIDDLE ROW (L – R)

Shae Quabba
Nathalie Pelissero
Alex Keay
Charlie Carmen
Peta Jennings
Christine Skelly
Sandra Sdraulig
David Berry-Smith
Zoe Hayden
Bianca Hetnal
Elspeth Langford
Blythe Chandler

BACK ROW (L – R)

Bernadette Wood
Emma Cornall
Sue Edwards
Genevieve Gaffy
Trisha Vessey
Tim Reid
Simon Jarockyj
Steve Warne
Brad Giblin
Jenni Tosi
Neil McCart
Daniel May
Leonie Goodwin
Samantha Tate
Kirsten Badcock
Kris Matthews
Jamy Kim



Film Victoria Staff.
Location ACMI 2008.



Lucy Wants to Kill Herself
Blue Dahlia Films Pty Ltd. Supported through Propeller Shorts.

01

NUTURING THE NEXT GENERATION

WE BELIEVE A KEY
TO INDUSTRY SUCCESS
IS NURTURING OUR
EMERGING PRACTITIONERS
TO TAKE ADVANTAGE
OF PROFESSIONAL
DEVELOPMENT
OPPORTUNITIES.

PROPELLER SHORTS

IN JULY 2007 OUR FUNDING FOR SHORT FILMS UNDERWENT A MAJOR OVERHAUL. OUR AIM WAS TO ENCOURAGE GREATER INNOVATION IN PRODUCTION METHODS AND STORYTELLING, AND PROMPT EMERGING CONTENT CREATORS TO CONSIDER FORMATS OTHER THAN TRADITIONAL ‘FILM’.

The revised Propeller Shorts program showcases up-and-coming filmmakers, helping to ‘propel’ their careers by sharpening their skills on a funded short-format project, before moving into long-form work. The program encourages the formation of collaborative partnerships between peers, providing a supportive framework that encourages creative risk-taking. We supported four projects in 2007/08.

PROJECT TITLE	PRODUCER	DIRECTOR	WRITER/S
Love Apples	Clifford Hayes	Ali Kasap	Ali Kasap
Floating	Kylie Bryant	Juliet Porter	Juliet Porter
Pests	Kate Breen	Tim Dean	Tim Dean
Nullabor	Patrick Sarrell	Alister Lockhart	Patrick Sarrell and Alister Lockhart



Underbelly.
Screentime Pty Ltd.* Supported through crew attachments.

NEW FEATURE WRITERS

Our ongoing encouragement of Victoria’s emerging filmmaking talent has launched an impressive range of projects and new voices into the local screenwriting landscape.

The New Feature Writers program provides writers with little or no writing credits the opportunity to develop their feature film ideas, hone their craft skills and gain professional training and experience working with a dedicated script editor. In this financial year, 83 applications were received, from which four writers with their respective projects were invited to participate in a four-day workshop held in November 2007.

In 2007/08 we revised our New Feature Writers workshop to include both theoretical script skills and practical development opportunities, providing participants with guidance working on their own scripts. External assessor and writer Andy Cox and our Script Manager, Charlie Carman conducted the workshop. Presenting specialist talks was Claire Dobbin (visual storytelling) and Mira Robertson (script editing processes).

Following the workshop the four writers presented revised development notes of their scripts and received funding to further develop their work with the support of a professional script editor. The successful applicants are provided on-going feedback and given the opportunity to apply for one further round of ‘draft-to-draft’ development funding for their project with a producer attached.

PROJECT TITLE	WRITER
Crossing Over	Lisa Dombroski
Release	Michael Griffith
Crater Lake	Olivia Wearne
The Exclusion of Kathy Weir	Briony Kidd



Tim Dean, Molly Knight, Chris Childs and Sabi Pasai on the set of **Pests**.
Butterfly Productions. Supported through Propeller Shorts.



Carla Cametti PD.
Buon Giorno Productions Pty Ltd. Supported through crew attachments.

“THE ATTACHMENT HAS BEEN AN INVALUABLE EXPERIENCE FOR ME IN THAT IT HAS OPENED THE DOOR TO CONNECTIONS AND SKILLS THAT I DEFINITELY WOULD NOT HAVE WITHOUT IT. COMPARING WHERE I WAS BEFORE TO WHERE I AM NOW IS EXTREMELY SATISFYING AND I CANNOT BE GRATEFUL ENOUGH FOR THE OPPORTUNITY.”

PAUL ROWE, EDITING ATTACHEE WITH STEVEN EVANS ON UNDERBELLY.

“WE WERE PLEASED TO EXTEND [ANITA’S] CONTRACT AFTER HER ATTACHMENT TO COMPLETE THE SHOOT AND TO ASSIST WITH POST-PRODUCTION, AS SHE HAD BECOME A VALUED AND NECESSARY PART OF THE COSTUME DEPARTMENT.”

LOUISE WAKEFIELD, WHO SUPERVISED ANITA FITZGERALD ON A COSTUME DESIGNER ATTACHMENT ON UNDERBELLY.

ATTACHMENTS

The Attachment program provides the chance for individuals to refine their craft, improve technical skills and build industry networks through on-the-job training. Our aim is to improve the transition of emerging practitioners into paid industry employment. Through constant dialogue with the industry, we identify and address crucial skills gaps through this program, providing a valuable benefit to both emerging professionals and the industry as a whole.

During the period 27 attachments were supported:

PRODUCER

Sofie Blichfeldt with Peter Bain-Hogg
on **Rockwiz**

Joel Kohn with Lynn Bayonas
on **The Saddle Club**

Jessica Leslie with Joanna Werner
on **The Elephant Princess**

Rita Walsh with Jan Chapman
on **Bright Star**

DIRECTOR

Ashley Koek with Tony Tilse
on **Underbelly**

Ben Chessell with Roger Hodgman
on **The Elephant Princess**

Julianne Deeb with Malcolm McDonald
on **Monash and the Anzac Legend**

Carol Cumming with Colin Budds
on **The Saddle Club**

CAMERA

Kitty Allwood with Remi Adefarasin
on **The Pacific**

Deanne Chiu with Stephen Windon
on **The Pacific**

Ari Wegner with Grieg Fraser
on **The Last Ride**

EDITOR

Paul Rowe with Steven Evans
on **Underbelly**

Daniel Henengerg with Sean Lander
on **Kenny: World Tour of Toilets**

ART DEPARTMENT

Kim Hauxwell with Julie Nelson
on **Playing for Charlie**

Marni Kornhauser with Ben Morieson
on **Underbelly**

Mithila Gupta with Paddy Reardon
on **Carla Carmetti PD**

COSTUME DESIGNER

Anita Fitzgerald with Louise Wakefield
on **Underbelly**

Sar Ruddenklau with Katie Graham
on **Dying Breed**

HAIR AND MAKE UP

Kimberley Forbes and Anke Hansen
with Maggie Kolev on **Neighbours**

1ST ASSISTANT DIRECTOR

Sacha Giurietto with Nathan Croft
on **Playing for Charlie**

Belinda Fitzpatrick with Annie Maver
on **Carla Carmetti PD**

GAFFER

Chris Eon Mitskinis with Con Mancuso
on **Carla Cametti PD**

GRIP

Jaque Fisher with Craig Dusting
on **Playing for Charlie**

LOCATIONS

Tamasin Simpkin with John Greene
on **Underbelly**

SOUND POST PRODUCTION

Cliff Sanderson with Andrew Neil
on **How to Change in 9 Weeks**

INTERNSHIPS

FOLLOWING THE INCREDIBLE PAST SUCCESS OF THE DIGITAL MEDIA INTERNSHIP PROGRAM, WE DECIDED TO EXPAND INTERNSHIPS TO INCLUDE BOTH FILM AND TELEVISION IN 2007/08. THIS EXCITING CHANGE PRESENTED AN INVALUABLE OPPORTUNITY FOR WRITERS, DIRECTORS, PRODUCERS, SCRIPT AND STORY EDITORS TO ALSO BENEFIT FROM THE PROGRAM.

Interns from across all industry sectors have the chance to broaden their knowledge and skill level working in their chosen field through a placement (up to 28 weeks). Providing this opportunity for interns increases their confidence in securing on-going employment and enriches the Victorian talent pool available to Victorian film, television and digital media businesses.

In 2007/08 we also secured sponsorship to support digital media interns through Autodesk, suppliers of the industry standard 3D modelling packages. Autodesk now supports each approved digital media intern with a software license for the duration of the placement. With this added assistance, interns can access \$4,000 to support the purchase of computer equipment, as well as having the current industry standard software packages.

During the year we supported 21 intern placements.

HOST COMPANY	INTERN
PRODUCER	
360 Degree Films	Miranda Wills
Big and Little Films	Polly Staniford
December Films	Matthew Callisi
Robyn Kershaw Productions	Aleks Radovic

DIRECTOR	
Fremantle Media Australia	Hannah Hilliard

3D MODELLER/ANIMATOR	
Acheron Design	Lazarus Condos and Ben O'Reilly
Zero One Animation	Joe Magalotti and Christopher Michaelides
Wicked Witch Software	Raymond Clifton-Dobing
Wicked Witch Software	Richard Dennison

3D ANIMATOR	
Complete Post Australia	Justin Tan

HOST COMPANY	INTERN
3D ARTIST	
Visual Jazz	Beau Taylor
The Lampshade Collective	Adrian Watkins
Animator & Composer:	
The Pixel Kitchen	Tom Kenneally

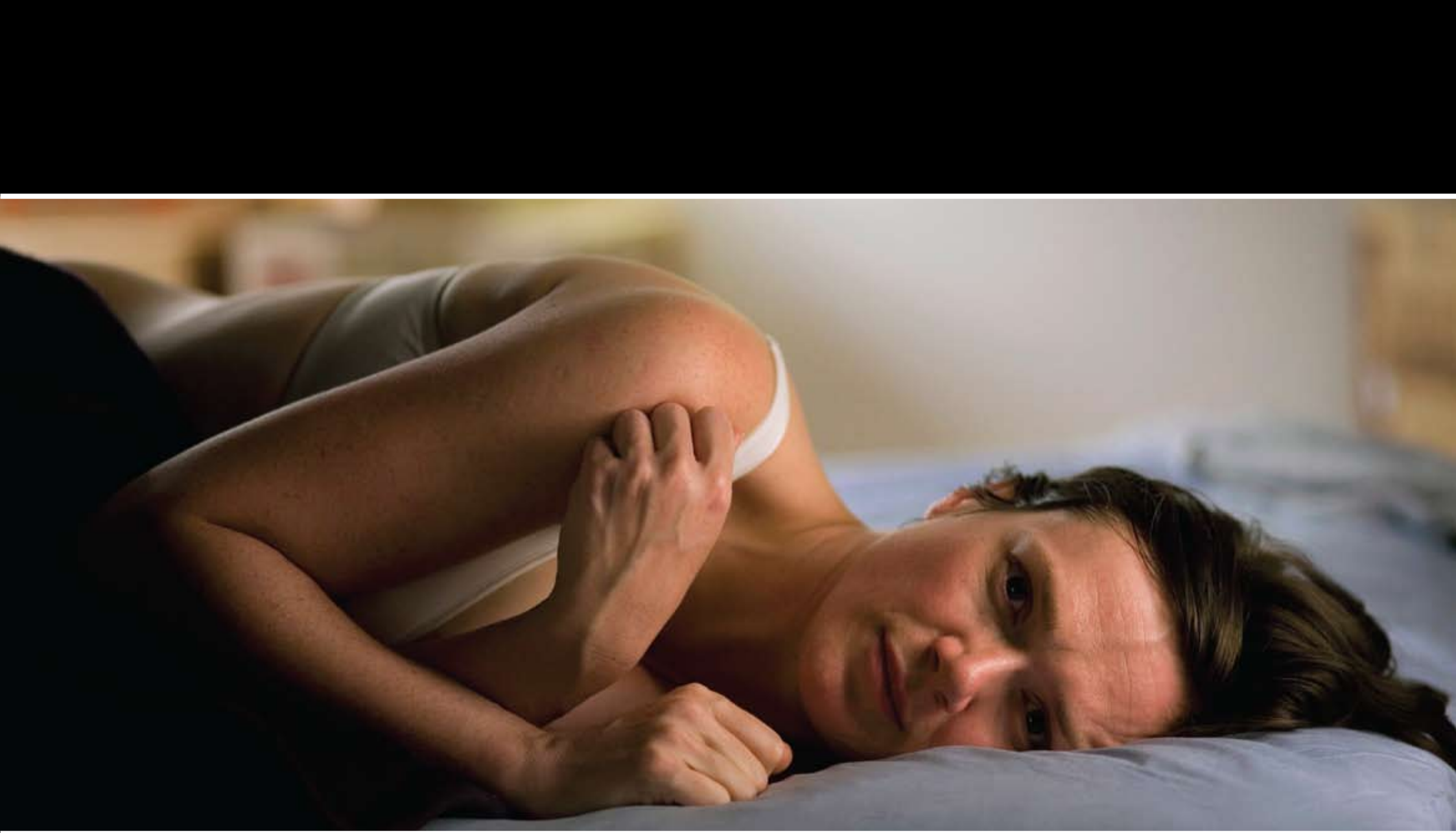
DIGITAL PRODUCER	
Complete Post Australia	Lizzy Bailey

ONLINE PRODUCER	
Ish Media	Jessica Murphy

PROGRAMMER	
Nine Lanterns	Celine Bonin
Wicked Witch Software	Russell Dilley

DIGITAL IMAGING	
Complete Post Australia	Nicholas Bitar

2D ANIMATOR	
Active Matrix (Nectarine)	Tracy Gin



Fiona Macleod in **Floating**.
Moppet Mode Pty Ltd. Supported through Propeller Shorts.

02

CONTENT CREATION

WE ARE COMMITTED TO
ENCOURAGING, MENTORING
AND ADVANCING THE
CREATION OF QUALITY
SCREEN CONTENT THAT
RESONATES WITH LOCAL
AND INTERNATIONAL
AUDIENCES.

FICTION

Through our suite of Fiction programs we continue to focus on the development of original, quality scripts.

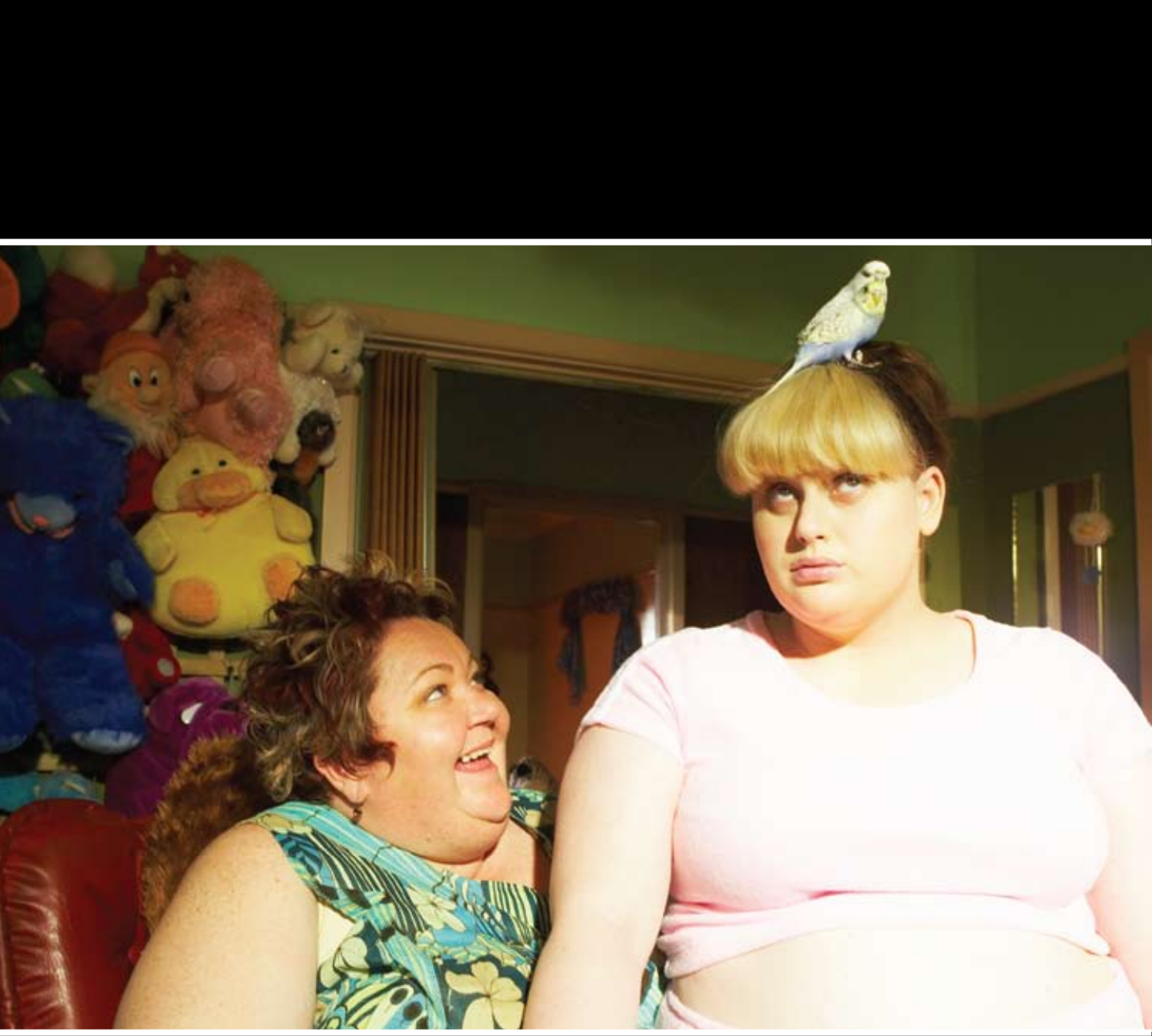
Our stage-by-stage funding approach creates collaborative, supportive relationships with practitioners. The process of content development is often lengthy and requires rigorous attention to detail.

That is why we offer writers and producers on-going consultation through every stage of the development process. Both successful and unsuccessful funding candidates have the opportunity to discuss their work and we encourage applicants to continue to approach us as their projects advance. In doing so, our aim is to assist practitioners to create content that is attractive to investors and resonates with audiences.

While our content creation programs have existed for some time, during the year we increased our focus on strengthening development skills among Victorian writers and producers. We recognise the critical role script development skills can play in creating material that can find a receptive audience.

In addition to funding the development of 49 film and television scripts in 2007/08, we provided skill enhancement opportunities for writers and producers including workshops, seminars and lectures from local and international script experts. This was despite the challenge of a reduced program budget in 2007/08.

Looking forward we aim to further enhance the range of ‘project specific’ development opportunities on offer, in addition to focused workshops for feature film and television drama and new ways to provide increased support to our Victorian writing talent.



Sally Anne Upton and Rebel Wilson in **Bogan Pride**.
Big and Little Films Pty Ltd. Supported through Fiction Development and Production Investment.

FICTION SCRIPT DEVELOPMENT INVESTMENT COMMITMENTS				
PROGRAM	07/08	06/07	05/06	04/05
Fiction Feature Film	\$797,467	\$1,070,750	\$1,132,067	\$1,076,350
Fiction Television	\$170,225	\$208,500	\$306,520	\$177,382
New Feature Writers	\$73,957	\$81,371	\$84,200	\$79,013
Less revocations noted	-	-	\$21,127	\$500
TOTALS	\$1,041,649	\$1,360,621	\$1,501,660	\$1,332,246

FICTION FEATURE FILM: PROJECTS SUPPORTED

We offered six separate programs for Fiction Feature Film in 2007/08.

FEATURE FILMS	2007/08
New Feature Writers	4
Fiction Feature Film Outline to Treatment	8
Fiction Feature Film Treatment to Draft	5
Fiction Feature Film Draft to Draft (writer)	3
Fiction Feature Film Draft to Draft (producer)	16
Fiction Feature Film Final Stage Development	2
TOTALS	38

FICTION TELEVISION: PROJECTS SUPPORTED

Three Fiction Television development programs were offered in 2007/08.

CATEGORY	2007/08
Fiction Television Bible (writer)	2
Fiction Television Bible/script (producer)	4
Fiction Television Co-funded	5
TOTALS	11

PROGRAM HIGHLIGHTS

ARISTA – ROMANTIC COMEDY SEMINAR

As part of our overall strategy to capitalise on the strong comedy foundation that exists in Victoria, Stephen Cleary, head of UK development company ARISTA was commissioned to deliver a one-day seminar on Romantic Comedy. The seminar, held at ACMI, was broadly advertised and well attended. Participants came away with a new,

enlightened understanding of the ‘RomCom’ genre in all its complexity and were given with invaluable tools to bend the genre toward their own unique interpretations.

DEVELOPMENT FOR PRODUCERS WORKSHOP

Producers often play a vital role as developers of their projects and for this reason we invited Stephen Cleary to conduct a three-day workshop for selected producers to enhance their development skills, better understand story and appreciate the complexities of working in a creative team.

The following producers attended the workshop:

Alkinos Tsilimidos	Pip Campey	Beth Frey
Robyn Kershaw	Cristina Pozzan	Ros Tatarka
Leanne Tonkes	Ruby O'Rourke	Matteo Bruno
Selin Yaman	Melanie Coombs	Mark Ruse
Michael McMahon	Sue Maslin	Mish Armstrong

AUSTRALIAN WRITERS GUILD

We continue to foster relationships with the Victorian writing community. Script Manager, Charlie Carman addressed the Victorian chapter of the Australian Writer’s Guild providing them with an outline for our programs, our vision for script development in general, and discussed the principles of screen story in a broader sense from her perspective of working in the UK and Australian industries.

ASSISTING WITH NEW COURSE CONTENT AT RMIT

We are passionate about educating the next generation of Victorian screenwriters in the rigorous art of script development. As part of the Curriculum Committee at RMIT our Script Manager has had the unique opportunity to provide input into new course structures in their Screenwriting courses. The Committee has successfully developed a new accredited course that best addresses the skills writers are likely to need if they wish to be professionally employed in film, television and digital media on an ongoing basis.



Karla Burt in **Girl Friday**.
Ish Media. Supported through Innovative Digital Content.

FACTUAL

In 2007/08 there was an increase in the number of history projects seeking funding via our factual programs, with a total of 21 projects being supported overall and covering a diverse range of local and international stories.

FACTUAL SCRIPT DEVELOPMENT INVESTMENT COMMITTMENTS				
FUNDING PROGRAM	2007/08	2006/07	2005/06	2004/05
Factual feature film^	\$45,666	N/A	N/A	N/A
Factual television^	\$167,500	N/A	N/A	N/A
Documentary Seed Funding*	N/A	\$25,000	\$15,000	5000
Documentary One-off*	N/A	\$190,625	\$230,135	195,774
Documentary Series*	N/A	\$37,500	\$60,000	[53]
Less revocations	-	-	\$3,250	\$17,868
TOTALS	\$213,166	\$253,125	\$284,017	\$182,906

^ This program was created in 2007/08 and therefore no comparative figures are available.
* This program was suspended in 2007/08 and therefore no figures are available

FACTUAL FEATURE FILM: PROJECTS SUPPORTED

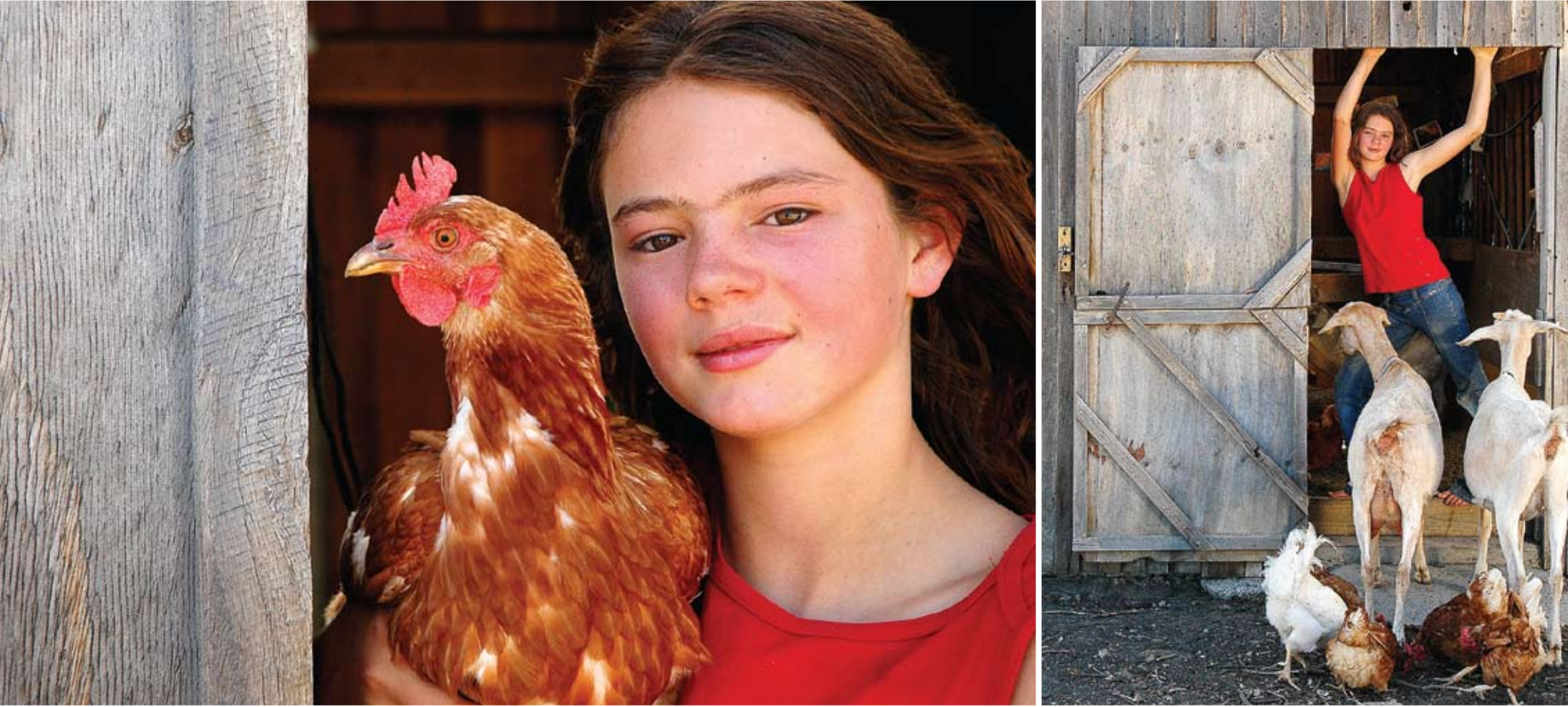
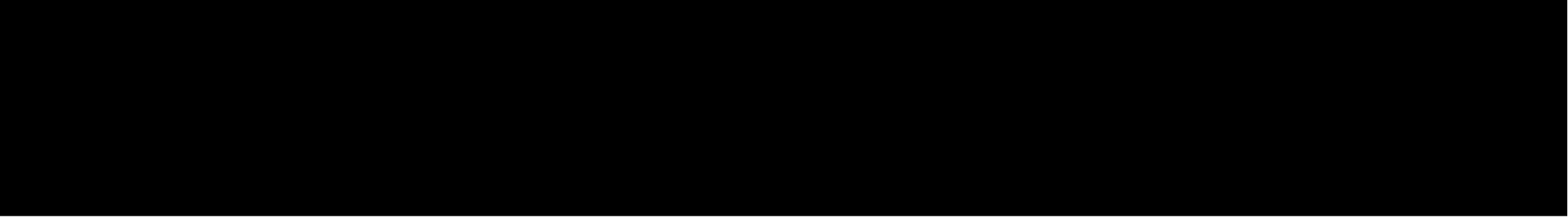
Two factual feature film development programs were introduced in 2007/08.

CATEGORY	2007/08
Factual Feature Film Outline to Treatment	0
Factual feature film advanced treatment	3
TOTALS	3

FACTUAL TELEVISION: PROJECTS SUPPORTED

Four factual television development programs were introduced in 2007/08.

CATEGORY	2007/08
Factual Television Outline to Treatment (writer/researcher)	3
Factual Television Outline to Treatment (producer)	4
Factual Television Advanced Treatment or Script (writer/researcher)	2
Factual Television Advanced Treatment or Script (producer)	9
TOTALS	18



Madeline Scott in **Love's Harvest**.
Rebel Films Pty Ltd. Supported through Factual Development and Production Investment.

HIGHLIGHTS

OUR APPROACH TO SCRIPT DEVELOPMENT FUNDING ENCOURAGES VICTORIAN PROJECTS TO MOVE THROUGH THE DEVELOPMENT PROCESS AND ULTIMATELY INTO PRODUCTION.

Two fiction and one factual television series we had previously supported through development and production investment funding were produced and broadcast successfully in 2008.

BED OF ROSES

Premiered ABC Television: Saturday May 10, 2008
Producers: Stephen Luby and Mark Ruse
(Southern Star Entertainment and Ruby Entertainment)
Writers: Elizabeth Coleman and Jutta Goetze
Script Editor: Tony McDonald
Directors: Paul Maloney and Mandy Smith

SYNOPSIS: Following the unexpected death of her wealthy husband, the life of 49-year-old Louisa Atherton (Kerry Armstrong) is turned upside down. She struggles to cope with the shock of her husband's death, affair and bankruptcy. Louisa is forced to go back to her tiny home town and re-negotiate her relationships with her prickly mother, Minna (Julia Blake) and recalcitrant kids. **Bed of Roses** is a drama series that follows Louisa as she learns to understand herself for the first time in her life.

THE LIBRARIANS

Premiered ABC Television: Wednesday October 31, 2007
Producers: Robyn Butler and Wayne Hope (Gristmill Pty Ltd)
Director: Wayne Hope
Director's Mentor: Kevin Carlin
Writers: Robyn Butler and Wayne Hope
Script Editors: Gary McAffrie and Lorin Clarke

SYNOPSIS: **The Librarians** is a six-part television comedy drama series set at the Tullamarine Public Library, run by the devout Catholic Frances O'Brien. Frances takes charge of a motley group of employees and volunteers and is forced to employ her ex-best friend, Christine Grimwood, now a drug dealer, as the Children's Librarian, in the lead up to the biggest event of the Library year – Book Week.

LOVE'S HARVEST

Screened: SBS Wednesday April 2, 2008 at 8pm
Writer/Director: Brian McKenzie
Producer: Jeni Mc Mahon (Rebel Films Pty Ltd)

SYNOPSIS: A four-part series about love, the seasons and living on the land. **Love's Harvest** is a series of beautiful and intimate stories about organic farmers. Each episode portrays the experiences of couples and families toiling hard for their belief in organic goodness and the love and life it provides. The demand for organic produce is on the rise but the perils and uncertainties of farming remain steady for those on the land. The farms in **Love's Harvest** yield rude awakenings, happy surprises, heartbreaking loss and small, overdue fortunes. Relationships are strained or reaffirmed by the challenges of losing crops or feeding stock, while carefree country kids learn to be savvy business entrepreneurs.



Bed of Roses. Southern Star Ruby Productions.
Supported through Fiction Development, Production Investment and RLAF



Little Monsters.
Torus Games, Supported through Digital Media Prototyping.

DIGITAL MEDIA

THE STATE’S DIGITAL MEDIA SECTOR IS GROWING WITH AN ANNUAL COMPOUND GROWTH RATE OF 12.9% AND OUR DIGITAL MEDIA PROGRAMS CONTINUE TO PLAY A VITAL ROLE IN ASSERTING VICTORIA’S STATUS AS THE HUB OF AUSTRALIA’S DIGITAL MEDIA CONTENT INDUSTRY.

Over the last few years there has been a substantial increase in the number of projects developed for multiple platforms. In July 2007 our digital media programs were revised to accommodate this increase and support projects with budget levels of up to \$500,000. The Innovative Digital Content, Digital Animation and Game Prototyping Development programs were combined to become the Digital Media Prototyping program to support this aim. In addition a new Digital Media Scoping program was introduced to enable early development of innovative digital and cross platform projects.

The online capabilities of next generation game consoles fuelled demand in 2007/08 for multiplayer and social gaming. This year the Digital Media Scoping and Prototyping programs approved a number of projects supporting this social style of playing.

The release of the Apple iPhone also brought with it major development opportunities, which Victorian developers were quick to seize. Globally the mobile industry expanded to beyond 3.3 billion handsets, and local developers continued their strong expansion into overseas markets. We supported

QMCodes to develop a comprehensive mobile content enabling platform, allowing content producers to quickly and easily mobilise, distribute and derive a revenue stream from their digital content.

Reinforcing Victoria’s prominence in the mobile content industry, a major publisher has signed Victorian company Firemint for its prototype title **Mega Monster**, which was funded through the Game Prototype Development program in September 2005. **Mega Monster** is a 3D game for mobile phones where the player is in charge of a monstrous pet.

The strength of the digital media sector was evident in 2007/08 with the multi-million dollar commercialisation of two projects previously supported. The successful commercialisation of these projects means that they will repay their investment within two years of receiving it.

The 2007/08 year marked the final year of the expenditure of a special \$4 million digital media package from the Victorian Government in 2006. In May 2008 the government confirmed continued support for these digital media programs in 2008/09 and 2009/10. This will enable maintained funding for digital content and skills development in the industry.

DIGITAL MEDIA DEVELOPMENT INVESTMENT COMMITMENTS				
PROGRAM	07/08	06/07	05/06	04/05
Digital Media Scoping^	\$58,294	N/A	N/A	N/A
Digital Media Prototyping^	\$1,032,565	N/A	N/A	N/A
Innovative Digital Content*	N/A	-	\$318,072	\$141,950
Digital Content Development*	N/A	\$261,606	N/A	N/A
Digital Audience Development*	N/A	\$169,856	N/A	N/A
Game Prototype Development*	N/A	\$1,367,585	\$309,136	\$348,000
Digital Animation*	N/A	\$55,852	\$87,000	\$32,820
NickVic3G1*	N/A	\$50,000	N/A	N/A
Less Revocations	-	\$26,301	\$27,727	-
TOTALS	\$1,090,859	\$1,878,598	\$889,705	\$807,025

^ This program was created in 2007/08 and therefore no comparative figures are available.

* This program was suspended in 2007/08 and therefore no figures are available.

DIGITAL MEDIA SCOPING

The Digital Media Scoping program enables film and television producers to exploit content across a range of platforms and to fully explore the potential of their creative digital media ideas. The program also exists to support the development of better quality projects, capable of attracting further investment, reaching a targeted audience and generating significant benefits back to the producer. Ten projects were supported with funding during the year.

PROJECT TITLE	COMPANY
Enviroswitch.com	International Production Services Aus Pty Ltd
Charity Ringtones and Mobile Media	Ben Harding
Ben is Dead	Brett Snelgrove
Girl Mechanic	Katrina Mathers
The Jammed – Real Stories	Jammed Films Pty Ltd
Team Spirit	Peter Nicholson
The Line	Joy Ride Enterprises Pty Ltd
Songnodes	Katharine Neil
Docoplanet.com	NetEffective Media Group
Office Worker Man	MAJ Productions

DIGITAL MEDIA PROTOTYPING

Our Digital Media Prototyping program recognises that the interactive entertainment industry now comprises complex development platforms. This program addresses the need to support digital media producers to pitch to publishers and other third party investors through playable game demonstrations and other electronic proof of concepts. We committed prototyping funding to 11 projects in 2007/08.

PROJECT TITLE	COMPANY
Swappler.com	Portable Content Pty Ltd
The Nightspot	Acheron Design
Cinch	Cinch

Grind Ball	Effort Studios
iFish	Endgames Studios
Interactive Print Platform	QMCODES Pty Ltd
Kindred Spirits	Firemint
Little Monsters	Torus Games
My Team	Lycette Bros. Pty Ltd
Transit Platform	Firesyde
iDJ	Endgames Studios

HIGHLIGHTS

TRANSIT PLATFORM

Transit Platform is a collection of hardware infrastructure and software components delivering rich media in a very flexible way. It allows for the easy setup of media based websites, including a content management system, protected areas for specific users or clients, automatic generation of a mobile specific site and automatic transcoding of media into all phone, iPod and PC formats. It will run a highly sophisticated site metrics tool, compiling information on how content is distributed and viewed across the web, enabling producers to control and understand who is watching and when. Transit Platform was supported through our Digital Media Prototyping program.

GIRL FRIDAY

Ish Media won the Best Entertainment AIMIA Award for their cross platform project **Girl Friday**. Part comedy, part life-lesson **Girl Friday** is an interactive series about a girl who finds a mobile phone on a tram and soon becomes engaged in the mysterious life of the stranger’s phone. Ish Media were able to showcase **Girl Friday** and its supporting technology system to New York marketing, advertising and distribution groups as part of the Austrade/AIMIA trade mission in February 2008, presenting Australian digital media technology capabilities and innovation to the US market. We supported the development of **Girl Friday** in 2006.

03

INDUSTRY DEVELOPMENT

OUR AIM IS TO PROVIDE
PRACTITIONERS WITH
ACCESS TO OPPORTUNITIES
TO ENHANCE THEIR
EXPERIENCE, ATTEND
INTERNATIONAL MARKETS
AND ENGAGE WITH
THEIR PEERS.



Rose Byrne and Damian Walshe-Howling at St Kilda Film Festival 2008.
Jim Lee Photography.



Palais Theatre, St Kilda Film Festival 2008.
Jim Lee Photography.

IN JULY 2007 WE REFINED OUR FUNDING PROGRAMS TO BETTER SUPPORT PRACTITIONERS ACROSS FILM, TELEVISION AND DIGITAL MEDIA SECTORS WITH OPPORTUNITIES FOR NETWORKING, SKILLS DEVELOPMENT AND ACCESS TO INTERNATIONAL KNOWLEDGE. IN ADDITION WE ENHANCED THE NUMBER OF NETWORKING AND FORUM OPPORTUNITIES WE COULD OFFER THAT WOULD ENCOURAGE CRITICAL DIALOGUE WITHIN THE INDUSTRY AND THE DEVELOPMENT OF COLLABORATIVE RELATIONSHIPS BETWEEN INDUSTRY GROUPS.

SCREEN INDUSTRY DEVELOPMENT PROGRAM

The Screen Industry Development program acknowledges that the industry is in a prime position to deliver activities that address the specific needs of practitioners.

This program funds a range of conferences, seminars, master classes, workshops and industry functions managed by industry organisations or practitioners. These activities enable individuals to build relationships, increase knowledge and expertise, and improve skills.

In 2007/08 we supported the following organisations to host industry development and networking opportunities.

- Open Channel
- ATOM Awards
- Australian Directors' Guild Conference and Awards
- Australian International Documentary Conference
- Script Alive!
- VCA Film & Television Graduate Awards
- Open Channel's Framed Seminar Series
- Senses of Cinema
- Emerging Practitioners Website
- Short & Sharp Pitching Competition
- Video Slam
- AWGIE Awards
- Equity Foundation Professional Program
- SPAA Fringe
- SPAA Conference
- Acting for Animators – Ed Hooks master class
- Enhance TV ATOM Awards
- Framework
- X|Media|Lab



Simon Goodrich. **Portable Film Festival Symposium.**
Supported through Public Screen Engagement.

HIGHLIGHTS MINDSHIFT

In May 2008 the industry forum Mindshift explored current issues in the industry and proposed solutions for resolving these issues. Jennie Brockie from SBS's Insight program hosted the event attended by over 300 industry practitioners. Discussion focussed on what a successful screen industry should look like, different methods for improving project success and the importance of creating content that was attractive to both investors and audiences. Special contributors from similar industries also provided insight into how they responded to the challenges of developing ideas, attracting audience interest and increasing their financial returns.

Following the forum, practitioners were also encouraged to complete an online survey which captured further thoughts about industry challenges and how to resolve them. All of the discussion notes from the forum and surveys were passed on to the Department for Innovation, Industry and Regional Development as a reference for the development of the Victorian Screen Industry Review.

GAME DEVELOPERS' CONFERENCE

The Game Developers' Conference is the major international marketplace and conference covering all forms of games development. It's held annually in San Francisco and presents an opportunity for Victorian game developers to meet with their international peers and discuss new technology, product innovations and potential deals.

In 2008 we partnered with the software company Autodesk to host a targeted mobile phone games development networking luncheon during the Conference. This provided local developers with an opportunity to exchange ideas with international colleagues in a setting that was more conducive for networking.

GROWING WORLDS

In conjunction with Australian Film and Television Radio School (AFTRS) and the Australia Council, we also hosted Growing Worlds: Turning Your Stories into Games to examine the key ingredients of planning, writing, designing and structuring a compelling game. Award-winning novelist, TV and games writer, Matt Costello and Krome Studios' Director, Kurt Busch, addressed a multi-disciplinary audience on key elements required to create compelling games and the links that can be made between traditional storytelling and next-generation games.

PORTABLE SYMPOSIUM – 'IN CONVERSATION' WITH EZRA COOPERSTEIN

In April, we seized the opportunity to partner with Portable Content to bring Ezra Cooperstein, Vice President of Development and Production at Current TV to Victoria for the benefit of local practitioners.

Established by former US Vice President and Nobel Peace Prize winner Al Gore, Current TV is the first fully integrated web and TV platform to hit the online space. It is also the only 24/7 cable and satellite television network and internet site produced and programmed in collaboration with its audience.

ABC's Fenella Kernebone interviewed Ezra in front of a 100-strong audience, discussing online content delivery, working with user-generated material and the impact of user-generated content on the screen industry.

FRAMEWORK:CREATE

FRAMEWORK:CREATE bought together established film and games industry practitioners to encourage the exchange of ideas and explore strategies used in the film development process to encourage creation of more original IP in the local games sector.

The one-day conference was expanded through a partnership between the AFTRS and FRAMEWORK to include an evening networking event targeting practitioners of all levels working in these areas. Special guest speaker

Shilo McLean spoke to guests about issues of convergence between films and game development and the scope for developing games specifically for women and girls.

This conference and networking event enabled practitioners to explore the use of resources for investigating appropriate markets and understanding demographic needs. It also examined the level of detail required during concept development and the benefits of proper planning.

NATIONAL SCREENWRITERS' CONFERENCE

In the 2007/08 financial year we welcomed back the National Screenwriters' Conference for the first time in nearly four years. The conference took place from 19 – 21 October at the Marylands Country House in Marysville, Victoria. The aim of the Conference was to create opportunities for established practitioners to learn from – and network with – each other, while also creating space for analysis and debate. Each keynote speech, panel discussion, master class and craft session responded to the core goal of moving the sector towards greater sustainability.



Michael Padden, Sandra Sdraulig, Paul Wiegard and Sue Maslin
at **Mindshift**. BMW Edge, Federation Square 2008.



Tim Minchin in **Rock N Roll Nerd**.
Letterbox Films Pty Ltd. Supported through Factual Development & Production Investment.

“I HAVE TO ADD THAT THIS WAS NOT ONLY A GOLDEN OPPORTUNITY TO MEET DELEGATES FROM INTERNATIONAL COMPANIES FACE TO FACE, BUT IT WAS ALSO FABULOUS TO MEET OTHER AUSTRALIANS WHO ARE IN THE SAME POSITION AS BIGKIDZ.”

KELLY LYNAGH, BIGKIDZ ENTERTAINMENT
AT MIPCOM 2007

“I REALISE NOW ATTENDING MIPCOM/ MIPTV IS A BUSINESS NECESSITY.”

LET’S TALK PTY LTD
JIM SHOMOS AT MIPCOM 2007

INTERNATIONAL MARKET ATTENDANCE

The expanded International Market Attendance program recognises the global nature of the screen business. It provides Victorian practitioners with exposure to potential investors, sales agents and distributors at international markets across film, television and digital media sectors. In 2007/08 we supported 15 screen companies to attend international markets.

American Film Market 2007, United States
Adante Productions Pty Ltd (Michael Adante)

Cannes Film Festival Marche du Film 2008, France
Sense & Centsability (Leanne Tonkes)
Valarc Films Pty Ltd (Matteo Bruno and Ben Hackworth)
Top Cat Films (Robert Lewis Galinsky & Elizabeth Howatt-Jackman)

MIPCOM 2007, France
Joel Kohn
Galaxy Pop Pty. Ltd (Gian Christian and Dina McPherson)
Bigkidz Entertainment (Kelly Lynagh)
Burberry Productions Pty. Ltd. (Ewan Burnett)
Let’s Talk Pty. Ltd (Jim Shomos)

MIPTV 2008, France
Puffafish Pty Ltd (Anthony Woodcock)
Westside Film & Television Pty Ltd (Ann Darrouzet)

Rotterdam CineMart 2008, The Netherlands
Film Camp Pty Ltd (Philipa Campey & Rhys Graham)

Sunny Side of the Doc 2008, France
Flaming Star Films Pty Ltd (Sharyn Prentice)
Ghost Pictures Pty Ltd (Andrew de Groot)
Portable Film Festival (Simon Goodrich)

INTERNATIONAL FESTIVAL ATTENDANCE

On 1 July 2007 an enhanced International Festival Attendance program offered local film, television and digital media practitioners opportunities to attend approved festivals where their project was screening. Through this funding, 19 professionals were able to forge critical overseas networks, build international profiles and generate international interest and opportunities in their projects.

Toronto International Film Festival 2007, Canada
Tony Ayres and Michael McMahon, *The Home Song Stories*
Lizzette Atkins, *Night*
Cezary Skubiszewski, *Night and Death Defying Acts*
Matteo Bruno, *Corroboree*
Robert Connolly, *Romulus, My Father*

Palm Springs International Festival of Short Films 2007, United States
Adam Bostock, *The Postman*
Stephen Mack, *HIM*
Ruby Hamad, *Falling*

Sundance Film festival 2008, United States
Donna McCrum and Sean Byrne, *Advantage*

Rotterdam International Film Festival 2008, The Netherlands
Nick Heydon and Tim Dean, *Wasting Away*

Hot Docs 2008, Canada
Luke Walker, *Beyond Our Ken*

Cannes Film Festival 2008, France
Stuart Parkyn, *Jerrycan*

Frameline: San Francisco International LGBT Film Festival 2008, United States
Emma Crimmings, *Two Men and Two Babies*

Annecy International Animated Film Festival 2008, France
Tali Gal-on, *Crooked*

Palm Springs International Festival of Short Films 2008, United States
Nick Ball & Gus Johnston, *How Much Do You Love Me?*
Bowen Duffy, *Remember My Name*



Stuart Parkyn (left), **Festival de Cannes**.
Supported through International Festival Attendance.

NO BORDERS

Each year, Film Victoria, the NSW Film and Television Office (NSW FTO) and the New Zealand Film Commission (NZFC) collaborate to sponsor producers to attend the No Borders Co-Production Market in the USA. The market is a film-financing forum that takes place during the annual Independent Film Producer (IFP) market. It is an opportunity to present fresh and compelling independent cinema projects to financiers, sales agents and international television buyers, and form strategic contacts for future benefit.

This financial year the No Borders International Selection committee chose one Victorian feature film presented by the partnership:

Hollow Point
Producer: Peter Ford (Resolution Independent)
Co-writer/director: Matthew George
Co-writer: Christopher Kelly
Synopsis: Lewis, an undercover cop, is sent to Vietnam to infiltrate and destroy a Russian roulette death match.

04

PRODUCTION INVESTMENT

WE INVEST IN ORIGINAL,
MARKETABLE, QUALITY
TELEVISION AND DIGITAL
MEDIA PRODUCTIONS THAT
DELIVER UNIQUE AND
EXCITING VOICES TO BOTH
LOCAL AND INTERNATIONAL
AUDIENCES.

Robert Mammone in **Carla Cametti PD**.
Buon Giorno Productions Pty Ltd. Supported through Fiction Development & Production Investment.

PRODUCTION INVESTMENT

In June 2007, we announced changes to our Production Investment program, broadening its scope to include digital media projects. Effective from 1 July 2007, this program change has provided an opportunity for content creators to apply for funding across multiple delivery mechanisms.

Another significant change has been our decision to revert our rights and entitlements in projects back to the producers of projects we have invested in, five years after the project’s release. We recognised that enabling businesses to retain and exploit their assets was critical to building a sustainable industry and we were the first federal or state industry funding agency to make such a change. During the financial year we completed the rights reversion process for all projects we previously invested in that had passed the five-year threshold.

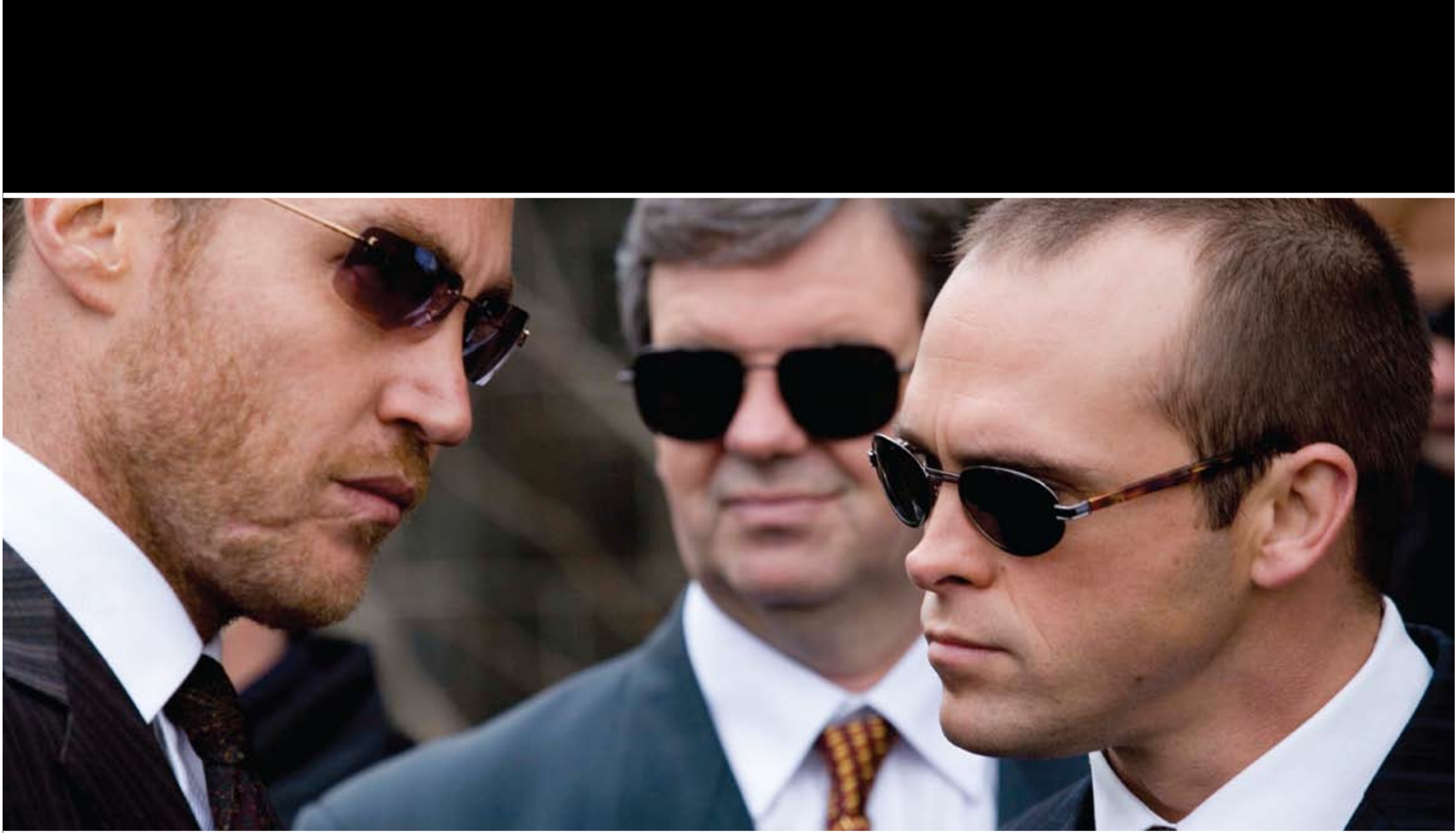
Production Investment complements our suite of content creation programs and assists in progressing projects through their production life-cycle. In 2007/08 11 projects which had been previously supported with development funding went on to receive support through the production investment program. This included 1 fiction feature film, 2 factual feature films, 5 fiction and 3 factual television projects.

The 2007/08 period also marked the final year of the special Victorian Government Television Production Initiative funding package announced in 2006, which included a \$1.25 million additional allocation for investment in fiction television and \$1 million for television pilots. In May 2008 the Victorian Government confirmed renewal of these funding initiatives from 1 July 2008 to 30 June 2010.

Once again demand for production investment funds were high during the financial year with over \$5.8 million committed during the period, a 45% increase on the previous year. This includes a forward commitment of \$1.2 million. During the period we supported 13 feature projects, an increase on last year, and 18 television projects.

PRODUCTION INVESTMENT: COMMITMENTS			
PROGRAM	2007/08	2006/07	2005/06
Feature Films – Fiction	\$2,821,567	\$943,490	\$1,537,702*
Feature Films – Factual	\$295,000	\$36,000	n/a
Television Production Initiative	\$1,250,000	\$1,250,000	n/a
Television – Fiction (additional)	\$671,673	\$1,030,000	\$3,032,893
Television – Factual	\$764,574	\$826,000	\$1,428,600
Digital Media	\$0	n/a	n/a
Less revocations	\$0	\$96,182	\$36,000
TOTALS	\$5,802,814	\$3,989,308	\$5,963,195

* 2005/06 year total includes both fiction and factual feature productions.



Callan Mulvey, Kevin Harrington and Les Hill in **Underbelly**.
Screentime Pty Ltd. Supported through Production Investment.

PROGRAM HIGHLIGHTS

THE FOLLOWING HIGHLIGHTS DEMONSTRATE THE DIVERSITY OF PROJECTS SUPPORTED THROUGH THE PROGRAM IN 2007/08.

FEATURE FILMS – FICTION

My Year Without Sex is a comedy from Victorian writer/ director Sarah Watt. It’s about one messy year in the life of a family questioning everything – including religion, sport, consumerism, self-improvement, the pervasive instructions of the media and love.

Balibo is the new feature project from producer/director Robert Connolly, starring Anthony La Paglia. The story follows 25-year old Jose Ramos Horta, a member of the East Timor Fretilin Government, as he lures Darwin-based Australian journalist Roger East to East Timor to investigate the disappearance of five journalists – the ‘Balibo Five’.

Victorian producer Robyn Kershaw and indigenous director/writer Rachel Perkins will bring to the screen an adaptation of Australia’s first indigenous musical theatre production, Bran Nue Dae. Set in 1965 a young indigenous man from Broome is sent to a religious mission in Perth for further schooling. He runs away and begins the adventurous 3,000 km journey back to Broome.

The Last Ride is a powerful contemporary exploration of a child’s dilemma – the choice between doing what his heart knows is right and the need to be loved by a dysfunctional father. The Last Ride will be the feature debut of the Palme D’Or winning short film director, Glendyn Ivin.

Director Sean Byrne will tackle teenage dating fears with The Loved Ones, a tale of unrequited love, a school leavers’ dance, kidnapping and macabre celebrations.

FEATURE FILM – FACTUAL

From the Actor’s Café and Instinct Entertainment is Salute, the story of Australian athlete, Peter Norman’s involvement in the famous Black Power salute at the 1968 Olympics in Mexico.

Rock N Roll Nerd from Circe Films follows the meteoric rise of Victorian comedian/ musician Tim Minchin.

Whatever Happened To Brenda Hean? explores the remarkable story of one woman’s fight to save Tasmania’s Lake Pedder and her mysterious disappearance in 1972. Thirty years later, a quest to discover the truth takes us on a journey into the landscape and eccentric communities of Tasmania.

TELEVISION – FICTION

Dirt Game is a dramatic six-part series about one of Australia’s oldest and riskiest pursuits – mining. A UK CEO is sent out by his secretive London Board to head up a debt-ridden Australian mining firm and is under ruthless instruction to either save the company or dump it.

Very Small Business is a comedy series about small businessman Don Angel. After numerous unsuccessful business ventures, Don’s one man publishing empire is hurtling towards liquidation. He’s just hired Ray Leonard who is taking his first tentative steps back into the workplace after a six-year battle with depression. It’s a marriage made in heaven – at least until the Tax Office gets there.

The 13 part series for tweenagers – Snake Tales – is about two completely different girls from opposite ends of the world as they are forced to live together in a run-down snake park in Outback Australia – with only their very strange families for company.

TELEVISION – FACTUAL

The documentary Fitzroy Stars tells the story of one of Australia’s first all-indigenous football clubs established in Melbourne in the 1970’s and disbanded in the early 90’s. Many of the players went on to become leaders of the community and developed cultural and welfare organisations across Melbourne and Victoria.

In September 2006, Chinese soldiers shot at a group of pilgrims as they fled Tibet. A team of international mountain climbers filmed the shooting, helped rescue survivors and bravely broadcast the story to the world. This incident changed many lives forever. Murder In the Snow is their story.

Anatomy is a documentary series exploring art, sex and the body. Three unusual and compelling stories explore how sexuality and the body work as driving forces in the creative process. Anatomy shows the work of three of Australia’s talented new generation of documentary filmmakers: directors Rhys Graham, Natasha Gadd and Amy Gebhart.

Re-enchantment is a broadband interactive documentary that explores why fairytales continue to enchant and horrify adult audiences. The project will merge digital video, documentary footage, animation, still images and sound and will have cross platform applications.



Kym Gygnell and Wayne Hope in **Very Small Business**.
Gristmill Pty Ltd. Supported through Fiction Development & Production Investment.

SUPPORTED PROJECTS

IN 2007/08 WE RECEIVED 39 APPLICATIONS FOR INVESTMENT AND 31 PROJECTS WERE SUCCESSFUL.

FICTION FEATURE FILMS

Animal Kingdom
Porchlight Films
Producer: Liz Watts
Director/ Writer: David Michod

Balibo
Arenafilm Pty Ltd
Producers: John Maynard, Robert Connolly
Director: Robert Connolly
Writers: Robert Connolly, David Williamson

Blessed
Wildheart Zizani Pty Ltd
Producer: Al Clark
Director: Ana Kokkinos
Writers: Andrew Bovell, Melissa Reeves,
Patricia Cornelius, Christos Tsiolkas

Bran Nue Dae
Robyn Kershaw Productions Pty Ltd
Producers: Robyn Kershaw, Graeme Isaac
Director: Rachel Perkins
Writers: Rachel Perkins, Reg Cribb,
Jimmy Chi

Love and Mortar
Cascade Films Pty Ltd
Producers: David Parker, Richard Keddie
Director: Nadia Tass
Writers: Lynne Renew, David Parker

My Year Without Sex
Hibiscus Films Pty Ltd
Producer: Bridget Ikin
Director/ Writer: Sarah Watt

The Last Ride
Talk Films Pty Ltd
Producers: Nicholas Cole, Antonia Barnard
Director: Glendyn Ivin
Writer: Mac Gudgeon

The Loved Ones
Ambience Entertainment Pty Ltd
Producers: Mark Lazarus, Jason Moody
Director/ Writer: Sean Byrne

FEATURE FILMS – FACTUAL
Indonesia Calling
Early Works
Producer/ Director/ Writer: John Hughes

Lionel (post)
Circe Films
Producer: Lizette Atkins
Director/ Writer: Eddie Martin

Rock N Roll Nerd
Letterbox Films
Producers: Rhian Skirving, Lizzette Atkins
Director/ Writer: Rhian Skirving

Salute
Actors Café and Instinct Entertainment
Producers: Matt Norman, David Redman
Director/ Writer: Matt Norman

Whatever Happened To Brenda Hean?
Big and Little Films
Producers: Michael McMahon,
Scott Millwood
Director: Scott Millwood
Writers: Mira Robertson, Scott Millwood

TELEVISION – FICTION

Bogan Pride
Big and Little Films
Producers: Michael McMahon, Tony
Ayres, Rebel Wilson
Director: Peter Templeman
Writer: Rebel Wilson

Chainsaw (post)
Jungle Pictures
Producers: Fiona Cochrane, Dennis
Tupicoff
Director: Dennis Tupicoff
Writer: Dennis Tupicoff

Dirt Game
Harvey-Taft Productions
Producers: David Taft, Michael Harvey
Directors: Brendan Maher, Grant Brown
Writer: Michael Harvey

Dogstar – Series 2
Media World Pictures
Producers: Colin South, Ross Hutchens
Writers: Doug McCleod, Phillip Dalkin

The Elephant Princess (post)
Jonathan M Shiff Productions
Producers: Jonathan M Shiff,
Joanna Werner
Directors: Rodger Hodgman, Grant
Brown, Daniel Nettheim
Writers: Phillip Dalkin, Anthony Morris,
Chris Anastassisadis, Max Darin, Simon
Butters, Sam Carroll, Chris Roache



Janine Atwill, Kate Jenkinson and Natasha Cunningham
in **Bogan Pride**. Big and Little Films Pty Ltd. Supported
through Fiction Development & Production Investment.

Snake Tales

Westside Film & Television
Producer: Ann Darrouzet
Directors: Daniel Nettheim, Ralph Strasser & Nicholas Verso
Writers: Anthony Watt, Alix Beane, Brendan Luno, Kris Mrksa, Sam Carroll

Saved

Big and Little Films
Producers: Michael McMahon, Tony Ayres, Belinda Chayko
Director: Tony Ayres
Writer: Belinda Chayko

Very Small Business

Gristmill
Producers: Robyn Butler, Wayne Hope
Director: Daina Reid
Writers: Wayne Hope, Gary McCaffrie

TELEVISION – FACTUAL

Anatomy

Big and Little Films
Producers: Michael McMahon, Tony Ayres
Directors: Natasha Gadd, Rhys Graham, Amy Gebhardt

Drugs, Death and Betrayal

Carlyon-Miller Productions
Producers: Terry Carlyon, Robyn Miller
Director: Terry Carlyon

Fitzroy Stars: More than a game

Movie Mischief
Producer: Mish Armstrong
Director: Daniel King
Writer: John Harding

Intangible Asset Number 82

In the Sprocket Productions
Producers: Emma Franz, Richard Lowenstein
Director/Writer: Emma Franz

Liquid Stone: Unlocking Gaudi's Secret

Circe Films
Producers: Beth Frey, James Franklin
Director/Writer: Polly Watkins

Monash and the Anzac Legend

360 Degree Films
Producer: John Moore
Director: Malcolm McDonald

Murder In the Snow

360 Degree Films
Producer: Sally Ingleton
Director/Writer: Mark Gould

Paper Dolls

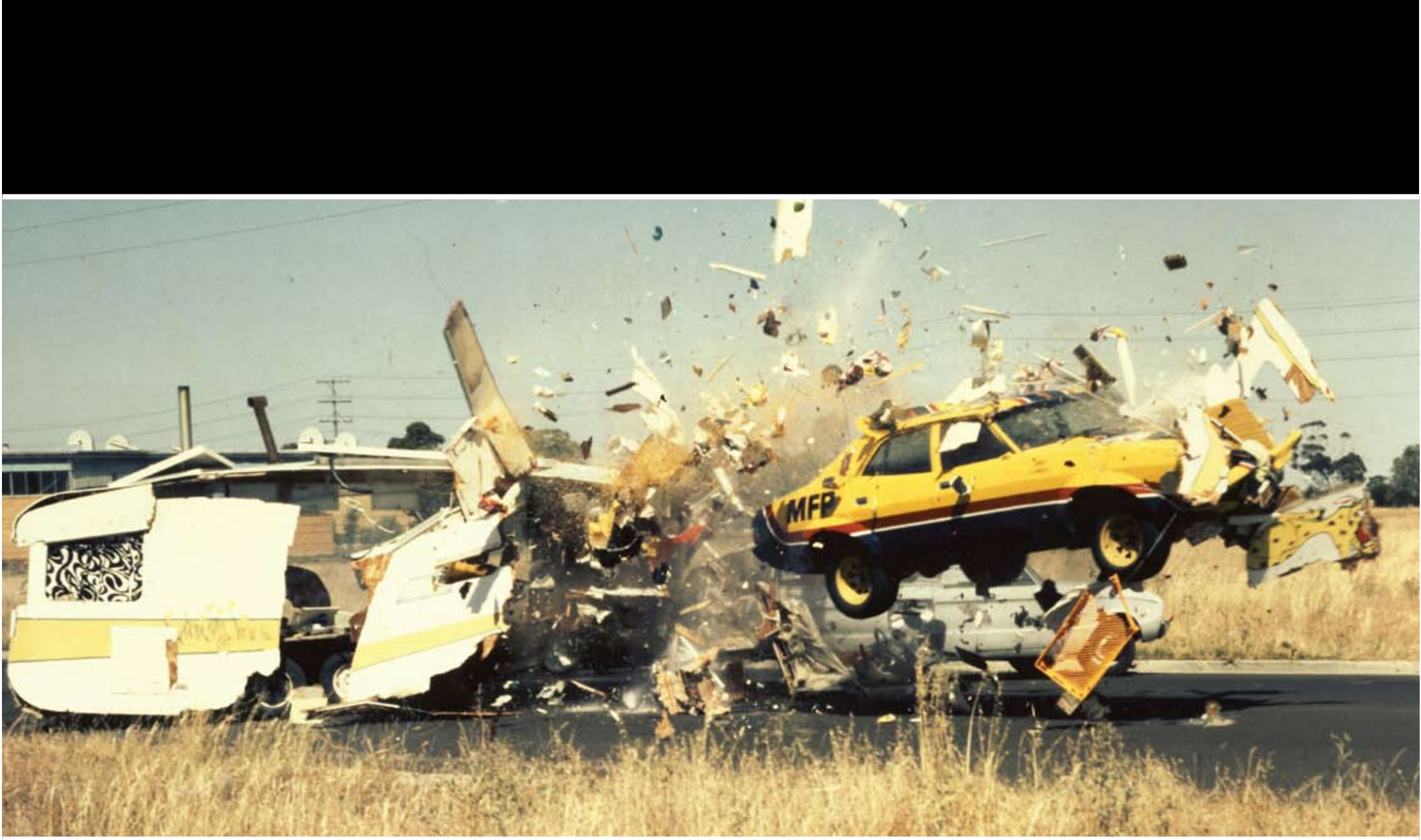
Marina Films
Producer: Yvonne Collins
Director/Writer: Angela Buckingham

Re-enchantment

Inside Out Productions
Producer: Sue Maslin
Director/Writer: Sarah Gibson

Seed Hunter (post)

360 Degree Films
Producer: Sally Ingleton
Director/Writer :Sally Ingleton



Shot of **Mad Max** in **Not Quite Hollywood**.
City Films Worldwide Pty Ltd. Supported through Production Investment.

PILOT FOR TV OR DIGITAL MEDIA BROADCAST

SINCE ITS INCEPTION IN 2006, THE TV PILOT SCHEME HAS SOUGHT TO STIMULATE VICTORIAN TELEVISION DRAMA PRODUCTION THROUGH THE PROVISION OF ONE-OFF FUNDS FOR THE PRODUCTION OF PILOTS.

During 2008 we decided to extend this program to include pilot for digital media broadcast in response to changing delivery platforms now available to producers. Through the revised Pilot for TV or Digital Media Broadcast program we fund the production of pilots for adult or children's drama or narrative comedy including mini-series, ongoing series/serials as well as short form series for digital media broadcast (i.e. online broadcast).

During the year, six applications were approved for funding:

The Committee

Adult comedy
Cascade Films
Producers: David Parker, Katherine Thomson
Director: Nadia Tass
Writers: Tim Pye, Katherine Thomson

King Penguins

Adult Comedy
Beat Productions
Producers: Tobias Webster, Ben Lowe
Director: James Tre
Writer: Tobias Webster

Lowdown

Adult comedy
Lowdown Inc.
Producers: Nicole Minchin, Adam Zwar
Director: Amanda Brotchie
Writers: Adam Zwar, Amanda Brotchie

Pharaoh's Leap

Children's drama
Westside Film and Television
Producer: Ann Darrouzet
Director: Moira Moss
Writers: Kris Mrksa, Alix Beene

Three Day Growth

Adult comedy
Ish Media
Producers: Karla Burt, Vanessa Burt
Director: Nick Hallam
Writers: Vanessa Burt, Daniel Burt

Too Far

Adult comedy
Mondayitis TV
Producers: Marc Gracie, Cameron Ford
Director: Matt Peek
Writers: Cameron Ford, Matt Peek

05

BUSINESS SUPPORT

WE PROVIDE PRODUCERS
AND PRODUCTION
COMPANIES WITH SUPPORT
TO CREATE HIGH QUALITY,
MARKETABLE PROJECTS
AND ESTABLISH STRONG,
BUSINESSES TO DRIVE
A SUSTAINABLE INDUSTRY.



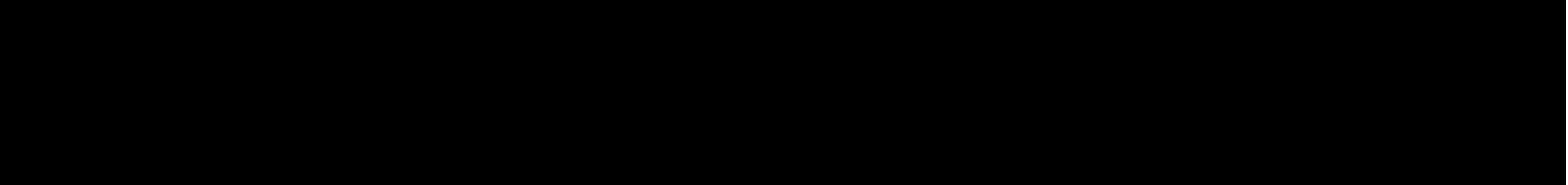
Cast and crew of **Rock It**.
Galaxy Pop Pty Ltd. Business Support for Producers.

In April 2007 we announced significant changes to our Business Support programs.

Two former programs (Producer Packages and Commercial Script Development Scheme) were restructured to better equip producers with crucial business planning, financial management and marketing skills, helping them to forge relationships, adopt sustainable business models and broaden the scope and financial viability of projects. The restructure also sought to provide highly-skilled and established screen professionals with greater flexibility in responding to market forces to produce high quality, marketable projects over the long-term. Three new Business Support programs were created and began operation on 1 July 2007.

AS A RESULT OF THESE CHANGES THE ELIGIBILITY CRITERIA FOR LESS EXPERIENCED PRODUCERS IS MORE FLEXIBLE AND EXPERIENCED PRODUCERS ARE NOW ABLE TO ALLOCATE FUNDING TOWARDS THE COSTS OF PROJECT DEVELOPMENT.

Significantly, funding is now available to digital media producers and production companies with a slate of projects intended for delivery on digital platforms. Over \$1.16 million was committed through the Business Support programs during the year.



Animalia.
Burberry Productions Pty Ltd. Supported through Slate Funding, Cash Flow Facility & PIAF.



Waddy in **Nullabor.**
The Lampshade Collective. Digital Media Business Support.

BUSINESS SUPPORT FOR PRODUCERS

This program provides up to \$35,000 for emerging producers to assist with business overheads and ancillary costs. Emphasis is placed on business development and producers are required to allocate funds specifically for business skills development. In 2007/08 year we supported six applications for funding.

FILM AND TELEVISION

PRODUCTION COMPANY	PRINCIPAL(S)
Let's Talk Pty Ltd	Jim Shomos
Galaxy Pop Pty Ltd	Gian Christian & Dina McPherson
Ish Holdings Pty Ltd	Debra Allanson, Karla Burt & Kylie Robertson
Yaman Films Pty Ltd	Selin Yaman

DIGITAL MEDIA

PRODUCTION COMPANY	PRINCIPAL(S)
The Lampshade Collective Pty Ltd	Katrina Mathers, Patrick Sarell, Daryl Munton
Licks Productions Pty Ltd	Karen Kim

BUSINESS SUPPORT FOR COMPANIES

Through this program up to \$70,000 is available for established producers to assist with consolidation of their business through support for project development, business overheads and ancillary costs. During the year three production companies were supported:

FILM AND TELEVISION

PRODUCTION COMPANY	PRINCIPAL(S)
Rescued Films Pty Ltd	Alkinos Tsilimidos
Retro Active Active Films	Trevor Blainey
Ghost Pictures Pty Ltd	Richard Lowenstein, Lynn-Maree Milburn, Andrew De Groot

SLATE FUNDING

ESTABLISHED PRODUCERS LOOKING FOR ASSISTANCE TO DEVELOP A SLATE OF HIGH QUALITY, MARKETABLE PROJECTS CAN APPLY FOR UP TO \$300,000. THROUGH THIS PROGRAM OUR AIM IS TO ENABLE VICTORIAN PRODUCTION COMPANIES TO GROW AND BECOME SUSTAINABLE BUSINESSES. WE CONFIRMED FUNDING FOR THREE PRODUCTION COMPANIES DURING THE FINANCIAL YEAR.

PRODUCTION COMPANY	PRINCIPAL(S)
Arenafilm Pty Ltd	Robert Connolly, John Maynard
Burberry Productions Pty Ltd	Ewan Burnett
Southern Arc Films Pty Ltd	Gary Hamilton, Ian Gibbins, Nigel Odell

During the financial year, 14 productions were created as a result of funding through the Commercial Script Development Scheme and Slate programs. The economic flow-on benefit of these productions was approximately \$53 million.

STATISTICS	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03
Number of slate project produced	14	8	12	9	14	5
Number of companies behind produced projects	9	6	8	9	10	3
Victorian spend of projects produced	29.5m	14.1m	23.1m	29.8m	46.8m	11.2m

PRODUCTIONS FROM SLATE-SUPPORTED COMPANIES IN 2007/08

COMPANY NAME	PRODUCTION NAME
360 Degree Films Pty Ltd	Menzies and the Fate of Australia
360 Degree Films Pty Ltd	Monash and the Anzac Legend
360 Degree Films Pty Ltd	Murder in the Snow
360 Degree Films Pty Ltd	Community Cop
Media World Pty Ltd	Hell and Back
Big and Little Films Pty Ltd	Whatever Happened to Brenda Hean?
Big and Little Films Pty Ltd	Anatomy
Big and Little Films Pty Ltd	Bogan Pride
Instinct Entertainment Pty Ltd	Salute
Nigel Odell (Instinct Entertainment Pty Ltd)	Long Weekend
December Films Pty Ltd	Family Footsteps 2
Jonathan M Shiff Productions Pty Ltd	Elephant Princess
Westside Films Pty Ltd	Snake Tales
Ruby Entertainment / Southern Star	Bed of Roses

CASH FLOW FACILITY

Through this program we provide loan finance at favourable interest rates to producers and game developers to assist with cash flow of distribution guarantees or license fees from distributors, broadcasters, sales agents and /or publishers. On 1 July 2007 a new streamlined assessment process came into effect recognising the need for greater flexibility in considering applications for cash flow.

The Cash Flow Facility operated until March 2008 when it was suspended to allow time to review the program following the introduction of the Federal Government’s new Producer Tax Offset. Supporting producers to cashflow the offset became a priority, particularly in relation to managing the additional demands for cashflow funds of Victorian projects accessing the offset. Throughout this review we have sought both legal and tax advice to assess the risks and ensure that a high level of corporate governance is maintained. A revised Cash Flow Facility program will begin operation in the 2008/09 financial year. We provided Cash Flow Facility funding to three production companies during the year.

PRODUCTION COMPANY	PROJECT TITLE
Sumo Mouse Productions Pty Ltd	Sumo Mouse
Animalia Productions Pty Ltd	Animalia
Long Weekend Productions Pty Ltd	Long Weekend



Matthew King and Charles 'Bud' Tingwell in **Menzies and the Fate of Australia**. 360 Degree Films. Supported through Production Investment.



On set at **The Pacific**.
Supported through PIAF & RLAF.

FV07/08
ANNUAL REPORT

06

**DESTINATION
MELBOURNE,
AUSTRALIA**

BY PROMOTING VICTORIA
AS A WORLD-CLASS
PRODUCTION DESTINATION
WE ENCOURAGE
INCREASED ECONOMIC
PROSPERITY AND
OPPORTUNITIES FOR
LOCAL PRACTITIONERS.

CREATING AN ATTRACTIVE PRODUCTION DESTINATION

ONE OF OUR KEY ENDEAVOURS IS TO INCREASE VICTORIA'S PROFILE AS AN OUTSTANDING FILMING DESTINATION BOTH LOCALLY AND INTERNATIONALLY. WE ALSO WORK PROACTIVELY TO PROMOTE VICTORIA'S DIVERSE LOCATIONS AND TALENTED PRACTITIONERS. THESE ACTIVITIES ARE THE FOUNDATION FOR ATTRACTING PRODUCTIONS TO THE STATE.

ONLINE TOOLS

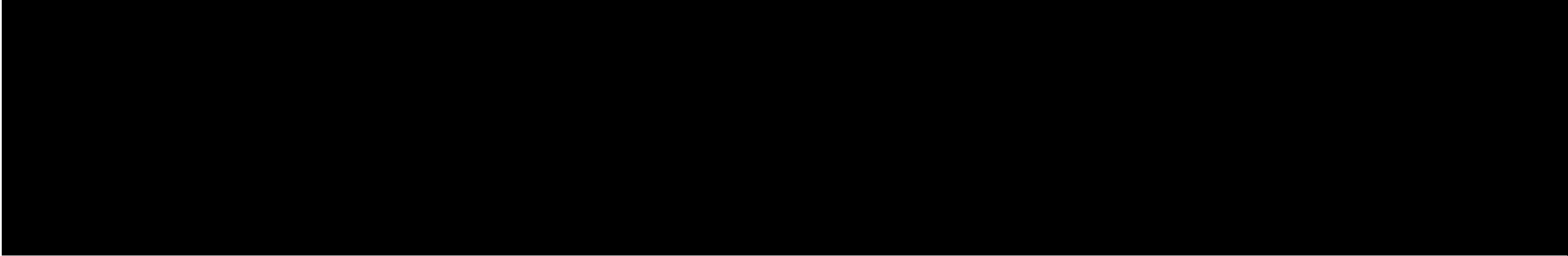
In 2007/08 we once again demonstrated our international leadership in online resource delivery with the redevelopment of our Industry Directory and Locations Gallery websites. These sites enable industry clients to gain practical production information and find solutions to production needs, while also experiencing what Melbourne and Victoria have to offer as world-class production destinations. Extensive research, industry consultation and benchmarking activities ensure these online resources are now best practice amongst the world's film commissions.

INDUSTRY DIRECTORY

The re-developed online Industry Directory was launched in October 2007, replacing Film Victoria's previous Production Directory. The new Directory was created as a world-class online resource to assist film makers looking for crew, services and facilities for their next project. It showcases the talents and capabilities of Victoria's screen practitioners through a comprehensive listing of people, businesses, services and facilities.

The improved online tool allows browsers to:

- Search by keyword or browse by department, genre, position or format;
- Download Curriculum Vitae that are automatically created from the listees details;
- Collate, save and print information in a convenient crew list format; and
- Learn more about listees' skills and experiences by viewing showreels and stills.



James Caviezel and Claudia Karvan in **Long Weekend**.
Arclight Films International Pty Ltd. Supported through Cash Flow Facility, Production Investment RLAF.

Since its launch, the Industry Directory has accepted 230 new member profiles and 421 updates have been made to existing profiles, with 1399 listees in total. Most significantly 26,530 Curriculum Vitae have been downloaded from the website to date, which demonstrates how useful this service tool is for the industry.

LOCATIONS GALLERY

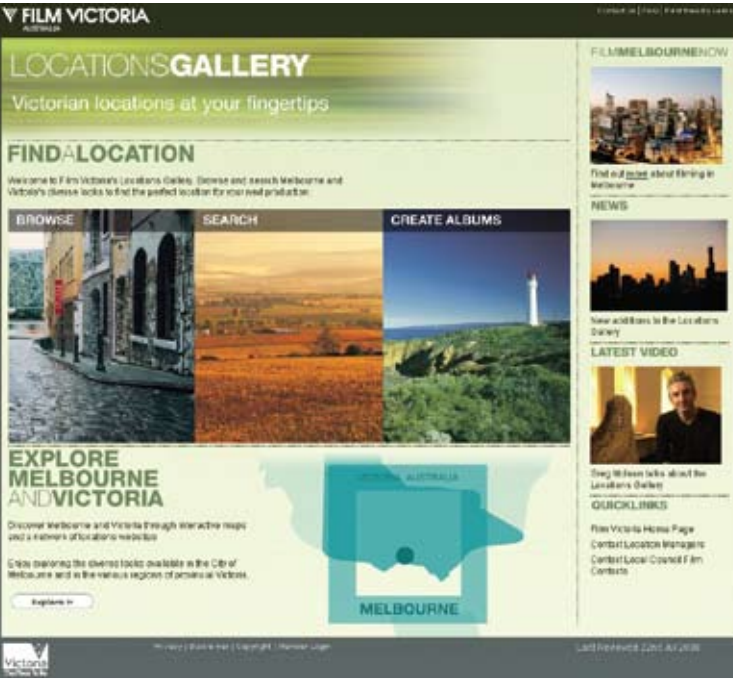
In February 2008 we launched our improved Locations Gallery. This continually expanding Gallery currently contains 34,648 images, providing an inspirational and practical online resource for filmmakers to explore possible locations for their productions.

The Minister for Innovation launched the Gallery at a special event in Ballarat attended by members of the film industry, provincial council representatives and regional media.

In a film commission world first, we linked interactive Google Maps technology with search functionality, offering users the opportunity to browse images related to council regions within Victoria. This integrated technology enables access to the seven provincial film attraction websites created as part of our Location Victoria initiative. These websites showcase regional locations and provide specific information about filming in provincial Victoria.

The new features of the Locations Gallery include the ability to:

- View thousands of new images added through the Location Victoria initiative;
- Watch moving footage of the locations that featured in productions which have filmed in Victoria such as *Ghost Rider*, *Charlotte's Web*, *Romulus*, *My Father*, and *Rogue*;
- Explore Victoria's regional film attraction websites and metropolitan Melbourne filming locations using the new interactive map; and
- Browse Victorian locations more easily through portfolios of selected images.





Alison Whyte in **Satisfaction**.
Lone Hand Pty Ltd. Supported through PIAF.

MARKETING CAMPAIGNS FILM MELBOURNE NOW

The campaign's evolution continued in 2007/08 and included advertising in international trade publications, an online advertising strategy and the development of many important marketing materials such as brochures, direct mail and promotional items.

E-marketing was a key component to the campaign this year with eight email updates sent to over 250 key industry decision-makers in the US and UK. These targeted communication pieces highlighted Melbourne as a world-class production destination and encouraged recipients to view press releases, images or videos on the Film Victoria website. Themes of the e-newsletters ranged from the launch of our new online tools to the filming of *The Pacific* on Melbourne's Flinders Street and the commencement and subsequent wrapping of principal photography on *Knowing*.

During the year we also enhanced the website with moving images and links to online tools, enabling a more integrated user experience for our target market.

With the redevelopment of our Industry Directory and Locations Gallery we commenced an integrated marketing campaign consisting of direct mail and national and international online advertising to complement the launch of these tools. The Industry Directory direct mail, sent to over 1000 Victorian industry practitioners, was highly successful with the number of new profile listings doubling within four weeks. The national online advertising campaign resulted in over 400 clicks through to the Film Victoria homepage where visitors could choose to browse one of the new tools. International online advertising resulted in over 80,000 impressions.

LOCATION VICTORIA: OUR PROVINCIAL FILM STRATEGY

LAUNCHED IN 2005, LOCATION VICTORIA WAS DEVELOPED TO ASSIST COUNCILS IN PROVINCIAL VICTORIA TO ATTRACT AND SECURE THE BENEFITS OF FILM AND TELEVISION PRODUCTION FOR LOCAL COMMUNITIES.

100% of the State's 48 provincial councils participated in the initiative, forming seven cluster groups to promote their region through dedicated film attraction websites. Additionally a quarter of provincial councils have adopted formal filming policies.

In 2007/08 the final four websites were launched, ensuring for the first time that all of provincial Victoria's diverse, desirable and accessible production locations were promoted online. The seven provincial film attraction websites are:

- www.filmballarathepburnandbeyond.com.au
- www.filmcentralvictoria.com.au
- www.filmgeelong.com.au
- www.filmgippsland.com.au
- www.film.greatsouthcoast.com.au
- www.filmnortheastvictoria.com.au
- www.filmnorthwestvictoria.com

Since the websites were launched, the provincial councils have reported a healthy number of local and international visitors to the sites, with many experiencing an increase in the number of filming enquiries. The images delivered by the councils were also uploaded to our Locations Gallery, providing users with a greater proportion of provincial location images. As a direct result of Location Victoria, approximately a third of the images on the Locations Gallery.

PRODUCTION LIAISON AND POLICY DEVELOPMENT

Our industry leading online Occupational Health and Safety Management System was once again accessed by productions shooting in Victoria. This online resource was launched in 2006 following extensive industry consultation to assist producers to meet their occupational health and safety obligations.

We are committed to ensuring this useful tool continues to evolve and improve, and we work with the industry to introduce the tool to practitioners commencing production in Victoria. Victorian productions that adopted the system during the year included *Underbelly*, *The Saddle Club 3*, *The Elephant Princess*, *Knowing*, *My Year Without Sex*, *Carla Cametti PD*, *Snake Tales*, *Rush* and *Dirt Game*. As testament to the tool's success the Screen Producers Association of Australia (SPAA) has licensed our Occupational Health and Safety Management System for adaptation and implementation in NSW under a grant from NSW WorkCover.

CASE STUDY: PROVINCIAL VICTORIA ON SCREEN

THE COMBINATION OF OUR PROVINCIAL FILM STRATEGY, LOCATION VICTORIA, THE REGIONAL LOCATION ASSISTANCE FUND AND THE EXCELLENT LOCATIONS ASSISTANCE PROVIDED BY THE MELBOURNE FILM OFFICE, HAS CONTRIBUTED TO THE FOLLOWING LOCAL AND INTERNATIONAL FOOTLOOSE PRODUCTIONS SELECTING TO SHOOT IN MELBOURNE AND PROVINCIAL VICTORIA.

TOGETHER THESE PRODUCTIONS SPENT A TOTAL OF APPROXIMATELY 240 DAYS IN PROVINCIAL VICTORIA IN 2007/08. FOR THE LOCAL COMMUNITIES THIS MEANT LOCAL BUSINESSES RECEIVED SUBSTANTIAL REVENUE, EMPLOYMENT FOR LOCAL RESIDENTS AND A SENSE OF EXCITEMENT WITH THE PRESENCE OF ACTORS AND CREW.

THE PACIFIC

HBO Films' ten-part mini-series, **The Pacific**, used several provincial Victorian locations including the Hillview Sand Quarry at the You Yangs ranges and West Head, an Australian Navy training facility near Flinders. Principal photography for **The Pacific** concluded in Melbourne in May 2008, following a ten-month shoot.

“A PRODUCTION THE SCALE OF THE PACIFIC SHOOTING 80% OF THE PRINCIPAL PHOTOGRAPHY IN VICTORIA IS A GREAT TESTAMENT TO THE DIVERSITY OF THE LOCATIONS AVAILABLE IN THE STATE. THE PRODUCERS WERE CERTAINLY IMPRESSED WITH THE NUMBER OF PROVINCIAL LOCATIONS WITHIN EASY REACH OF THE PRODUCTION BASE AT MELBOURNE CENTRAL CITY STUDIOS.”

DREW RHODES, LOCATION MANAGER,
THE PACIFIC



One of provincial locations for **The Pacific**
Hillview Sand Quarry at the You Yang ranges, Victoria

KNOWING

US feature film **Knowing** was shot in provincial Victoria and metropolitan Melbourne over 11 weeks from March 2008. Directed by Australian Alex Proyas and starring well-known American actor Nicolas Cage, the shoot included a week of filming in Mount Macedon, which doubled for Massachusetts, USA, as well as three days on the Geelong bypass.

“FILM VICTORIA’S REGIONAL LOCATION ASSISTANCE FUND GAVE US THE OPPORTUNITY TO TRAVEL FURTHER TO FIND THE KEY LOCATIONS FOR KNOWING. WE HAD TREMENDOUS COMMUNITY SUPPORT AND WERE ABLE TO DOUBLE WEST MASSACHUSETTS AT MACEDON, AND A MULTI-LANE BOSTON FREEWAY IN GEELONG.”

TIM SCOTT, LOCATION MANAGER,
KNOWING



One of the provincial locations for **Knowing**
Mount Macedon, Victoria

THE SADDLE CLUB SERIES 3

All 26 episodes of **The Saddle Club Series 3** were filmed in provincial Victoria in 2007/2008. The production filmed for six months around Daylesford, Hepburn Springs and Trentham with a crew of more than 70 people living in the area. The series has injected millions of dollars into the local economy. Series one and two of **The Saddle Club** were also filmed in the Hepburn Shire.

“SHOOTING ON LOCATION IN HEPBURN MEANS INTERNATIONAL AUDIENCES WILL GET TO SEE THE BEAUTY OF REGIONAL VICTORIA, AND WILL HOPEFULLY ENCOURAGE OTHERS TO ALSO MAKE THE MOST OF THE STATE’S HOSPITALITY.”

NICK MCMAHON, CHIEF EXECUTIVE OFFICER,
CRAWFORD PRODUCTIONS



On the set of **The Saddle Club Series 3**
in Hepburn, Victoria

BED OF ROSES

The town of Meeniyah in Gippsland was the setting for fictional town, Rainbow's End in the six-part TV series **Bed of Roses**. Leongatha Hospital and South Gippsland Secondary College in Foster were also used in filming, which took place in November and December 2007. The production crew was so warmly embraced by the local community that producer Stephen Luby returned to Meeniyah to join in celebrations marking the series premiere on ABC1 in May 2008.

“THE PROVISION OF GRANTS BY FILM VICTORIA TO ENCOURAGE PRODUCTION HOUSES TO FILM IN PROVINCIAL VICTORIA HAS BEEN A GREAT INITIATIVE, AND WE ARE WELL-PREPARED TO HELP CREWS THAT ARE KEEN TO FILM IN OUR REGION.”

KEN FRASER, ECONOMIC DEVELOPMENT OFFICER,
SOUTH GIPPSLAND SHIRE COUNCIL



On the set of **Bed of Roses**
in Meeniyah, Victoria



Callan Mulvey in **Rush**.
Southern Star John Edwards Productions. Supported through PIAF.

07

ATTRACTING PRODUCTION TO VICTORIA

VALUABLE INDUSTRY
RELATIONSHIPS, INNOVATIVE
MARKETING, PREMIUM
LOCATION SERVICES AND
EFFECTIVE FINANCIAL
INCENTIVES CONTRIBUTE
TO OUR PRODUCTION
ATTRACTION SUCCESS.



Matthew Le Nevez in **The Tender Hook**.
Mandala Films Pty Ltd. Supported through PIAF & RLAF.

ATTRACTING PRODUCTIONS TO VICTORIA HAS POSITIVE AND FAR-REACHING EFFECTS. PRODUCTIONS PROVIDE EMPLOYMENT OPPORTUNITIES FOR MANY TALENTED VICTORIAN PRACTITIONERS, BOTH EMERGING AND ESTABLISHED. THIS RESULTS IN BUILDING THE SKILLS AND EXPERIENCE OF THE WORKFORCE AND ENHANCES THE CAPABILITY OF VICTORIA'S SCREEN INDUSTRY. IT ALSO ENRICHES THE STATE'S SCREEN INDUSTRY CULTURE AND BRINGS ECONOMIC BENEFITS TO THE STATE.

PRODUCTION INVESTMENT ATTRACTION FUND

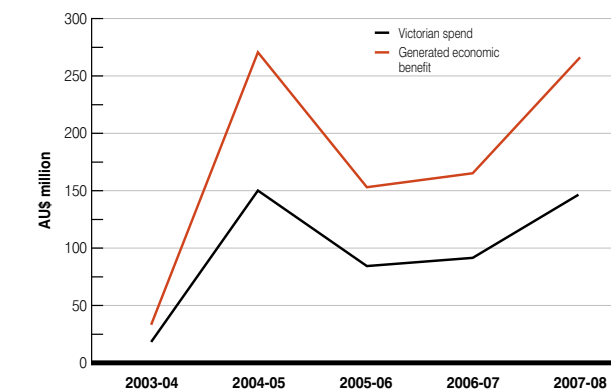
The Production Investment Attraction Fund (PIAF) grant is designed to attract footloose projects (i.e. projects that have qualified interstate and/or international location options) to film or post-produce feature films, television series, reality programs, miniseries, telemovies, animation series and documentaries in the State of Victoria.

The objectives of the program are to:

- Increase the level of film and television production in the State of Victoria;
- Increase employment for Victorian based cast, crew and heads of departments;
- Make Victoria a more desirable production destination; and
- Encourage the use of Victorian based post-production services.

In 2007/08 the spend of productions attracted through the PIAF program was \$146 million, providing a generated economic benefit of over \$260 million for the economy.

VICTORIAN SPEND FROM FILM VICTORIA'S PRODUCTION INVESTMENT ATTRACTION FUND



* Generated economic benefits based on the ABS multiplier that every \$1m spent = \$1.8m

REGIONAL LOCATION ASSISTANCE FUND

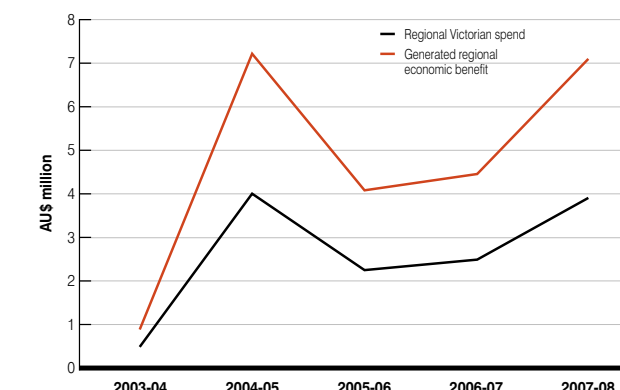
The Regional Location Assistance Fund (RLAF) grant is designed to encourage local and footloose projects to use locations outside metropolitan Melbourne. RLAF assists projects by offsetting some of the additional costs incurred when filming in regional areas such as accommodation, living overheads and travel.

The objectives of RLAF are to:

- Increase the level of film and television production in regional Victoria; and
- Make regional Victoria a more desirable production destination.

In 2007/08 productions supported by RLAF spent \$3.9 million in provincial Victoria, providing a \$7 million generated economic benefit for the State.

REGIONAL VICTORIAN SPEND FROM FILM VICTORIA'S REGIONAL LOCATION ASSISTANCE FUND



* Generated economic benefits based on the ABS multiplier that every \$1m spent = \$1.8m

PROJECT COMMITMENTS

We committed incentive support to the following projects during the period:

FEATURE FILMS

- Knowing (PIAF / RLAF)
- The Loved Ones (RLAF)
- Long Weekend (RLAF)
- Dying Breed (RLAF) NB – received PIAF in previous year

TELEVISION

- Tangle (PIAF)
- Satisfaction Series 2 (PIAF)
- Rush (PIAF)
- Saddle Club 3 (PIAF / RLAF)
- Bed of Roses (RLAF)

PROJECTS SUPPORTED WHICH FILMED OR POST-PRODUCED IN 2007/08

The following projects, which were supported by our incentive programs in 2007/08 or previous years, commenced production in Victoria during the financial period:

FEATURE FILMS

- Dying Breed (PIAF / RLAF)
- Playing for Charlie (PIAF)
- Knowing (PIAF / RLAF)
- Long Weekend (RLAF)

TELEVISION DRAMA

- The Pacific (PIAF / RLAF)
- Saddle Club 3 (PIAF / RLAF)
- Rush (PIAF)
- Satisfaction Series 2 (PIAF)
- Bed of Roses (RLAF)

TELEVISION DOCUMENTARY

- Stuff (PIAF)



Bojana Novakovic in **Satisfaction**.
Lone Hand Pty Ltd. Supported through PIAF.

INBOUNDS, LOCATION SCOUTS AND SURVEYS

Locations scouts and surveys are a vital part of the project-pitching process for footloose productions, as are the excellent quality film commission services provided to productions. Nine film representatives were hosted during the 2007/08 financial year; including production personnel from the feature film **Knowing**. These inbound visits, of which five were sponsored by Australia’s federal content attraction organisation, Ausfilm, provided an excellent opportunity for us to promote Victoria. We hosted tours of our state-of-the-art facilities, organised meetings with service providers and introduced production teams to Melbourne’s skilled crews, creatives and location scouts – all while helping inbound representatives experience Melbourne’s great lifestyle.

SALES MISSIONS AND TRADE SHOWS

We attend international trade shows to promote Melbourne’s film, television, post-production and visual effects industry to existing and potential clients. Our sales missions were held with decision-makers in Los Angeles, New York and China to build relationships, obtain new project leads and promote Melbourne and Victoria as a world-class production destination. In the 2007/08 year, international trade missions included the following:

G’DAY LA, LOS ANGELES

G’Day LA is the west coast component of G’Day USA, a week-long annual event that aims to raise the commercial and cultural profile of Australia in the US. The event is a valuable opportunity for us to promote Melbourne’s world-class talent, production facilities, products and services to industry executives in Los Angeles, with the aim of attracting US productions to Victoria.

The event honours high profile Australians who have made a significant contribution to the industry and for excellence in their work. We hosted a table of senior studio executives at the cornerstone event of the week, a black tie gala, which provided a targeted opportunity to build critical relationships with key decision-makers who may consider bringing their productions to Victoria.

During the G’Day LA week, 22 meetings were also held with key current and potential clients, resulting in many new opportunities for production attraction that continue to be nurtured and progressed.

HONG KONG FILMART

Hong Kong FILMART has long been considered the premiere expo for the Asian market and provides an opportunity for Film Victoria to promote Melbourne’s visual-effects and post-production sector. In 2008 we led a delegation to the market, which resulted in the strengthening of our relationships with current and potential clients, and contributed to the presence of Victoria as a viable filming and post production destination to Asian filmmakers.

AFCI LOS ANGELES AND AUSFILM MEETINGS

The Association of Film Commissioners International (AFCI) Locations Expo is the largest expo of its kind in the world and is held annually in Los Angeles. This three-day event is an opportunity for the US film, television and commercial industry seeking information on locations filming and services to speak directly with various international film commissions. The trade exhibition featured over 300 international and US film commissions and locations services exhibitors and over 3,400 studio executives, cinematographers, producers, directors and locations scouts from the US entertainment industry attended. Two of our staff attended this event and held 25 meetings with studio executives and producers in LA. One of our representatives then travelled to New York with Ausfilm and conducted a further seven meetings.



Shu Lea Cheang, **Baby Love** in Experimenta Playground, Melbourne 2007.
Supported through Public Screen Engagement.

08

AUDIENCE ENGAGEMENT

WE WANT A VIBRANT
SCREEN CULTURE
WHERE THE WORKS
OF OUR PRACTITIONERS
ARE MET WITH LIVELY
AND CRITICAL DISCUSSION
BY AN ENGAGED
GENERAL PUBLIC.



Eric Bana, Kodi Smit-McPhee and the Hon. John Brumby MP at the **AFI Awards 2007**. Supported through Public Screen Engagement. Photography SDP Photo.

PUBLIC SCREEN ENGAGEMENT FUND

In July 2007, we restructured our audience engagement programs – Industry and Audience Development and Digital Audience Development. The new and improved programs – Public Screen Engagement Fund and the Screen Industry Development Program (Section 03) – reflect our commitment to support activities or organisations that encourage the professional development of the industry, or engage the general public in discussion and presentation of content.

THE PUBLIC SCREEN ENGAGEMENT FUND SUPPORTS ORGANISATIONS TO PRESENT THE BEST SCREEN PROGRAMS, FESTIVALS, PUBLICATIONS, EXHIBITIONS AND EVENTS THAT ENGAGE VICTORIAN AUDIENCES.

It focuses on events that encourage critical analysis, investigate screen craft, target new audiences and promote greater interaction between Victorian industry and the public. Ultimately, it will see the delivery of innovative and engaging events that contribute to a vibrant screen culture.

Throughout the 2007/08 year we funded 18 organisations through this program:

- Melbourne International Film Festival, 37 South and Premiere Fund
- Australian Film Institute (AFI) and 2007 Awards
- Australian Children's Television Foundation
- Experimenta
- Shoot Out Geelong 2007

- The Melbourne Cinematheque 2008
- ReelDance International Dance on Screen 2008
- Shepparton Shorts: Short Film Festival
- The Other Film Festival 2008
- St Kilda Film Festival 2008
- 15/15 Film Festival 2008
- Little Big Shots 2008
- Metro Magazine and Study Guides
- Bayside Film Festival 2008 – Regional Tour
- Remote: Next Wave's focus on screen culture and art
- Portable Film Festival 2008
- Digital Fringe 2008
- Urban Screens Melbourne 2008

PROGRAM HIGHLIGHTS

AFI AWARDS

The AFI Awards are the Australian film and television industry's longest running and most prestigious awards ceremony.

THE AFI AWARDS PLAY A CRITICAL ROLE IN FOCUSING BOTH INDUSTRY AND PUBLIC ATTENTION ON THE BEST OF AUSTRALIAN FILM AND TELEVISION PRODUCTION.

Recognised internationally, the AFI Awards are the premier event of Australian screen culture, acknowledging excellence in a broad range of categories that cover feature film, television, documentary, short fiction and short animation.

This financial year the awards were held at the convention centre over two evenings in December 2007. Over 2000

guests attended the awards hosted by Academy Award®-winner Geoffrey Rush. The awards and red carpet special were broadcast on Channel 9 with an average television audience of 529,000. The total economic impact to the State as a result of the awards was estimated to be \$2.15 million.

EXPERIMENTA

Australia's leading contemporary arts organisation, Experimenta is dedicated to commissioning, exhibiting and promoting creative uses of technology. In 2007, Experimenta launched its major biennial exhibition Experimenta: Playground featuring 25 Australian and international interactive screen-based works. It attracted 44,043 visitors during its month-long exhibition and will tour nationally in 2008.

Through its New Visions Commissions, Experimenta commissioned three digital projects that provided production and skills development opportunities for emerging and mid-career artists. One of the projects selected was Immersion by Victorian team Angela Barnett, Andrew Buchanan, Darren Ballingall, Chris MacKellar, and Christian Rubino.

Alongside the Playground exhibition, Experimenta curated two public short film programs for the Federation Square big screen and the Arts Centre, and screened Extreme Arts and Sidelines at the ACMI Cinemas. The organisation also commenced a series of media art curating forums for regional galleries, and museum and library professionals. The series will tour to regional locations and interstate capitals.

SHEPPARTON SHORTS SHORT FILM FESTIVAL

Every year, the Shepparton Shorts Short Film Festival gives regional audiences access to new and innovative local, Victorian and national films. The 8th annual Shepparton Shorts Short Film Festival was a great success in 2008 with the sold-out major screening on Friday 14 March. A special screening of **The Best of the Rest** was held at Festa Nova on 8 March to an enthusiastic, culturally diverse audience, before screening for the duration of the SheppARTon Festival at Eastbank.

MELBOURNE INTERNATIONAL FILM FESTIVAL

Long regarded as Australia's premier film festival, the Melbourne International Film Festival (MIFF) hit a new high of 182,500 admissions in 2007 and injected over \$8 million into the local economy (a 17% increase on 2006). Various new programming streams, including Stars of David and the Next Gen youth program, proved extremely popular with audiences. Also for the first time, alumni of MIFF's director development workshop Accelerator debuted their feature films at MIFF.

Guest highlights included an appearance on the opening night red carpet by Sir Ian McKellan, and packed audiences at the Festival Club to hear Ethan Hawke, Geoffrey Rush, and the director of **The Golden Age**, Shekhar Kapur.

The 2007 Festival also marked a significant new development: the introduction of a new MIFF Premiere Fund. Launched in July 2007 by then Minister for Innovation John Brumby MP, the Premiere Fund provides production finance to a range of theatrical documentaries and feature films that will premiere at MIFF. In its first year the MIFF Premiere Fund committed to 12 Victorian film projects including the MIFF 2008 opening night film **Not Quite Hollywood**.

MELBOURNE CINEMATHEQUE

Melbourne Cinematheque is a not-for-profit organisation dedicated to importing and screening significant films from the history of international cinema. Each year Melbourne Cinematheque pulls together retrospectives, spanning several weeks and highlighting particular cinematic movements, periods, actors and auteurs. In 2007 Melbourne Cinematheque increased its membership by 15% to 2,287.

Two event highlights that were outstanding success stories for the year include the Moral Matrix of Krzysztof Keislowski, which demonstrated the continued relevance of the cinematic presentation of important world cinema, and **East of Eden: The Imaginary in Czech Cinema** presented in association with the National Film Archive in Prague.

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AWARDS AND SCREENINGS

FILM VICTORIA
PROUDLY CELEBRATES
AND ACKNOWLEDGES
THE AWARDS AND
ACHIEVEMENTS OF
OUR SCREEN
PRACTITIONERS
OVER 2007/08.



Jason Gann, Cindy Waddingham and Adam Zwar in **Wilfred**. AFI Award Winner.
Renegade Films Australia Pty Ltd. Supported through Fiction Development & Production Investment.

THE FOLLOWING FILM VICTORIA-SUPPORTED PROJECTS RECEIVED AWARDS IN 07/08.

AWARD RECIPIENTS

The Archive Project
NSW Premiere's History Awards – Winner

Joan Long Award – The Australian Film & History Conference 2006

Atom Awards – Best Tertiary Education Resource Award

Stanley Hawes Award – Film Australia – Award for Achievement in Documentary

Bastard Boys
AFI Awards – Won Best Screenplay in Television; and Outstanding Achievement in Television Screen Craft for Production Design

Captain Cook: Obsession & Discovery
Leo Awards – Best Documentary program or series

Chainsaw
Grand Prix Award – Oberhausen International Short Film Festival

Curtin
Australian Sound Guild Awards – Best Achievement in Sound for a Tele-Feature/Mini-series

Dugong
FilmFest @ Falls 2008 – Best Script

St Kilda Film Festival 2008 – Best Script and Best Actor

Flickerfest 2008 – Best Achievement in an Original Australian Screenplay

Australian Cinematography Society Awards – Silver ACS Award

Girl Friday
AIMIA Awards – Best Entertainment Award

The Jammed
IF Awards – Best Feature Film; Best Music; Best Script

Worldfest Houston Awards – Platinum Remi Award

The Short Poppy Awards 2006 – The Gold Poppy Award

Brisbane International Film Festival – Interfaith Award

The King
AFI Awards – Best Direction in Television; Best Lead Actor in a television Drama; Best Telefeature or Mini-series; Outstanding Achievement in Television Craft

Logie Awards – Most Outstanding Actor

Lake Mungo
2007 Queensland Premier's Literary Awards – Best Film Script

My Brother Vinnie
St Kilda Film Festival – Won Audience Award, Best Documentary Film Award

Nightmares & Dreamscapes: From the Stories of Stephen King
American Society of Cinematographers – ASC Award for outstanding achievement in movies of the week/miniseries

Australian Cinematographers society – Award of Distinction Award for Telefeatures, TV Drama and miniseries; Golden Tripod

Award for Telefeatures, TV Drama and miniseries

Emmy Awards – Outstanding music composition for a miniseries, movie or special; Outstanding special visual effects for a miniseries, movie or special.

Motion Picture Sound Editors – Golden Reel Award

Visual effects Society Awards – Outstanding visual effects in a broadcast miniseries or special

Noise
IF Awards – Best Editing and Best Sound Awards

Australian Screen Sound Guild Awards 2007 – Best Achievement in Sound for Film Sound Design, Best Achievement in Sound for Film Sound Mixing, Best Editing

Australian Screen Sound Guild Awards 2008 – Best Editing, Best Film, Best Director, Best Actor, Best Cinematography, Best Editor (*Need to verify)

AFI Awards – Best Sound

Australian Film Critics Award – Best Australian Film

Film Critics Circle of Australia Awards – Best Actor, Best Director, Best Cinematography, Best Editing, Best Film, Best Music Score

Leeds International Film Festival – Special Mention

Riding Alone for Thousands of Miles
San Diego Film Critics Society Awards – Best Actor & Best Foreign Film

Hong Kong Film Awards – Best Asian Film

Rogue
AFI Awards – Best Visual Effects

Romulus, My Father
AFI Awards – Best Film, Best Lead Actor, Best Supporting Actor, Young Actor Award, News Limited Readers' Choice Award

FCCA Awards – Best Actor Supporting Role, Special Achievement Award

Australian Sound Guild Awards – Best Achievement in sound for Film Sound recording

Two Mums and a Dad
2007 Dendy Awards – Sydney Film Festival – Best Documentary

Wilfred
AFI Awards – Best Performance in TV Comedy, Best Direction in a TV Comedy, Best Television Comedy Series



Joan Chen in **Home Song Stories**. Winner of 27 awards.
Big and Little Films Pty Ltd. Supported through Production Investment.

The Home Song Stories
AFI Awards – Best Director, Best Lead Actress, Best Cinematography, Best Production Design, Best Costume Design, Best Editing, Best Original Screenplay, Best Original Music Score

IF Awards – Best Actor, Best Actress, Best Cinematography, Best Director, Best Production Design, Best Actor Award

AWGIE Award – Best original feature screenplay

Brisbane International Film Festival – FIPRESCI International Jury Award

Asian Film Awards – Best Actress

Australian Screen Sound Guild – Best Feature Film Soundtrack of the Year, Best Achievement in Sound for Film Sound Mixing

Film Critics Circle of Australia Awards – Best Actress, Best Screenplay, Best Cinematography

NSW Premier's Literary Awards 2007 – Scriptwriting for Tony Ayres

Golden Horse Film Festival – Best Actress, Best Original Screenplay

Torino International Festival of Young Cinema – Best Actress

Hawaii International Film Festival – Best Feature Film



Underbelly. Screened in 2008.
Screentime Pty Ltd. Supported through Production Investment.

SCREENINGS

THE FOLLOWING FILM VICTORIA-SUPPORTED PROJECTS WERE SCREENED IN 2007/08.

Animalia

Broadcast – November, 2007
worldwide debut on the New York
High Definition channel “Animania”
in USA

Broadcast – November, 2007
Network Ten

Broadcast – November, 2007 BBC1
and CBBC in UK

Broadcast – December, 2007 CBC in
Canada

Broadcast – January 2008 PBS in
USA

Broadcast – April, 2008 Nickelodeon

Bed of Roses

Broadcast – May 2008 ABC1

Dugong

Screened – Melbourne International
Film Festival, Brisbane International
Film Festival 2007

Dungong Film Festival, Sundance
Film Festival, St Kilda Film Festival,
Australian Short Film Night New
York, Aspen Shortsfest, Flickerfest
2008, FilmFest @ Falls.

Fabric of a Dream

Broadcast – September 2007 SBS

Fearless

Broadcast – June 2008 ABC2

Fish Out of Water

Broadcast – July 2007 on Foxtel

Forget The Rules (Second Season)

Broadcast – November 2007 Optus
TV

Girl Friday

Broadcast – July 2007 on Telstra
Bigpond

Love’s Harvest

Broadcast – April 2008 SBS

My Brother Vinnie

Broadcast – July 2007 SBS

Night

Screened – European premiere in
the Joris Ivens Competition

Screened – Toronto International
Film Festival

Released – February 2008, cinemas
nationally

**Nightmares & Dreamscapes: From
the Stories of Stephen King**

Broadcast – July on Foxtel

Rogue

Released – November 2007, cinemas
nationally

Rules of The Game

Broadcast – SBS

Sounds of Aus

Broadcast – November 2007 ABC

**Tasmanian Devil: The Fast and
Furious Life of Errol Flynn**

Broadcast – November 2007 ABC

The Jammed

Screened – Brisbane International
Film Festival; Dungog Film Festival;
Sydney Film Festival

The King

Broadcast – September 2007
Channel 9

The Librarians

Broadcast – October 2007 ABC1

Two Mums and a Dad

Screened – June 23rd Sydney
International Film Festival

Underbelly

Broadcast – March 2008 Channel 9

Wedding Sari Showdown

Broadcast – September ACMI



Rebecca Glenney and Jane Hall at the **AFI Awards 2007**.
Supported through Public Screen Engagement. Photography SDP Photo.

FILM VICTORIA
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REPORT OF
OPERATIONS

ACCOUNTABLE OFFICER'S DECLARATION
In accordance with Financial Management Act 1994, I am pleased to present the Report of Operations for Film Victoria for the year ending 30 June 2008.


Sandra Sdraulig
Chief Executive Officer
15 September 2008

OPERATIONAL AND BUDGETARY OBJECTIVES AND PERFORMANCE AGAINST OBJECTIVES
We report to government on a series of budgetary and performance outputs with associated targets. Results for the reporting period are as follows:

	TARGET	ACTUAL
Value of film, television and new media production supported by our programs	\$78m	\$205 m
Additional employment from production supported by our programs	2,340	6,162

MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES
Once again, the volatility of the screen industry is evident in the significant changes in results between the 2006/07 and 2007/08 years. Due to an unprecedented increase in production activity during the year, we exceeded our targets by 162%. This was the result of two factors: a general increase in productions filming in Victoria that were leveraged through our programs; and the filming of the largest television series ever made – **The Pacific**.

In general, commitments from our programs remained steady or increased in 2007/08. However we were challenged to maintain these levels following the enforced cost saving measures across the Victorian Government. Due to the small size of the agency all of our programs were affected by this funding cut, resulting in forward commitments for our content creation and production investment programs.

FINANCIAL REVIEW
OF OPERATIONS
AND FINANCIAL
CONDITION

FIVE YEAR FINANCIAL SUMMARY

	12 MONTHS 30-JUN-08 \$	12 MONTHS 30-JUN-07 \$	12 MONTHS 30-JUN-06 \$	12 MONTHS 30-JUN-05** \$	12 MONTHS 30-JUN-04 \$
Revenue from Government	19,222,767	17,907,910	13,691,000	13,637,000	14,201,400
Other revenue	4,260,683	2,805,931	2,933,571	2,743,296	2,599,681
TOTAL REVENUE	23,483,450	20,713,841	16,624,571	16,380,296	16,801,081
Total project costs	15,436,984	15,238,024	13,716,000	10,835,075	9,566,178
Net operating result	2,477,201	(201,647)	(2,149,003)	1,091,149	3,199,413
Net cash flow	617,013	69,829	(1,997,366)	772,316	5,463,960
Total assets	34,407,233	31,569,494	31,900,004	33,995,649	32,882,303
TOTAL LIABILITIES	564,847	604,309	733,172	679,814	686,884
ALLOCATION OF CASH ASSETS:					
Outstanding commitments	16,917,095	16,476,883	13,955,271	11,495,671	10,330,864
Commitment to industry development	1,232,182	8,218	2,856,079	5,653,182	4,493,502
Cash Flow Facility funds	10,878,769	11,925,932	10,517,807	11,227,077	11,707,541
Digital Media Fund funds	0	0	1,012,047	1,962,640	3,034,347
TOTAL CASH ASSETS	29,028,046	28,411,033	28,341,204	30,338,570	29,566,254
Receivables – including Producer Loans	4,673,508	2,971,106	3,278,814	3,533,942	3,054,465
Property, Plant and Equipment	668,920	187,355	279,987	123,137	261,583
TOTAL NON-CASH ASSETS	5,342,428	3,158,461	3,558,801	3,657,079	3,316,048
TOTAL ASSETS	34,407,233	31,569,494	31,900,005	33,995,649	32,882,302

** The results for 2004/05 have been restated to take into account adjustments as a result of the transition to Australian equivalent international accounting standards.

SIGNIFICANT
CHANGES IN
FINANCIAL
PERFORMANCE
AND POSITION
DURING 2007/08

REVENUE FROM GOVERNMENT

Government funding in 2007-2008 was higher than the previous year due to additional Budget funding of \$1.2 million to support industry programs associated with the Melbourne International Film Festival.

Film Victoria was required to contribute to the government’s efficiency saving in 2007/08 which resulted in a reduction in government funding in the amount of \$513,000.

Film Victoria was previously also required to contribute to the government’s targeted saving for the “drought levy” in 2006/07, resulting in reduction to government funding by \$476,000.

The above factors contributed to a total funding package from government to Film Victoria of \$19.6 million in 2007/08.

OTHER REVENUE

The increase in other revenue in 2007/08 is attributed to higher recoupment revenue along with increased interest earnings during the period. These recoupments, as with previous years, will be directed back into various programs in 2008/09.

NET OPERATING RESULT

The positive net operating result in 2007-2008 is due to a combination of factors, including an increase in recoupment revenue and timing factors.

The increase in recoupment revenue is as a result of an increased number of projects previously invested in, moving into production during the financial year.

In addition, timing factors influence how our finances are reported. These timing factors are outlined below.

Timing factors:

- Film Victoria is required to recognise all government funding as well as other income it receives as revenue within the financial year that it is received.
- During a financial year a substantial portion of the revenue received is allocated to various funding programs that result in financial commitments to successful applicants. In turn, a substantial portion of the financial commitments may remain undisbursed at the end of the financial year. This is primarily due to contracted milestones or deliverables that are still outstanding after contracts are

executed. As a result, during any one financial year, Film Victoria is making disbursements that arise from financial commitments outstanding from prior years.

- During a financial year there may be additional industry development commitments made and partly or wholly disbursed from using funds received in previous years.

NET CASH FLOW

The net cash flow position for 2007-2008 reflects mainly the net operating result for the period as the factors behind the net operating result are cash-based.

Further details of cash flows are contained in the Financial Statements of this Annual Report.

TOTAL ASSETS

The increase in total assets during 2007-2008 is predominantly in non-cash assets and is a consequence of the increase in Receivables, in particular Producer Loans. In addition refurbishment works throughout the period have also contributed to the increase in non-cash assets by increasing the value of Property, plant and equipment.

OUTSTANDING COMMITMENTS

The value of Outstanding Commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2008. Disbursement is dependent on the achievement of contracted milestones and deliverables.

COMMITMENT TO INDUSTRY DEVELOPMENT

This is the aggregate amount of cash held and committed to fund industry development initiatives, programs carried forward into future periods and outstanding balance sheet liabilities as at 30 June 2008.

CASH AVAILABLE ONLY FOR THE CASH FLOW FACILITY

This is the aggregate amount of cash available to meet only future Cash Flow Facility requirements. These cash holdings are also represented in the Total assets balance as at 30 June 2008.

EVENTS SUBSEQUENT TO BALANCE DATE WHICH MAY HAVE
A SIGNIFICANT EFFECT ON THE OPERATIONS OF THE ENTITY
IN SUBSEQUENT YEARS

There have been no events subsequent to balance date affecting the operations of Film Victoria.

DISCLOSURE REQUIREMENTS

DIRECTIONS FROM THE MINISTER FOR INNOVATION

During the reporting period we did not receive directions in writing from the Minister for Innovation.

CONSULTANCIES

During the reporting period we did not enter into consultancies over the value of \$100,000. We entered into four consultancies, each under the value of \$100,000. The total value and expenditure for these consultancies was \$100,803.

VICTORIAN INDUSTRY PARTICIPATION POLICY

In October 2003, the Victorian Parliament passed the **Victorian Industry Participation Policy Act 2003** that requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. Film Victoria completed no tenders or contracts to which the VIPP applied during the reporting period.

NATIONAL COMPETITION POLICY

We complied with policy on competitive neutrality in that tender documentation reflected policy requirements, but application of the policy was not an issue during the reporting period.

FREEDOM OF INFORMATION

The **Freedom of Information Act 1982** gives members of the public a legally enforceable right of access to official information in documentary form held by ministers and agencies, except where an essential public interest requires confidentiality to be maintained. During the reporting period, Film Victoria received no freedom of information requests. Further details regarding Film Victoria’s compliance with the **Freedom of Information Act 1982** are contained in Appendix 1.

OFFICE-BASED ENVIRONMENTAL IMPACTS

During the period we continued our efforts to improve our collective impact on the environment. In 2008 we refurbished part of our office space and took the opportunity to install an automatic lighting system to reduce energy use. In addition we reduced the number of laser printers installed in the office and recycled old technology equipment, offering them for use in schools. All staff were provided with new paper recycling bins to minimise waste and encouraged to reduce the volume of printing across the organisation. Our staff are also conscious about the environment, with 85% cycling, walking or taking public transport to and from work.

DISCLOSURE REQUIREMENTS

ADDITIONAL INFORMATION ON REQUEST

In accordance with the requirements of the Ministerial Directions of the Minister for Finance, details in respect of the information items below have been retained by us and are available to the relevant Ministers, Members of Parliament and the public (subject to Freedom of Information requirements where applicable) on request. In compliance with best practice disclosure policies and where relevant, details about some of the following matters have been disclosed in the Report of Operations:

- (a) A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Department;
- (b) Details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary;
- (c) Details of publications produced by the Department about the activities of the Department and where they can be obtained
- (d) Details of changes in prices, fees, charges, rates and levies charged by the Department for its services, including services that are administered;
- (e) Details of any major external reviews carried out in respect of the operation of the Department;
- (f) Details of any other research and development activities undertaken by the Department that are not otherwise covered either in the Report of Operations or in a document which contains the financial report and Report of Operations;
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) Details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the services provided by the Department;

- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the Report of Operations;
- (j) a general statement on industrial relations within the Department and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations; and
- (k) A list of major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved.

BUILDING ACT

We do not own or control any government buildings and therefore have no responsibilities in relation to the **Building Act 1993**.

DISCLOSURE INDEX

An index identifying our compliance with statutory disclosure requirements is contained on page 136.

DISCLOSURE
REQUIREMENTS

HUMAN RESOURCE MANAGEMENT

Staff profiles as at 30 June 2008 expressed as full time equivalent

AS AT 30 JUNE 2008				AS AT 30 JUNE 2007			
ONGOING			FIXED TERM/ CASUAL FTE	ONGOING			FIXED TERM/ CASUAL FTE
	FULL-TIME	FTE			FULL-TIME	FTE	
GENDER:				GENDER:			
Male	5	5	1	Male	4	4	2
Female	25	23.2	12.6	Female	23	21.8	14
TOTAL:	30	28.2	13.6	TOTAL:	27	25.8	16
AGE:				AGE:			
Under 25	1	1	2	Under 25	-	-	2
25-34	16	16	3	25-34	12	12	6
35-44	10	8.2	6.6	35-44	11	9.8	6
45-54	1	1	1	45-54	2	2	2
55-64	2	2	1	55-64	1	1	-
Over 64	-	-	-	Over 64	1	1	-
TOTAL:	30	28.2	13.6	TOTAL:	27	25.8	16
CLASSIFICATION:				CLASSIFICATION:			
VPS1	-	-	1	VPS1	-	-	-
VPS2	9	8.2	2	VPS2	7	6.2	7
VPS3	8	8	1	VPS3	7	7	1
VPS4	3	3	4	VPS4	2	2	2
VPS5	7	6.6	3	VPS5	8	7.6	3
VPS6	3	2.4	0.6	VPS6	3	3	1
Executive	-	-	2	Executive	-	-	2
TOTAL:	30	28.2	13.6	TOTAL:	27	25.8	16

NB: in conjunction with SSA guidelines the staff numbers are as at final pay in the reporting period.

DISCLOSURE
REQUIREMENTS

EMPLOYMENT AND CONDUCT PRINCIPLES

We abide by the principles outlined in the Public Administration Act 2004.

These principles include:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

The Film Act 2001 also provides guidance for our executive and staff on conflict of interest issues. We are an equal opportunity employer and are governed by the principles of the Equal Opportunity Act 1995 as well as being bound by the privacy standards articulated in the Information Privacy Act 2000.

We provide position descriptions for all employees and potential candidates and have established procedures for recruiting new staff members and managing employee relations. All staff members are provided a copy of the Code of Conduct for the Victorian Public Sector upon joining our organisation.

Further information regarding the ethical and professional values of our organisation are outlined in our Enterprise Agreement, which can be found at www.film.vic.gov.au.

CULTURAL DIVERSITY

We are committed to the ongoing recognition and implementation of Victorian Government policies with regard to cultural diversity, including but not limited to women’s, youth, gender, indigenous and multicultural issues.

Issues surrounding indigenous affairs were explored in several feature and television projects supported through our programs this reporting period. Musical film project **Bran Nue Dae** was an indigenous tale set against the backdrop of Western Australia and Broome in 1965. Documentaries **Lionel** and **Bastardy** celebrated the lives of indigenous boxer Lionel Rose and aboriginal elder Jack Charles. The motivating force

of team spirit is observed in **Fitzroy Stars – More Than A Game** which documented one of the first indigenous football clubs and how many of its members have gone on to become leaders of the community. Indigenous issues are examined more closely in **Resistance**, which told the story of a Yolngu man whose trust is betrayed by a WWI veteran.

Through our New Feature Writers, Attachment, Internship and Mentor programs we cultivate the development of skills and industry experience for talented youth, providing invaluable workshop opportunities and access to established practitioners. With our support, the innovative Nexus Unpacked – 2008 Next Wave Festival, and Digital Fringe events encouraged new work from emerging artists.

Similarly, we seek to engage regional Victorian practitioners and audiences by supporting outer metropolitan and regional festivals, exhibitions and events that celebrate cultural diversity in film, television and digital media. Such events are able to showcase Victoria’s cultural diversity to Victorian audiences through film, television and digital media projects. During the reporting period, we supported events spanning locations such as Geelong, Barwon Heads, Port Fairy, Portland, Shepparton, Warrnambool, Violet Town, Castlemaine, Natimuk, Bairnsdale, Albury/ Wodonga, Ballarat, Bendigo, Horsham, St Arnaud, Ararat. Shoot Out Geelong, Bayside Film Festival and The Shepparton Shorts Short Film Festival gave regional audiences access to new and innovative local, Victorian and national films. The Other Film Festival provided access to a wide range of projects for audiences with disabilities.

Issues pertinent to women were also revealed through projects we supported. Anorexia Nervosa 101 delved into the world of eating disorders and how women are affected by it. In Moral Danger told the tale of a young girl who flees one abusive situation to find herself sold into sexual slavery and how she finds the strength to overcome her demons when she returns home at 40 with a child of her own.

DISCLOSURE REQUIREMENTS

OCCUPATIONAL HEALTH AND SAFETY

Under the **Occupational Health and Safety Act**, we have a responsibility to provide facilities to ensure that the health and welfare of all employees is protected. We are responsible for ensuring that, where practicable, the workplace is safe and without risk to the health and safety of all staff members.

Our Occupational Health and Safety (OH&S) Committee has employee representation from management and staff. Two appropriately trained first aid officers are also represented. During the reporting period there were no incidents reported. No days were lost as a result of an incident.

INDUSTRIAL DISPUTES

We work cooperatively with the Community and Public Sector Union (CPSU), the Media Entertainment and Arts Alliance (MEAA) and staff representatives. No days were lost in the year as a result of industrial dispute.

LEARNING AND DEVELOPMENT

We provided a diverse range of opportunities for staff to develop and broaden their professional skills and further enhance their capacity to contribute positively to our role in supporting the film, television and digital media industry. Some of the activities undertaken during the year providing professional development opportunities for our staff in the following areas:

- Management and senior leadership skills development
- Copyright law
- Records management
- Database administration and management
- Editing software
- Project management
- Producer tax offset
- ITIL Managers
- Client relationship management software
- Script development
- Sustainability and environment issues
- Adobe creative suite
- Payroll and management accounting

ENTERPRISE AGREEMENT

A 15 month Enterprise Agreement endorsed by our staff and lodged with the Workplace Authority came into effect in December 2007. The current agreement is due to expire in March 2009, and the process of negotiating a new agreement will commence late 2008. The terms and conditions of the current Agreement are largely in alignment with the terms and conditions of the Victorian Public Service Agreement.

FILM VICTORIA COMMITTEES

FINANCE AND AUDIT COMMITTEE

Our Finance and Audit Committee oversees and reviews the processes of management and the internal and external audit function with a view to achieving strategic objectives in an efficient and effective manner. It guides the Chief Executive Officer and General Manager Business Affairs, and assists the organisation and the Minister in the discharge of respective responsibilities for financial performance, financial reporting, compliance, internal control systems, audit activities, risk management and any other matters referred to it by our organisation. The Finance and Audit Committee met on seven occasions.

Members:

- Jo Dawson (Chair) Film Victoria Board Member
- John Howie Film Victoria Board Member
- Siu Ling Hui Film Victoria Board Member

At least two members of the Audit Committee must be independent under FMCF (Financial Management Compliance Framework) directions. All three members of the Finance and Audit Committee are independent.

DISCLOSURE REQUIREMENTS

EVALUATION AND ADVISORY COMMITTEE (EAC)

Our Evaluation and Advisory Committee consists of suitably qualified and experienced practitioners across film, television and digital media. A minimum of five members and maximum of seven members are convened to consider applications for Production Investment and Cash Flow Facility, providing recommendations to the Board for final approval. The EAC met on four occasions and assessed 34 applications of which 27 were approved.

Members that could be called on to form the seven member committee are:

- Lizette Atkins, Producer
- Tony Ayres, Writer/ Director
- Gillian Carr, Producer
- Keren Flavell, Online & Mobile Content Producer
- Peter Houghton, Interactive Media
- Stuart McDonald, Director
- Roger Le Mesurier, Producer
- Robert Murray, Games and Software Developer
- Alison Niselle, Writer
- Martin Wilkes, Games Developer
- Tim Richards, Games Media Commentator
- Jan Sardi , Film Victoria Board representative
- Sandra Sdraulig, Chief Executive Officer (alternate Chair)

FICTION DEVELOPMENT ASSESSMENT PANEL

The Fiction Development Assessment Panel assesses applications to the Fiction Development program. We may commission the external assessment of any project seeking funding to assist the Panel in its consideration of an application. The Panel met on 11 occasions and assessed a total of 201 applications and approved a total of 49 projects.

Members (a minimum of three of the following)

- Chief Executive Officer
- General Manager Industry Development and Investment
- Script Manager(s)
- Investment Manager
- Technical Project Officer
- External Assessors (as required)

An external assessor with suitable experience may be appointed to participate as a voting member from time to time on the Fiction Development Assessment Panel.

FACTUAL DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the Factual Development programs. We may commission the external assessment of any project seeking funding to assist the Panel in its consideration of an application. The Factual Panel met on five occasions and assessed 32 applications of which 21 were approved.

Members (a minimum of three of the following)

- Chief Executive Officer
- General Manager Industry Development and Investment
- Documentary Development Manager
- Investment Manager
- Script Manager(s)
- Technical Project Officer
- External Assessors (as required)

DIGITAL MEDIA SCOPING ASSESSMENT PANEL

The Digital Media Scoping Assessment Panel assesses applications to the Scoping program.

Members: (a minimum of three of the following):

- Chief Executive Officer
- General Manager Industry Development and Investment
- Digital Media Manager
- Technical Project Officer
- Investment Manager
- Script Manager
- Documentary Development Manager

The Scoping Panel met on four occasions and assessed 19 applications of which 11 were approved.

DIGITAL MEDIA PROTOTYPING ASSESSMENT PANEL

The Digital Media Prototyping Assessment Panel comprises a minimum of two internal staff and a minimum of two external representatives from the digital media industry (with appropriate skills / experience for effective peer assessment).

DISCLOSURE REQUIREMENTS

- These may be selected from the Evaluation and Advisory Assessment Panel.
- Chief Executive Officer
 - General Manager Industry Development and Investment
 - Investment Manager
 - Digital Media Manager
 - Technical Project Officer

The Panel met on four occasions and assessed 18 applications of which 11 were approved.

PROFESSIONAL DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the Attachment, Mentorship, Internship, International Travel Fund programs.

Members (a minimum of three of the following):

- Chief Executive Officer
- General Manager Industry Development and Investment
- Investment Manager
- Script Manager(s)
- Documentary Development Manager
- Professional Development Officer(s)
- Digital Media Manager
- Technical Project Officer

The Panel met on 20 occasions and assessed 95 applications of which 77 were approved.

INDUSTRY & AUDIENCE DEVELOPMENT ASSESSMENT PANEL

This Panel assesses applications to the Industry and Audience Development Assessment Panel, comprising at least three of the following:

- Chief Executive Officer (Chairperson)
- General Manager Industry Development & Investment
- Investment Manager
- Digital Media Manager
- Industry and Audience Development Officer

The Panel met on four occasions and assessed 51 applications of which 31 were approved.

- ## PROPELLER SHORTS
- The Propeller Shorts committee includes one internal staff member and a minimum of three external industry practitioners with relevant skills and experience (typically a writer, a director and a producer).

- In 2007/08 the committee was:
- Megan Gardiner, Professional Development Officer
 - Michael McMahon, Producer
 - Kate Dennis, Writer and Director
 - Mark Shirrefs, Writer

CREDIT COMMITTEE

This Committee consists of representatives from the Victorian financial sector and is chaired by a representative from the Board. The Credit Committee meets as required.

- Siu Ling Hui, Film Victoria Board Member (Chairperson)
- Peter Francis Maddox, Partner, Anderson Legal
- Jo Dawson, Film Victoria Board Member

The Credit Committee met on five occasions and assessed a total of seven applications with four applications approved for support and three were revoked.

- ## BUSINESS SUPPORT
- The Business Support Assessment Panel comprises a minimum of three internal staff from the following:

- Chief Executive Officer
- General Manager Industry Development and Investment
- Investment Manager
- Script Manager(s)
- Documentary Development Manager
- Professional Development Officer
- Digital Media Manager (for applications involving digital media applications)

The Business Support Panel met three times and assessed a total of 13 applications of which nine were approved.

DISCLOSURE REQUIREMENTS

- ## PIAF/RLAF COMMITTEE
- The Production Investment Attraction Fund (PIAF) and Regional Victoria Film Location Attraction Fund (RLAF) committee meets as required. Applications are considered and a response provided to the producers within four weeks from the date of application.

The Committee met on 15 occasions and approved a total of 11 projects, six for RLAF and 5 for PIAF.

- Ewan Burnett, Film Victoria Board Member (Chair)
- Jo Dawson, Film Victoria Board Member (Chair)
- Chief Executive Officer
- General Manager Melbourne Film Office
- General Manager Industry Development and Investment
- General Manager Business Affairs
- David Hanna, CEO of Innovation Economy Advisory Board, Department for Innovation, Industry and Regional Development

FILM VICTORIA STAFF 2007/08

In July last year, Film Victoria’s Manager of Industry Analysis and Reporting, Kay Hart left to pursue creative interests. For almost twenty years Kay made a valuable contribution to Victoria’s screen industry through the industry research and analysis she conducted in her role. Kay was a highly respected member of staff due to her understanding and knowledge of the industry and her work in the development of key research initiatives with the federal and state screen agencies.

DIRECTORATE

Sandra Sdraulig, Chief Executive Officer
Leonie Goodwin, Executive Assistant to CEO and Board
Shae Quabba, Communications & Marketing Manager
Kathy Charles, Communications & Marketing Coordinator (To January 2008)
Fiona Howat, Communications & Marketing Assistant (To October 2007)
Samantha Tate, Communications & Marketing Coordinator (From February 2008)

INDUSTRY DEVELOPMENT AND INVESTMENT (IDI)

Ros Tatarka, General Manager, IDI (To August 2007)
Jenni Tosi, General Manager, IDI (From October 2007)
Charlie Carman, Script Manager
Sue Edwards, Investment Manager
Amelia King, Digital Media Manager
Steve Warne, Documentary Development Manager
Alex Keay, Script Coordinator
Blythe Chandler, Industry & Audience Development Officer
Megan Gardiner, Professional Development Officer
Brad Giblin, Technical Project Officer
Eleanor Philpotts, Professional Development Officer (To December 2007)
Meghan Lew, Acting Professional Development Officer (From December 2007)
Meghan Lew, Administrative Support Officer (To December 2007)
Maria Toscano, Administrative Support Officer
Genevieve Gaffy, Administrative Support Officer
Tim Reid, Administrative Support Officer
Chloe Bolton, Administrative Support Officer (To March 2008)
Zoe Hayden, Administrative Support Officer
Elspeth Langford, Administrative Support Officer
Victoria Pope, Special Projects Manager

MELBOURNE FILM OFFICE (MFO)

Caroline Pitcher, General Manager, MFO (To August 2007)
Kirsten Badcock, General Manager, MFO (From October 2007)
Neil McCart, Production and Policy Manager
Kate Marks, Research and Incentives Coordinator
Daniel May, Locations Resource Coordinator
Trisha Vessey, Marketing Coordinator
Emily Westmore, Production Service Coordinator (To March 2008)
Jamy Kim, Production Service Coordinator (From March 2008)
Jamy Kim, Executive Assistant to GM, MFO (To March 2008)
Nina Stefanac, Victorian Projects Officer (To December 2007)
Fiona Howat, Victorian Projects Officer (From October 2007)

BUSINESS AFFAIRS (BA)

Jane Watson, General Manager, BA (To May 2008)
Nesreen Bottriell, Acting General Manager, BA (From May 2008)
Nesreen Bottriell, Finance Manager (To May 2008)
Nathalie Pelissero, Senior Finance Officer
Bianca Hetnal, Finance Officer
David Berry- Smith, Information Technology Manager
Samantha Lloyd, Administrative Assistant – Legal & Recoupment
Jessica Thomas, Executive Assistant to GM BA
Kristen Matthews, Contracts Officer– Production & Recoupment
Bernadette Wood, Contracts Officer– Development & Grants
Deirdre Athayde, Principal Solicitor
Michelle Rubin, Manager – Legal & Recoupment
Emma Cornall, Principal Solicitor
Peta Jennings, Human Resources Manager
Jana Jones, IT Projects Officer
Christine Skelly, Reception

WHISTLEBLOWER’S PROTECTION ACT

The Whistleblowers Protection Act 2001 encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Film Victoria does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. Film Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

REPORTING PROCEDURES

Disclosures of improper conduct or detrimental action by Film Victoria or its employees may be made to:
The Protected Disclosure Coordinator
Peta Jennings, Human Resource Manager
Phone: (03) 9660 3200
Email: Peta.Jennings@film.vic.gov.au

Alternatively, disclosures of improper conduct or detrimental action by Film Victoria or its employees may also be made directly to the Ombudsman.

THE OMBUDSMAN VICTORIA

Level 9, 459 Collins Street (North Tower)
Melbourne VIC 3000
Phone: (03) 9613 6222
Toll free: 1800 806 314

FURTHER INFORMATION

Guidelines outlining the system for reporting disclosures of improper conduct or detrimental action by Film Victoria or its employees are available for perusal on request.

DISCLOSURES UNDER THE WHISTLEBLOWERS PROTECTION ACT

	2007-08 NUMBER	2006-07 NUMBER
The number and types of disclosures made during the year:		
Public Interest Disclosures	0	0
Protected Disclosures	0	0
Any recommendations made by the Ombudsman that relate to the public body	0	0

AUDITOR GENERAL'S
REPORT

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members, Film Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of Film Victoria which comprises an operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Members' Responsibility for the Financial Report

The Members of Film Victoria are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Financial Management Act 1994. This responsibility includes:

• establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error

• selecting and applying appropriate accounting policies

• making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

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ACCOUNTABLE
OFFICER'S AND
CHIEF FINANCE
AND ACCOUNTING
OFFICER'S
DECLARATION

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Film Victoria for the year ended 30 June 2008. The Members of Film Victoria are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Film Victoria's web site.

Independence

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Film Victoria as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the Financial Management Act 1994.

MELBOURNE

18 September 2008

Mashukh Parrett

D D R Pearson

Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest

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We certify that the attached financial statements for Film Victoria have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of Film Victoria at 30 June 2008.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

John Howie
President

Film Victoria
Melbourne
15 September 2008

Sandra Sdraulig
Chief Executive Officer

Film Victoria
Melbourne
15 September 2008

Nesreen Bottriell
General Manager – Business Affairs

Film Victoria
Melbourne
15 September 2008

OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
INCOME			
Revenue	2(a)	4,260,683	2,805,931
Victorian Government funding	2(b)	19,222,767	17,907,910
TOTAL INCOME		23,483,450	20,713,841
EXPENSES			
Project costs	2(c)	15,436,984	15,238,024
Employee benefits expense	2(d)	3,168,258	2,978,048
Depreciation and amortisation expense	2(e)	112,664	180,197
Supplies and services		1,555,606	2,287,578
Operating lease expenses		732,737	231,640
TOTAL EXPENSES		21,006,249	20,915,488
Net result from continuing operations		2,477,201	(201,647)
Net result for the period		2,477,201	(201,647)

Notes to the financial statements are included on pages 98 to 117

BALANCE SHEET

BALANCE SHEET AS AT 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	14(a)	29,028,046	28,411,033
Receivables	3	958,092	542,085
Other	4	36,759	0
TOTAL CURRENT ASSETS		30,022,897	28,953,118
NON-CURRENT ASSETS			
Receivables	3	3,715,416	2,429,021
Property, plant and equipment	5	668,920	187,355
Total non-current assets		4,384,336	2,616,376
TOTAL ASSETS		34,407,233	31,569,494
LIABILITIES			
Current liabilities			
Payables	6	148,388	145,079
Provisions	7	239,464	263,631
Total current liabilities		387,852	408,710
NON-CURRENT LIABILITIES			
Provisions	7	176,995	195,599
Total non-current liabilities		176,995	195,599
TOTAL LIABILITIES		564,847	604,309
Net assets		33,842,386	30,965,185
EQUITY			
Contributed equity		27,747,974	27,347,974
Accumulated funds	9	6,094,412	3,617,211
TOTAL EQUITY		33,842,386	30,965,185

Notes to the financial statements are included on pages 98 to 117

Commitments for expenditure	11	16,917,095	16,476,883
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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
(A) CONTRIBUTIONS BY OWNERS		
Balance at beginning of financial year	27,347,974	27,347,974
Capital contributions by Government	400,000	0
Balance at end of financial year	27,747,974	27,347,974
(B) ACCUMULATED FUNDS		
Balance at beginning of financial year	3,617,211	3,818,858
Net result	2,477,201	[201,647]
Balance at end of financial year	6,094,412	3,617,211
TOTAL EQUITY AT END OF FINANCIAL YEAR	33,842,386	30,965,185

Notes to the financial statements are included on pages 98 to 117

The Accumulated funds total of \$6,094,412 as at 30 June 2008 is mainly represented by expenditure that has been allocated to various programs, but has yet to be expended.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	NOTE	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government		19,222,767	17,907,910
Receipts from Other Entities		1,182,294	459,626
Equity Investment Repayments		264,177	200,769
Producer Package Investment Repayments		440,569	138,123
Interest Received		2,345,700	1,935,931
Payments to Suppliers and Employees		[5,523,049]	[5,627,100]
Goods and Services Tax recovered from the ATO		1,341,013	1,320,907
Goods and Services Tax paid to the ATO		[1,547,699]	[1,341,592]
Payments to Industry Applicants		[8,253,211]	[8,454,493]
Equity Investment in New Projects		[6,825,822]	[6,302,281]
Producer Package Investment in New Projects		[357,950]	[481,250]
Net cash provided by / (used in) operating activities	14(b)	2,288,789	[243,450]
CASH FLOWS FROM INVESTING ACTIVITIES			
Producer Loans – Cash Flow Facility Repayments		2,247,410	1,940,910
Payment for Property, Plant, and Equipment		[594,229]	[87,564]
Producer Loans – Cash Flow Facility Advances		[3,724,957]	[1,540,067]
Net cash provided by / (used in) investing activities		[2,071,776]	313,279
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions from Government		400,000	0
Net cash provided by / (used in) financing activities		400,000	0
Net increase in cash held		617,013	69,829
Cash and cash equivalents at the beginning of the financial year		28,411,033	28,341,204
Cash and cash equivalents at the end of the financial year	14(a)	29,028,046	28,411,033

Notes to the financial statements are included on pages 98 to 117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

(A) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the **Financial Management Act 1994**, applicable Australian Accounting Standards, which includes the Australian accounting standards issued by the Australian Accounting Standards Board, AAS 29 Financial Reporting by Government Departments, Interpretations and other mandatory professional requirements. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial report also complies with relevant Financial Reporting Directions issued by the Department of Treasury and Finance, and relevant Standing Directions authorised by the Minister of Finance.

(B) BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

(C) REPORTING ENTITY

The financial statements include all of the controlled activities of Film Victoria.

(D) OBJECTIVES AND FUNDING

Film Victoria is the Victorian State Government body that provides strategic leadership and assistance to the film, television and digital media industries in Victoria. Film Victoria is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

(E) GOODS AND SERVICES TAX

Income, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1. SUMMARY OF ACCOUNTING POLICIES continued

(F) INCOME RECOGNITION

Income from Government

Grants from Government are brought to account as revenue as and when received, and Film Victoria gains control of the underlying assets. For non-reciprocal grants, Film Victoria is deemed to have assumed control when the grant is received or receivable. Expenditure from such grants is recognised when incurred.

Revenue

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of Film Victoria's major activities as follows:

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Other revenue

Revenue from project assistance, producer advances, and the sale of rights is recognised upon delivery of the service or rights to the customer.

(G) EXPENSES

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These costs are recognised when incurred.

Superannuation

All superannuation contributions are expensed in the Operating Statement. A total of \$238,128 was contributed to a number of superannuation funds in 2007/08. Superannuation contributions in 2006/07 were \$215,340.

Depreciation

Depreciation is provided on property and plant and equipment, including freehold buildings. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation and amortisation:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Audio Visual Equipment	25%
Computers	33.33%
Furniture and Fittings	20%
Office Equipment	20%
Software	40%
Leasehold Improvements	Amortised over the life of the lease

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1. SUMMARY OF ACCOUNTING POLICIES continued

Impairment of assets

All assets are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. When an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

(H) ASSETS

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks and highly liquid investments with an original maturity of 3 months or less, which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

Receivables

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful debts is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

Loans and Receivables

Film Victoria classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, and held to maturity investments. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Producer Loans – Cash Flow Facility (CFF)

Film Victoria is responsible for overseeing the operation of the Film Victoria Cashflow Facility. The Film Victoria Cashflow Facility is a revolving financial facility, which complements Film Victoria's existing programs by cash-flowing pre-sales and distribution guarantees. It provides financial support for the industry by underpinning private sector participation, and assisting local producers in international joint venture financing. It also attracts increased production to Victoria.

Cash flow advances to producers are by nature a loan secured by executed distribution contracts and pre-sale agreements. Interest is charged on amounts outstanding until fully repaid and recorded as revenue.

The loan advanced is reduced by the amount of principal repaid.

Loans are recorded at amortised cost. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.

Equity Investments and Producer Packages

Equity Investments and Producer Package Investments relating to industry development are written off in the period of payment. These Equity Investments and Producer Package Investments are subject to recoupment as success of the project allows, and are monitored for repayment over a 7 year period.

Property, plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1. SUMMARY OF ACCOUNTING POLICIES continued

Leased assets

Operating lease payments are recognised as an expense in the Operating Statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

(I) LIABILITIES

Payables

Payables consist predominantly of creditors and other sundry liabilities.

Payables represent liabilities for goods and services provided to Film Victoria prior to the end of financial year that are unpaid, and arise when Film Victoria becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when Film Victoria has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Liabilities for wages and salaries, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made by Film Victoria in respect of services provided by employees up to reporting date. These provisions are recognised as non-current liabilities.

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised and included with LSL employee benefits.

(J) COMMITMENTS

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(K) EQUITY

Contributions by owners

Additions to net assets have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

(L) FOREIGN CURRENCY

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 1. SUMMARY OF ACCOUNTING POLICIES continued

(M) FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of Film Victoria is the Australian dollar, which has also been identified as the presentation currency of Film Victoria.

(N) ROUNDING OF AMOUNTS

Amounts in the financial report have been rounded to the nearest dollar.

(O) ACCOUNTING STANDARDS NOT YET EFFECTIVE

Film Victoria has adopted all new Accounting Standards that apply to the entity in 2007-2008. Film Victoria has reviewed all Accounting Standards that apply after 30 June 2008 and has determined that these standards are not expected to have a material impact on the financial position and results of the entity in the period of initial application. However, a number of these Accounting Standards contain disclosure requirements in addition to those currently required. Therefore, application of some of these Accounting Standards will result in additional disclosures being made in the financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 2. NET RESULT FROM OPERATIONS

	2008 \$	2007 \$
INCOME		
(A) REVENUE		
Development buyout	932,515	371,276
Administration fees	287,649	118,192
Investment and grants repayments	704,746	338,892
	1,924,910	828,360
INTEREST REVENUE:		
Interest on bank deposits	2,106,407	1,800,464
Other revenue	229,366	177,107
TOTAL	4,260,683	2,805,931
Revenue from continuing operations	4,260,683	2,805,931
(B) INCOME FROM GOVERNMENT		
GOVERNMENT FUNDING:		
Government funding for continuing operations	19,222,767	17,907,910
	19,222,767	17,907,910
EXPENSES		
(C) PROJECT COSTS		
Melbourne Film Office program payments	2,839,913	4,326,149
Industry Development & Investment program payments	7,947,140	8,231,141
Industry & Audience Development program payments	3,194,585	1,876,057
Digital Media Fund program payments	1,455,346	804,677
	15,436,984	15,238,024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 2. NET RESULT FROM OPERATIONS continued

	2008 \$	2007 \$
(D) EMPLOYEE BENEFIT EXPENSE:		
POST EMPLOYMENT BENEFITS:		
Defined contribution plans	238,128	215,340
	238,128	215,340
Other employee benefits	2,930,130	2,762,708
	3,168,258	2,978,048
(E) DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of non-current assets	93,527	94,058
Amortisation of non-current assets	19,137	86,139
	112,664	180,197

The increase in revenue for 2007/08 is attributed to higher recoupment revenue along with increased interest earnings during the period. These recoupments, as with previous years, will be directed back into various programs in 2008/09.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 3. RECEIVABLES

	2008 \$	2007 \$
CURRENT		
Producer loans	405,815	214,662
Other receivables (i)	153,273	178,840
Allowance for doubtful debts (i)	0	(26,985)
	559,088	366,517
GST receivable	269,849	63,162
Interest receivable	129,155	112,406
	958,092	542,085
NON-CURRENT		
Producer loans	3,715,416	2,429,021
	3,715,416	2,429,021

(i) The average credit period on sales of goods and services is 30 days. An allowance has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience.

This table summarises the amount of producer loan advances paid out and principal repayments received during the reporting period.

	2008 \$	2007 \$
PRODUCER LOANS – CASH FLOW FACILITY AT COST		
Opening Balance	2,643,683	3,044,526
Add: Further Loan Advances	3,724,958	1,540,067
	6,368,641	4,584,593
Less: Loan Principal Repayments	(2,247,410)	(1,940,910)
Closing Balance	4,121,231	2,643,683
TOTAL CURRENT PRODUCER LOANS – CFF DUE WITHIN 12 MONTHS	405,815	214,662
TOTAL NON-CURRENT PRODUCER LOANS – CFF DUE AFTER 12 MONTHS	3,715,416	2,429,021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 4. OTHER ASSETS

	2008 \$	2007 \$
CURRENT		
Prepayments	36,759	0
	36,759	0

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment at cost less accumulated depreciation or amortisation

	2008 \$	2007 \$
LEASEHOLD IMPROVEMENTS		
At cost	932,408	540,082
Less: Accumulated amortisation	(473,208)	(540,082)
TOTAL LEASEHOLD IMPROVEMENTS	459,200	0
AUDIO VISUAL EQUIPMENT		
At cost	43,106	47,570
Less: Accumulated depreciation	(31,360)	(31,503)
TOTAL AUDIO VISUAL EQUIPMENT	11,746	16,067
COMPUTER EQUIPMENT		
At cost	306,017	312,111
Less: Accumulated depreciation	(213,252)	(169,988)
TOTAL COMPUTER EQUIPMENT	92,765	142,123
FURNITURE AND FITTINGS		
At cost	207,305	136,799
Less: Accumulated depreciation	(105,965)	(110,923)
TOTAL FURNITURE AND FITTINGS	101,340	25,876
OFFICE EQUIPMENT		
At cost	38,755	37,218
Less: Accumulated depreciation	(34,886)	(33,929)
TOTAL OFFICE EQUIPMENT	3,869	3,289
TOTAL PROPERTY, PLANT AND EQUIPMENT	668,920	187,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 5. PROPERTY, PLANT AND EQUIPMENT continued

(b) Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial period are set out below.

2007-2008	LEASEHOLD IMPROVEMENTS AT COST \$	VISUAL EQUIPMENT AUDIO AT COST \$	COMPUTER EQUIPMENT AT COST \$	FURNITURE & FITTINGS AT COST \$	OFFICE EQUIPMENT AT COST \$	SOFTWARE AT COST \$	TOTAL \$
Balance as at 1 July 2007	0	16,067	142,123	25,876	3,289	0	187,355
Additions	478,337	1,840	20,470	91,399	2,183	0	594,229
Depreciation / Amortisation expense	19,137	6,161	69,828	15,935	1,603	0	112,664
Balance at 30 June 2008	459,200	11,746	92,765	101,340	3,869	0	668,920

2006-2007	LEASEHOLD IMPROVEMENTS AT COST \$	VISUAL EQUIPMENT AUDIO AT COST \$	COMPUTER EQUIPMENT AT COST \$	FURNITURE & FITTINGS AT COST \$	OFFICE EQUIPMENT AT COST \$	SOFTWARE AT COST \$	TOTAL \$
Balance as at 1 July 2006	86,138	16,767	122,134	49,031	5,918	0	279,988
Additions	0	6,610	78,532	2,423	0	0	87,564
Depreciation / Amortisation expense	86,138	7,310	58,543	25,577	2,629	0	180,197
Balance at 30 June 2007	0	16,067	142,123	25,876	3,289	0	187,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 6: PAYABLES

	2008 \$	2007 \$
CURRENT		
Accrued expenses	148,388	145,079
	148,388	145,079

NOTE 7. PROVISIONS

	2008 \$	2007 \$
CURRENT		
Employee benefits – annual and long service leave	239,464	263,631
	239,464	263,631
CURRENT EMPLOYEE BENEFITS THAT ARE:		
Expected to be utilised within 12 months of the reporting date	196,235	202,140
Not expected to be utilised within 12 months of the reporting date	43,229	61,491
	239,464	263,631
NON-CURRENT		
Employee benefits – long service leave	101,028	105,970
Leasehold dismantling costs	75,967	89,629
	176,995	195,599

MOVEMENT IN PROVISION FOR EMPLOYEE BENEFITS – CURRENT	2008 \$	2007 \$
Opening balance	263,631	197,549
Leave taken	(197,821)	(197,957)
Additional provisions recognised	173,654	202,548
Movements resulting from re-measurement of liability without cost	0	61,491
Closing balance	239,464	263,631

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 7. PROVISIONS continued

MOVEMENT IN PROVISION FOR LEASEHOLD DISMANTLING COSTS	2008 \$	2007 \$
Opening balance	89,629	87,333
Additional provisions recognised	34,000	2,296
Provisions derecognised	(47,662)	0
Closing balance	75,967	89,629

NOTE 8. SUPERANNUATION

Film Victoria has made employer contributions on behalf of its employees during 2007/08 to the following defined contribution plans;

- Vic Super

Employer contributions paid to the Vic Super scheme in 2007/08 amount to \$157,562 (2006/07 \$133,360). Contributions outstanding as at 30 June 2008 were nil.

- Other

Employer contributions paid to other various schemes in 2007/08 amount to \$80,566 (2006/07 \$81,979). Contributions outstanding as at 30 June 2008 were nil.

Film Victoria recognises all superannuation contributions for the reporting period as expense, included as part of the employee benefits in the Operating Statement.

NOTE 9. ACCUMULATED FUNDS

The Accumulated funds total of \$6,094,412 as at 30 June 2008 is mainly represented by expenditure that has been allocated to various programs, but has yet to be expended.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 10. LEASES

DISCLOSURES FOR LESSEES – OPERATING LEASES

Leasing arrangements

Operating leases are with respect to office space at 189 Flinders Lane, Melbourne and minor related office equipment.

The property leases are non-cancellable leases with terms of 5 years, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. Options exist to renew the lease at the end of the current terms for an additional term of 3 years.

	2008 \$	2007 \$
NON-CANCELLABLE OPERATING LEASES		
Not later than one year	365,815	115,277
Longer than 1 year and not longer than 5 years	1,167,739	15,092
Minimum lease payments	1,533,554	130,369

NOTE 11. COMMITMENTS FOR EXPENDITURE

(a) Producer Package Investments and Producer Loans – Cash Flow Facility

The balance of Film Victoria’s commitments which were not expended in this twelve month period amounted to \$16,917,095. These commitments become payable when contracts are executed and upon contractees satisfying certain conditions. Payments of these commitments are expected to be made within 1 to 5 years.

CASH ANALYSED BY FUNDING AND USAGE	CASH AS AT 30-JUN-08 \$	COMMITTED AS AT 30-JUN-08 \$	BALANCE AS AT 30-JUN-08 \$
Cash Flow Facility Available	10,878,769	0	10,878,769
Film Victoria Programs (including Digital Media)	18,149,277	16,917,095	1,232,182
TOTAL CASH ASSETS	29,028,046	16,917,095	12,110,951

PRODUCER LOANS – CASH FLOW FACILITY	2008 \$	2007 \$
Total Funding for Cash Flow Facility	15,000,000	15,000,000
Less: Total Loans outstanding	(4,121,231)	(2,643,683)
Cash Flow Facility cash held	10,878,769	12,356,317
Less: Cash Flow Facility Committed not yet paid	0	(430,385)
Cash Flow Facility Available	10,878,769	11,925,932

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 11. COMMITMENTS FOR EXPENDITURE continued

Producer loans are included above for reconciliation purposes only and are included as receivables in the Balance Sheet.

The Cash Flow Facility (CFF) represents a \$15 million revolving loan facility. Film Victoria has implemented a stringent credit check process to ensure that all loans are appropriately secured. The balance at any point in time can vary considerably due to the large amounts which may be loaned to a single applicant (up to 25% of the total facility).

Film Victoria Programs comprises grants provided for Industry Investment and support. It also includes repayments and recoupments from prior year projects. The balance at 30 June 2008 is committed to film industry initiatives, programs and expenditure carried forward into future periods, and balance sheet liabilities.

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at reporting date.

NOTE 13. FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT OBJECTIVES

Film Victoria’s activities expose it primarily to the financial risks of changes in interest rates, credit exposure and a minor amount of operational foreign currency transactions. Film Victoria does not enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk. Film Victoria does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(B) SIGNIFICANT ACCOUNTING POLICIES

Film Victoria’s accounting policies including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are stated in Note 1.

(C) INTEREST RATE RISK

Film Victoria’s exposure to interest rate risks and the effective interest rate risks of financial assets and financial liabilities, both recognised and unrecognised at balance date are detailed below.

Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 13. FINANCIAL INSTRUMENTS continued

The following table details Film Victoria’s exposure to interest rate risks as at 30 June 2008

2008	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE \$	FIXED INTEREST MATURITY DATES LESS THAN 1 YEAR \$	NON-INTEREST BEARING \$	TOTAL
FINANCIAL ASSETS					
CASH AND CASH EQUIVALENTS					
Cash on hand and at bank	6.31% - 7.76%	417,426	0	0	417,426
Short-term / at call deposits	6.15% - 7.15%	310,620	28,300,000	0	28,610,620
Loans and receivables (at amortised cost)					
Other receivables (a)	N/A	0	0	282,428	282,428
Producer Loans – Cash Flow Facility	2.43% - 3.21%	4,121,231	0	0	4,121,231
TOTAL FINANCIAL ASSETS		4,849,277	28,300,000	282,428	33,431,705
FINANCIAL LIABILITIES					
FINANCIAL LIABILITIES (AT AMORTISED COST)					
Other payables	N/A	0	0	148,388	148,388
TOTAL FINANCIAL LIABILITIES		0	0	148,388	148,388

The following table details Film Victoria’s exposure to interest rate risks as at 30 June 2007

2007	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE \$	FIXED INTEREST MATURITY DATES LESS THAN 1 YEAR \$	NON-INTEREST BEARING \$	TOTAL
FINANCIAL ASSETS					
CASH AND CASH EQUIVALENTS					
Cash on hand and at bank	5.37% - 6.16%	20,867	0	0	20,867
Short term / at call deposits	5.86% - 6.42%	1,890,166	26,500,000	0	28,390,166
Loans and receivables (at amortised cost)					
Other receivables (a)	N/A	0	0	264,261	264,261
Producer Loans – Cash Flow Facility	2.43% - 3.21%	2,643,683	0	0	2,643,683
TOTAL FINANCIAL ASSETS		4554,716	26,500,000	264,261	31,318,977
FINANCIAL LIABILITIES					
FINANCIAL LIABILITIES (AT AMORTISED COST)					
Other payables	N/A	0	0	145,079	145,079
TOTAL FINANCIAL LIABILITIES		0	0	145,079	145,079

(a) The amount of receivables disclosed here exclude statutory receivables (i.e. GST input tax credit recoverable).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 13. FINANCIAL INSTRUMENTS continued

The only financial assets and/or financial liabilities that are affected by the interest movement are cash and cash equivalents and producer loans. The impact of a reasonably possible 1% increase or decrease in interest rate is not expected to have a material effect on the net result and equity.

(D) CREDIT RISK

Film Victoria’s credit risk arises from its financial assets and comprises cash and cash equivalents and loans and receivables.

Film Victoria’s maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

Within the Film Victoria Cash Flow Facility, the maximum exposure cannot exceed 25% of the Facility (\$3,750,000) for each of the following:

- any one Australian distributor, broadcaster or sales agent
- any one overseas distributor, broadcaster or sales agent
- any one producer. (Producers are eligible to apply to Film Victoria for an equity investment for the same project)

Credit risk in trade receivables is managed in the following ways:

- By operating under payment terms of 30 days,
- Debt collection policies and procedures.

Currently Film Victoria does not hold any collateral as security relating to any of its financial assets.

As at 30 June 2008, there is no event to indicate that any of the financial assets were impaired. The following table discloses the ageing analysis of financial assets.

2008	CARRYING AMOUNT \$	NOT PAST DUE AND NOT IMPAIRED \$	PAST DUE BUT NOT IMPAIRED		IMPAIRED FINANCIAL ASSETS \$
			30 – 90 DAYS \$	90 – 365 DAYS \$	
Other Receivables	282,428	140,396	10,032	132,000	0
Producer Loans	4,121,231	3,715,416	405,815	0	0
2007	\$	\$	\$	\$	\$
Other Receivables	264,261	247,520	6,099	10,642	26,985
Producer Loans	2,643,683	2,429,021	0	214,662	0

As at 30 June 2008, Film Victoria has a bank guarantee in the amount of \$195,000 in respect to the lease of the building.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 13. FINANCIAL INSTRUMENTS continued

(E) LIQUIDITY RISK

Film Victoria settles all obligations within 30 days. It also continuously manages risk through monitoring future cash flows. Film Victoria’s exposure to liquidity risk is deemed insignificant based on the current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

NOTE 14. NOTES TO CASH FLOW STATEMENT

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	2008 \$	2007 \$
(A) RECONCILIATION OF CASH		
Cash on Hand	800	400
Cash at Bank	416,626	20,467
Short Term / At Call Deposits	28,610,620	28,390,166
TOTAL CASH ASSETS	29,028,046	28,411,033
(B) RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Net result for the period	2,477,201	[201,647]
Depreciation and amortisation of non-current assets	112,664	180,197
CHANGES IN NET ASSETS AND LIABILITIES		
(INCREASE) / DECREASE IN ASSETS:		
Current receivables	[208,106]	[120,588]
Interest receivable	[16,749]	8,924
Other assets – prepayments	[36,759]	18,527
INCREASE / (DECREASE) IN LIABILITIES:		
Current payables	3,309	[183,273]
Current provisions	[24,167]	66,082
Non-current provisions	[18,604]	[11,672]
Net cash provided by / (used in) operating activities	2,288,789	[243,450]

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 15. RESPONSIBLE PERSONS

The names of persons who were Responsible Persons at any time during the 12 month financial reporting period are:

Minister for Innovation (01 Jul 2007 – 06 Aug 2007)

The Hon. John Brumby MP

Minister for Innovation (06 Aug 2007 – 30 Jun 2008)

Gavin Jennings MLC

Governing Board

John Howie, President

Ana Kokkinos

Bryce Menzies

Ewan Burnett

Jenni Tosi (term expired 26 Sep 2007)

Joanne Dawson

Katherine Blashki

Leonie Morgan

Siu Ling Hui

Robert Murray (appointed 25 Sep 2007)

Jan Sardi (appointed 25 Sep 2007)

Chief Executive Officer and Accountable Officer

Sandra Sdraulig

Members of the Governing Board did not receive any remuneration for the twelve months ended 30 June 2008.

The remuneration of the Minister is reported separately in the financial statements of the Department for Innovation, Industry and Regional Development.

Remuneration of the Accountable Officer is included in Note 16 – Remuneration of executives.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 15. RESPONSIBLE PERSONS continued

OTHER RELATED PARTY TRANSACTIONS

Other transactions during the financial year with Responsible Persons and Responsible Person-related entities are set out in the table below.

The transactions cover payments and receipts relating to Film Victoria programs for equity investments, production attraction, content development, cash flow funding and professional development as well as participation in evaluation and assessment committees.

All such transactions are carried out at arms length with the entities involved and receive the same amount of scrutiny that apply to all applicants to the Film Victoria program.

ENTITY	TRANSACTION TYPE	30-JUN-08 \$	30-JUN-07 \$
Burberry Productions / Ewan Burnett	Payments	78,000	51,485
	Receipts	(1,951)	(56)
Animalia Productions Pty Ltd / Ewan Burnett	Payments	1,704,797	530,000
	Receipts	(350,763)	0
Wildheart Zizani Films / Ana Kokkinos	Payments	0	15,000
	Receipts	0	(153,018)
Tosi Westside Pty Ltd / Jenni Tosi	Payments	0	7,500
	Receipts	(1,120)	(2,162)
December Films Pty Ltd / Bryce Menzies	Payments	271,700	305,600
	Receipts	(44,180)	(13,640)
Cascade Films Pty Ltd / Bryce Menzies	Payments	0	25,000
Marshall & Dent Lawyers/Bryce Menzies	Payments	0	500
Deakin University/ Katherine Blashki	Payments	0	1,153

Film Victoria’s Board, committees, internal staff assessment panels, CEO and staff are bound by the Conflict of Interest provisions of the Film Act 2001 (Vic) [sections 39-42], together with the Code of Conduct for the Victorian Public Sector [sections 34-37].

A member who has a conflict of interest in a matter must not be present during any deliberations on the matter, unless the President directs otherwise; and is not entitled to vote on the matter.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

NOTE 16. REMUNERATION OF EXECUTIVES

The remuneration of executive officers including that of the Accountable Officer is set out in the table below.

INCOME BAND	TOTAL REMUNERATION 2008 NO.	2007 NO.	BASE REMUNERATION 2008 NO.	2007 NO.
\$90,000 - \$99,999			1	
\$100,000 - \$109,999	1			
\$120,000 - \$129,999				1
\$140,000 - \$149,999		1		
\$190,000 - \$199,999				1*
\$210,000 - \$219,999		1*	1*	
\$220,000 - \$229,999	1*			
TOTAL NUMBERS	2	2	2	2
TOTAL AMOUNT	\$328,157	\$358,872	\$308,321	\$323,278

* Denotes Accountable Officer

Total remuneration includes bonus payments, termination benefits, long service leave and any retrospective adjustments that applied during the financial year.

NOTE 17. REMUNERATION OF AUDITORS

	2008 \$	2007 \$
VICTORIAN AUDITOR GENERAL'S OFFICE		
Audit or review of the financial report	16,200	15,600
	16,200	15,600

NOTE 18. SUBSEQUENT EVENTS

None have been identified.

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
CONTENT CREATION		
NEW FEATURE WRITERS		
Crossing Over	Lisa Dombroski	11,000
Release	Michael Griffith	11,000
Crater Lake	Olivia Wearne	11,000
The Exclusion of Kathy Weir	Briony Kidd	11,000
Brotherhood	Rohan Jones t/as Sniper Films	1,300
Love Is Warmer Than Death	Miranda Nation	1,000
Three Point Turn	Anna Zagala	1,300
Accidently On Purpose	Mitchell Forrester	500
TOTAL NEW FEATURE WRITERS		48,100
FICTION FEATURE FILM		
Cargo Moon	Rogue Productions	65,460
Bullrider	CB Pictures Pty Ltd	27,500
Eggs for Money (aka Shakespeare's New Play)	Ruby Entertainment Pty Ltd	27,000
Alison Says	Big Fella Films Pty Ltd	26,500
The Franklin River Blockade	Revolution Pictures P/L	25,100
The Last Ring	Jason Byrne Productions	24,600
The Circus (aka Here to Alice)	Sense & Cents Ability	21,750
Hoop	Marina Films Pty Ltd	21,500
The Boy in the Sky (aka The Very Wicked Headmistress)	Matteo Bruno	21,500
The Boy in the Sky (aka The Very Wicked Headmistress)	Valarc Films Pty Ltd	15,975
The Big Jesus	Fitzroy Films	21,200
Blackbird	Cameron Clarke	20,000
BABI (aka Animal)	Dean Francis	31,000
Binary	Darestar Pty Ltd	19,500
Almost French	Sonja Armstrong Productions	19,500
In Moral Danger	Circe Films Pty Ltd	18,875
The Sleeper	Edstrong Productions Pty Ltd	18,750
Into My Arms	Mushroom Pictures Pty Ltd	16,750
Rhinochasers	Enjoy Entertainment Pty Ltd	14,625

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
CONTENT CREATION		
FICTION FEATURE FILM (CONTINUED)		
Butterfly Ball	Puffafish Pty Ltd	13,600
The Architect	Circe Films Pty Ltd	12,150
Bee & Leech	Great Scott Productions Pty Ltd	11,750
Mocking Bird	Nova Weetman	11,000
Scramjet	Netnuts.com Pty Ltd t/a 2's Company Pictures	11,000
Life for Sale	Mini Studios	10,238
Weary	Blue Dog Picture Film P/L	8,750
The Vagabond Prince	Cam Eason	8,290
Please Explain	Mini Studios Pty Ltd	7,125
In Moral Danger	Circe Films Pty Ltd	7,000
Spit the Dummy	PD Entertainment	7,000
Snake in the Grass	Joanna M (Mira) Robertson	6,750
The Mighty Rose	Rescued Films Pty Ltd	6,485
Circle Work	Mockingbird Productions Pty Ltd	6,325
Little Kings	Kris Mrksa	6,250
God's Own	Ben Chessell	5,875
Conversations with the Dead	Golden Seahorse Productions	5,850
Two Dog Night	Rogue Productions Pty Ltd	5,625
Homework (aka 2.5)	Mini Studios Pty Ltd	5,500
Playing Jack	GMF Pty Ltd	5,500
Empty Mouths	Elise McCredie	5,000
The Good Oil	Mark Lazarus	4,375
The Hidden Man	Daniel Scharf Productions Pty Ltd	2,875
Resistance	Flickpad Pty Ltd	2,535
Resistance	Maxo Pty Ltd	2,250
TOTAL FICTION FEATURE FILM		636,183

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
CONTENT CREATION		
FACTUAL FEATURE FILM		
Headlands #2 A Terrorist in the Family	Australian Film Television & Radio School	11,616
Headlands #2 A Terrorist in the Family	360 Degree Films Pty Ltd	7,500
Rock N Roll Nerd (aka 'The Dark Side of Tim Minchin')	Rhian Skirving	3,385
TOTAL FACTUAL FEATURE FILM		22,501
FICTION TELEVISION		
The Librarians Series 2	Gristmill Pty Ltd	26,250
The Mark Delaney Stories	Burberry Productions	18,000
Bad Debts	Retroactive Films P/l	16,000
Dirt Game (aka Cockatoo Creek)	Harvey Taft P/L	12,000
Bogan Pride	Big and Little Films	9,925
Too Far	Mondayitis	7,375
Kick – Series 2	Storm Productions	6,250
Mouthpieces (aka Resting)	Bill Garner	6,000
Less is More (aka Yesterday)	Chris Corbett	3,600
Guns and Mullets	Mockingbird Productions Pty Ltd	5,000
Smokeland	Jo Kasch	3,750
The Edge	Circa Entertainment	1,250
TOTAL FICTION TELEVISION		115,400
FACTUAL TELEVISION		
Murundak: The Fight for Freedom	Daybreak Films Pty Ltd	15,000
John Friedrich: Catch Me If You Can	Stella Motion Pictures Pty Ltd	11,250
Frank Hardy Vs John Wren: The Battle for History	Film Art Doco Pty Ltd	11,250
Drugs, Guns, Spooks and Shady Deals – The Nugan Hand Bank	Vue Pty Ltd	10,000
Swing By Sailor	Mish Armstrong	7,500
A Journal of Everyday Events	Second Banana Films	7,000
Mad as Hell: The Peter Finch Story	Lowlands Media Pty Ltd	6,750
Unnatural Selection – A History fo Disability	Sarah Barton	6,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
CONTENT CREATION		
FACTUAL TELEVISION (CONTINUED)		
Degenerates and Perverts	Amber Films	3,750
Anatomy (aka Skinned & also prev Underbelly)	Big and Little Films Pty Ltd	3,750
Man Overboard	Endangered Pictures Pty Ltd	3,750
Causes and Consequences: A Woman's War on China	Jeff Daniels	3,750
Hands Up Who Wants to Die	LM Films Pty Ltd	3,750
On The Banks of The Tigris	Fruitful Films Pty Ltd	3,750
Wild Child	Arcimedia	3,750
Ellis In Wonderland (aka In A State of Grace with Chance)	Circe Films Pty Ltd	3,750
The Gold Robbers	Diane Perelsztejn and Company Pty Ltd	3,725
My Brain, Myself and I	Nicole Ma	3,675
The Art of Walking (aka A HISTORY OF WALKING)	Flaming Star Films Pty Ltd	3,095
Suckers	Mark T/A Romany Mill Films	3,050
Phar Lap: The Making of A Legend	Philip Tyndale t/as Kangaroo Films	3,000
Christopher Lee: An Actor's Life	Lowlands Media (Robert de Young)	2,635
Critical Mass	Vue Pty Ltd	1,875
Belly Of The Whale	Mark A Lyall	1,875
Paper Girls – Pinup Girls of World War 2	Marina Films Pty Ltd	1,250
Inheriting Australia's Largest Family Tree	Get The Picture Pty Ltd (Traicee Evison-Griffith)	1,250
Judgement Day	Byzantine Films	750
TOTAL FACTUAL TELEVISION		130,930
DIGITAL MEDIA SCOPING		
Enviroswitch.com	International Production Services Aus Pty Ltd	5,000
Charity Ringtones and Mobile Media	Ben Harding	5,000
Ben is Dead (aka Agony)	Brett Snelgrove	5,000
Girl Mechanic	Katrina Mathers	3,750
The Jammed – Real Stories	Jammed Films Pty Ltd	3,750
Team Spirit	Peter Nicholson	3,750
TOTAL DIGITAL MEDIA SCOPING		26,250

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
CONTENT CREATION		
DIGITAL MEDIA PROTOTYPING		
Swappler.com	Portable Content	64,341
The Nightspot	Acheron Design Pty .Ltd.	50,000
Cinch	Cinch	5,000
Grind Ball	Effort Studios	3,500
TOTAL DIGITAL MEDIA PROTOTYPING		122,841
GAME PROTOTYPE DEVELOPMENT		
PK Daredevils/Parkour	Torus Games	57,000
TOTAL GAME PROTOTYPE DEVELOPMENT		57,000
GAME PROTOTYPE DEVELOPMENT FV DMF PROGRAMS		
Deathbringer	Infinite Interactive Pty Ltd	240,000
Scarygirl	Passion Pictures Pty Ltd	237,395
TOTAL GAME PROTOTYPE DEVELOPMENT (PREVIOUS DMF PROGRAM)		477,395
NICKELODEON INITIATIVE		
Swopbots	Lycette Bros Pty Ltd	50,000
TOTAL NICKELODEON INITIATIVE (PREVIOUS DMF PROGRAM)		50,000
INNOVATIVE DIGITAL CONTENT		
Arcadia	Hutchison & Lovell	11,110
Slidatron: Dual Spaces	Endgame Studios Pty Ltd	8,000
TOTAL INNOVATIVE DIGITAL CONTENT (PREVIOUS DMF PROGRAM)		19,110
DIGITAL CONTENT DEVELOPMENT		
Forget the Rules 2	Forget the Rules	150,000
collectns.com	G.E Morrison & S.K Saul	71,474
Ticklebum	Mini Studios	29,190
Seed Hunter	360 Degrees Films	3,000
TOTAL DIGITAL CONTENT DEVELOPMENT (PREVIOUS DMF PROGRAM)		253,664
TOTAL CONTENT CREATION		1,959,374

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
ATTACHMENTS		
Sofie Blichfeldt, Executive Producer with Peter Bain-Hogg on Rockwiz	Rockwiz Pty Ltd	6,000
Marni Kornhauser, Art Dept with Ben Morieson on Underbelly	Screentime Pty Ltd	6,000
Anita Fitzgerald Costume Designer with Louise Wakefield on Underbelly	Screentime Pty Ltd	6,000
Ashley Koek, Director with Tony Tilse on Underbelly	Screentime Pty Ltd	6,000
Paul Rowe, Editingwith Steven Evans on Underbelly	Screentime Pty Ltd	6,000
Tamasin Simpkin, Locations with John Greene on Underbelly	Screentime Pty Ltd	6,000
Daniel Henengerg, Editor with Sean Lander on Kenny: World Tour of Toilets	Thunderbox Television	6,000
Kimberley Forbes, Make Up Department with Maggie Kolev on 'Neighbours'	Maggie Kolev	6,000
Jessica Leslie, Producer with Joanne Werner on 'The Elephant Princess'	Jonathan M Shiff Productions	6,000
Ben Chessell, Director'swith Roger Hodgman on 'The Elephant Princess'	Jonathan M Shiff Productions	6,000
Julianne Deeb, Director with Malcolm McDonald on 'Monash and the Anzac Legend'	360 Degree Films	6,000
Carol Cumming, Director with Colin Budds on 'The Saddle Club	Crawford Productions Pty Ltd	6,000
Kitty Allwood, Camera Dept with Remi Adefarasin on 'The Pacific	First Division Productions	6,000
Deanne Chiu, Camera Dept with Stephen Windon on 'The Pacific	First Division Productions	6,000
Kim Hauxwell, Art Dept with Julie Nelson on Playing for Charlie	Queen Ant Films Pty Ltd	5,400
Cliff Sanderson, Sound Post Production with Andrew Neil on 'How to Change in 9 Weeks'	Soundfirm Pty Ltd	5,400
Alice Glenn Camera Dept Attachment on Canal Road with Jaems Grant	Alice Glenn	5,000
Kylie J Plunkett Director's Attachment on Menzies – the Fate of Australia with Steve Jodrell	Kylie J Plunkett	5,000
Rebecca Albeck, Producer's Attachment on Menzies – the Fate of Australia with John Moore	Rebecca Albeck	5,000
Corinne Maunder, Camera Dept Attachment on City Homicide with Craig Barden	Corinne Maunder	5,000
Joel Kohn, Producer with Lynn Bayonas on 'The Saddle Club'	Crawford Productions Pty Ltd	4,500
Rita Walsh, Producer with Jan Chapman on 'Bright Star'	Jan Chapman	4,500
Belinda Fitzpatrick, Assistant Director Dept with Annie Maver on Carla Carmetti PD	Buon Giorno Productions	4,500
Chris Eon Mitskinis Gaffer with Con Mancuso on Carla Cametti PD	Buon Giorno Productions	4,410

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
ATTACHMENTS (CONTINUED)		
Mithila Gupta, Art Department, with Paddy Reardon on Carla Carmetti PD	Buon Giorno Productions	3,150
Sar Ruddenklau, Costume Dept with Katie Graham on A Dying Breed	Ambience Entertainment	3,120
Jaque Fisher, Grip with Craig Dusting on Playing for Charlie	Queen Ant Films Pty Ltd	3,000
Sacha Giurietto, 1st Assistant Director with Nathan Croft on Playing for Charlie	Queen Ant Films Pty Ltd	3,000
Eleanor Wlison, Production Department attachment on Bastard Boys	Flying Cabbage Productions	1,250
Rosie Travers, Producer’s attachment with Laura Waters on Mr G, Princess Pictures	Princess Pictures	1,250
Roberto Salvatore Sound Dept Attachment on Lake Mungo with Craig Carter	Mungo Productions Pty Ltd	1,250
Li Kim Chuah, Script Producer’s Attachment on Canal Road with Susan Bower	Canal Road 1 Pty Ltd	1,250
Sacha Rodriguez, Producer’s Attachment on Tina Modotti (working title) with Gabriel Beristain	Sacha Rodriguez	1,250
Alana Blanch, Camera Department Attachment on City Homicide with Craig Barden	Seven Network	1,250
Cameron Ford, Camera Dept Attachment’s on The Tumbler with Justin Brickle	Mondayitis Pty Ltd	1,125
Elisa Heimann Costume design Attachment on Prey with Paul Warren	Top Cat Films Pty Ltd	1,125
Fabrice Galli, Sound Department Attachment on The Tenderhook with Gary Wilkins	Fabrice Galli	875
Gina Wessel, camera department attachment on Bastard Boys	Flying Cabbage Productions	50
TOTAL ATTACHMENTS		155,655
INTERNATIONAL MARKET ATTENDANCE		
Gian Christian & Dina McPherson at MIPCOM 2007	Galaxy Pop Pty Ltd	10,000
Philipa Campey & Rhys Graham at Rotterdam CineMart 2008	Film Camp Pty Ltd	10,000
Matteo Bruno & Ben Hackworth at Cannes Film Market 2008	Valarc Films Pty Ltd	10,000
Robert Lewis Galinsky & Elizabeth Howatt-Jackman at Cannes Film Market 2008	Top Cat Films Pty Ltd	10,000
Joel Kohn at MIPCOM 2007	Joel Kohn	7,000
Kelly Lynagh at MIPCOM 2007	Bigkidz Entertainment	7,000
Ewan Burnett at MIPCOM 2007	Burberry Productions Pty Ltd	7,000
Michael Adante at American Film Market 2007	Adante Productions	7,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
INTERNATIONAL MARKET ATTENDANCE (CONTINUED)		
Anthony Woodcock and David Blumenstein at MIPTV 2008	Puffafish Pty Ltd	7,000
Ann Darrouzet at MIPTV 2008	Westside Film & Television	7,000
Jim Shomos at MIPCOM 2007	Let’s Talk Pty Ltd	7,000
Simon Goodrich at SXSW Interactive	Portable Film Festival	7,000
Michael Adante at Cannes Film Market 2008	Adante Productions	6,945
Leanne Tonkes at Cannes Film Market 2008	Sense & Centsability	5,250
Sharyn Prentice at Sunny Side of the Doc 2008	Flaming Star Films Pty Ltd	5,250
No Borders International Co-Production Market 2007	Resolution Independent	5,000
Andrew de Groot at Sunny Side of the Doc	Ghost Pictures Pty Ltd	3,750
Peter Ford and Mark Pennell at Cannes Film Market 2007	Resolution Independent	2,400
Margot McDonald and Chi Yen Ooi at Cannes Film Market 2007	Moonlight Cinata Pty Ltd	2,225
Emma Franz at Sunny Side of the Doc 2007	Emma Franz	1,462
Nicole Ma at Sunnyside of the Doc 2007	Nicole Ma	1,425
TOTAL INTERNATIONAL MARKET ATTENDANCE		129,707
INTERNATIONAL FESTIVAL ATTENDANCE		
Matteo Bruno with Corroboree at Torontoa International Film Festival 2007	I Won’t Grow Up Pty Ltd	9,000
Donna McCrum & Sean Byrne with Advantage at Sundance Film Festival 2008	Plus Films	9,000
Nick Heydon & Tim Dean with Wasting Away Rotterdam International Film Festival	Heydon Films	9,000
Tony Ayres & Michael McMahon with Home Song Stories at Toronto International Film Festival	Big and Little Films Pty Ltd	8,148
Stephan Mack & Julia Fitz with Him at Palm Springs Shortsfest 2007	Family Productions	5,000
Cezary Skubiszewski with Night at Toronto Film Festival 2007	Cezary Skubiszewski	5,000
Lizette Atkins with Night at Toronto International Film Festival 2007	Circe Films Pty Ltd	5,000
Ruby Hamad with Falling at Palm Springs Shortsfest 2007	Ruby Hamad	4,995
Adam Bostock with The Postman at Palm Springs Shortsfest 2007	Adam Bostock	3,770
(Robert Connolly with Romulus, My Father at Toronto International Film Festival 2007	Arenafilm Pty Ltd	3,750
Stuart Parkyn with Jerrycan at Cannes Film Festival 2008	Park Films	3,750

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
INTERNATIONAL FESTIVAL ATTENDANCE (CONTINUED)		
Crimmings with Two Men and two Babies at Frameline LGBT Film Festival 2007	Emma Crimmings	3,740
Luke Walker with Beyond Our Ken at Hot Docs 2008	Luke Walker	3,451
Peter George with William at Sundance Film Festival 2007	Captive Films	2,250
Trevor Blainey & Matt Saville with Noise at Sundance Film Festival 2007	Retro Active Films	2,250
Sally Ingleton and Miranda Wills with 2 Mums and a Dad at Frameline LBGT International 2007	Singing Nomad Productions	2,220
Rohan Timlock and Clayton Jacobson with Kenny at South by South West (SXSW) 2007	Thunderbox Films	1,250
Shelley Matulick Our Brilliant Second Life at Annecy International Animation Festival 2007	Mixin Pixels	1,250
Kylie Eddy with This Kiss at Frameline LBGT International 2007	Kylie Eddy	1,250
Kelly West with Fine and Dandy at Frameline LBGT International 2007	Kelly West	1,250
Tanya Curnow with Eat The Suburbs at Hot Docs 2007	Tanya Curnow	1,248
Timothy Hunter with Working It Out at Frameline LBGT International 2007	Timothy Hunter	1,222
Michael Wagner with Whirlpool and The Bat and The Butterfly at Annecy International Animation Festival 2007	Michael Wagner	1,210
Alistair Macinnes with From Gold to Grapes: The Story of Landsborough at Worldwide Short Film Festival 2007	Alistair Macinnes	795
TOTAL INTERNATIONAL FESTIVAL ATTENDANCE		89,799
MENTORSHIPS		
No Borders International Co-Production Market (in partnership with NSW Film & TV Office and the New Zealand Film Commission)	Independent Feature Project (IFP), USA	6,921
Accelerator 2007 – Melbourne International Film Festival Initiative	Melbourne International Film Festival (Filmfest Ltd)	5,000
Pene Patrick Playing With Charlie with mentor Tony Ayres	Queen Ant Films	5,000
Sarah Lewis The Cuts Film with mentor Ken Sallows	Sarah Lewis	5,000
Jacob Oberman The Fokker Diaries with mentor Franco Di Chiera	Palais Pictures	5,000
Joel Kohn at MIPCOM 2007 with mentor Lynn Bayonas	Joel Kohn	3,000
Kelly Lynagh at MIPCOM 2007 with mentor Ewan Burnett	BigKidz Entertainment	3,000
Erin Milne & Rosemary Myers, various projects with mentor Margot McDonald	Arena Theatre	1,250
Sally Bird, Ratty's Day with mentor Mark Shirrefs	Sally Bird	1,250

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
MENTORSHIPS (CONTINUED)		
David Barry and Michael Adante for Cannes Film Market 2007 with mentor David Redman	Adante Productions	1,250
TOTAL MENTORSHIPS		36,671
INTERNSHIPS		
Dougal McMurchy	IR Gurus	14,985
Olga Kilicci	Wicked Witch Software Pty Ltd	14,985
Matthew Smith	Act3 Animation	14,965
Chris Bosse	Lens and Shutters Pty Ltd T/A NetEffective Media Group	13,843
Kate Forrest	Tantalus Interactive	10,985
Ranae Turner	Ish Media Pty Ltd	9,128
Adrian Kennedy	Complete Post Pty Ltd	9,128
Tracy Gin	Active Matriz T/A Nectarine	8,230
Celine Bonlin	Nine Lanterns Pty Ltd	8,230
Aleks Radovic	Robyn Kershaw Productions	7,180
Miranda Wills	360 Degree Films Pty Ltd	6,800
Yvette Radis	Lens & Shutters Pty Ltd T/A NetEffective Media Group	5,897
Luke Henning	Active Matrix Pty Ltd T/A Nectarine	3,761
Gonzalo Arellano	Act3 Animation	4,564
Adrian Shepherd	Imaginating Pty Ltd T/A Everyday Interactive Networks	4,564
Jason Bakker	Wicked Witch Software Pty Ltd	4,564
Lazarus Condos	Acheron Design Pty Ltd	4,365
Ben O'Reilly	Acheron Design Pty Ltd	4,365
Jessica Murphy	Ish Media	4,115
Raymond Clifton-Dobing	Wicked Witch Software Pty Ltd	4,115
Russell Dilley	Wicked Witch Software Pty Ltd	4,115
Lizzy Bailey	Complete Post Australia Pty Ltd	4,115
Nicholas Bitar	Complete Post Australia Pty Ltd	4,115
Matthew Calissi	December Films	4,100

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PROFESSIONAL DEVELOPMENT		
INTERNSHIPS (CONTINUED)		
Karl Ervine	Active Matrix Pty Ltd	3,420
Mark Zaloumis	Acheron Design Pty Ltd	2,780
TOTAL INTERNSHIPS		181,414
TOTAL PROFESSIONAL DEVELOPMENT		593,246
PRODUCTION INVESTMENT		
FICTION FEATURE FILM		
Mary & Max	Melodrama Pictures	480,000
My Year Without Sex	Hibiscus Films Pty Ltd	315,000
Long Weekend	Arclight Films Pty Ltd	282,000
Balibo	Balibo Film Pty Ltd	280,000
Storm Warning	Storm Warning Productions Pty Ltd	7,980
TOTAL FICTION FEATURE FILM		1,364,980
FACTUAL FEATURE FILM		
Salute	Salute the Movie Pty Ltd	185,000
Not Quite Hollywood	City Films Worldwide	167,000
Bastardy	Film Camp Pty Ltd	38,000
Lionel	Circe Films Pty Ltd	48,500
Night	Circe Films Pty Ltd	12,500
Words From The City	Film Camp Pty Ltd	4,000
TOTAL FACTUAL FEATURE FILM		455,000
TV FICTION		
The Elephant Princess	Jonathan M Shiff Productions Pty Ltd	502,415
Bed of Roses	Sourthern Star Entertainment	400,000
Carla Carmetti	Buona Giorno Productions Pty Ltd	370,000
Very Small Business (aka Small Business In Australia)	World Wide Business Group Pty Ltd	184,500
Snake Tales	Westside Film & Television Pty Ltd	175,000
Bogan Pride	Big and Little Films Pty Ltd	148,000
Sumo Mouse	Moody Street Kids Pty Ltd	140,000
Underbelly	Screentime Pty Ltd	156,000
Valentine's Day	December Films Pty Ltd	105,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PRODUCTION INVESTMENT		
TV FICTION (CONTINUED)		
The King	Crackerjack Productions Pty Ltd	25,839
Chainsaw	Jungle Pictures Pty Ltd	24,950
Curtin (Before Dawn)	Apollo Films Pty Ltd	18,818
The Librarians	Gristmill Pty Ltd	8,250
TOTAL PRODUCTION INVESTMENT – TV FICTION		2,258,772
TV FACTUAL (DOCUMENTARY)		
Family Footsteps II	December Films Pty Ltd	117,600
Anatomy	Big and Little Films Pty Ltd	99,750
Murder in the Snow	360 Degree Films	72,000
Ben Lee: Catch My Disease (aka Running with Scissors)	Film Camp Pty Ltd	58,800
Paper Dolls: Pinup Girl of WW2	Marina Films Pty Ltd	56,595
Menzies and the Fate of Australia	360 Degree Films Pty Ltd	54,000
PNG: Rules of the Game (aka Return of the Masta)	Arcimedia Pty Ltd	50,000
Intangible Asset Number 82	In the Sporket Productions Pty ltd	47,000
Monash and the Anzac Legend	360 Degree Films	36,000
Rock N Roll Nerd	Letterbox Films Pty Ltd	32,500
Fitzroy Stars: More Than a Game	Mish Armstrong	30,000
Seed Hunter	360 Degree Films Pty Ltd	27,807
Captain Cook	Cook Films Pty Ltd	15,000
Two Men and Two Babies (aka Two Men & A Baby Part 2)	Big & Little Films Pty Ltd	5,000
Love's Harvest	Rebel Films Pty Ltd	3,600
The Vivian Bullwinkel Story	Waterbyrd Filmz	3,000
Baby Showdown	Circe Films Pty Ltd	2,500
TOTAL TV FACTUAL		711,152
PROPELLER SHORTS/SHORT FILM FUND		
Pests	Kate Breen & Tim Dean	90,450
Floating	Moppet Mode Pty Ltd (Kylie Bryant & Julie Porter)	82,878
Nullabor	Patrick Sarrell	56,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
PRODUCTION INVESTMENT		
PROPELLOR SHORTS/SHORT FILM FUND (CONTINUED)		
Love Apples	Peppermint Film Pty Ltd (Ali Kasap and Clifford Hayes)	55,000
Busess & Trains	John Sadow	13,999
Lucy Wants to Kill Herself	Craig Brookes	9,278
William	AFC, John Brumpton, Eron Sheean, Peter George	1,000
Chris Frey, Director’s mentorship on Buses & Trains with mentor Geoffrey Wright	Geoffrey Wright	500
TOTAL PROPELLER SHORTS/SHORT FILM FUND		309,105
TV PILOT		
El Mariarchi	Studio Moshi	112,207
The Happy Man	Ruby Entertainment	49,936
Too Far	Mondayitis TV Pty Ltd	182,000
Lowdown	Lowdown Inc	125,000
Pharaoh’s Leap	Westside Film and Television Pty Ltd	125,000
Three Day Growth	iSH Media Pty Ltd	52,800
TOTAL TV PILOT		646,943
TOTAL PRODUCTION INVESTMENT		5,745,953
BUSINESS SUPPORT		
BUSINESS SUPPORT FOR PRODUCERS		
Let’s Talk Pty Ltd	Jim Shomos	31,500
Ish Holdings Pty Ltd	Debra Allanson, Karla Burt & Kylie Robertson	26,250
Galaxy Pop Pty Ltd	Gian Christian & Dina McPherson	22,500
TOTAL BUSINESS SUPPORT FOR PRODUCERS		80,250
BUSINESS SUPPORT FOR PRODUCTION COMPANIES		
Rescued Films Pty Ltd	Alkinos Tsilimidos	63,000
Retro Active Active Films	Trevor Blainey	52,500
TOTAL BUSINESS SUPPORT FOR PRODUCTION COMPANIES		115,500

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
BUSINESS SUPPORT		
PRODUCER PACKAGES		
Wilsford P/L T/A Carlyon-Miller Productions	Terry Carlyon, Producer	36,700
Liz Burke	Liz Burke	25,000
403 Productions Pty Ltd		12,500
3D Films Pty Ltd		12,500
Arenafilm Pty Ltd		12,500
Steadicam Productions T/A Pemberton Films	Sonya Pemberton, Producer	12,500
Rebel Films		12,250
Sue Maslin		12,000
Jason Byrne Productions		7,500
Harvey Taft Productions		6,250
Viva Productions Pty Ltd		6,250
Kick Productions		6,250
TOTAL PRODUCER PACKAGES (PREVIOUS PROGRAM)		162,200
SLATE / CSDS FUNDING		
Arenafilm Pty Ltd	Robert Connelly, John Maynard	120,000
Burberry Productions Pty Ltd	Ewan Burnett	50,000
Renegade Films Australia Pty Ltd	Joe Connor, Ken Connor	100,000
Jonathan M Shiff Productions	Jonathan M Shiff	25,000
Westside Film & TV P/L	Ann Darrouzet	25,000
360 Degree Films	John Moore, Sally Ingleton	40,000
Total Slate / CSDS Funding		360,000
TOTAL BUSINESS SUPPORT		1,077,950
CASH FLOW FACILITY		
CASH FLOW FACILITY		
Animalia	Animalia Productions Pty Ltd	1,375,000
Long Weekend	Long Weekend Productions	1,120,000
Sumo Mouse	Sumo Mouse Productions Pty Ltd	800,000
The Elephant Princess	Jonathan M Shiff Productions	429,957
TOTAL CASHFLOW FACILITY		3,724,957

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
INDUSTRY AND AUDIENCE DEVELOPMENT		
SCREEN INDUSTRY ORGANISATIONS		
Australian Children's Television Foundation Triennial Organisation Funding 2005-2007	Australian Children's Television Foundation	166,500
Australian Children's Television Foundation Triennial Organisation Funding 2008-2010	Australian Children's Television Foundation	56,250
Melbourne International Film Festival Triennial Organisation Funding	Filmfest Ltd	67,500
MIFF – Election Promise (37 South/ Premiere Fund 2007 & 2008)	Filmfest Ltd	1,375,000
Australian Film Institute Triennial Organisation Funding 2005-2007	Australian Film Institute Ltd	37,500
AFI Awards 2007	Australian Film Institute Ltd	998,895
Open Channel Organisation Funding (April to December 2007)	Open Channel Cooperative Ltd	70,583
Experimenta	Experimenta Media Arts	77,500
TOTAL SCREEN INDUSTRY ORGANISATIONS		2,849,728
SCREEN INDUSTRY DEVELOPMENT		
Australian International Documetary Conference	Australian International Documetary Conference	15,000
Senses of Cinema	Senses of Cinema Inc	14,500
ADG Annual Conference and Awards	Australian Directors Guild	10,000
Script Alive	Cinema Nova Joint Venture	10,000
Framed 2008	Open Channel	10,000
Video Slam	Open Channel	7,000
Short & Sharp	Open Channel	5,000
Under The Radar – A Decade of Low Budget Australian Cinema	Desireline Productions Pty Ltd	4,000
VCA Film & Television Production Awards	VCA Film & Television	3,000
Metro Magazine	Australian Teachers of Media (ATOM)	2,500
TOTAL SCREEN INDUSTRY DEVELOPMENT PROGRAM		81,000
SCREEN INDUSTRY DEVELOPMENT		
X Media Lab	Megan Elliot, trading as X Media Lab	120,000
2007 ATOM Awards	Australian Teachers of Media (ATOM)	5,000
Ed Hooks – Acting for Animators	Blue Dahlia Films	4,000
Framework 2008	Reed Interactive	5,000
TOTAL SCREEN INDUSTRY DEVELOPMENT		134,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
INDUSTRY AND AUDIENCE DEVELOPMENT		
PUBLIC SCREEN ENGAGEMENT		
National Screenwriters' Conference 2007	Australian Writers' Guild	87,500
St Kilda Film Festival 2008	City of Port Phillip	22,000
The Other Film Festival 2008	Arts Access Society	12,000
Shoot Out – 24 Hour Filmmaking Festival	City of Greater Geelong	10,000
Popcorn Taxi Melbourne	Popcorn Taxi Pty Ltd	10,000
15/15 Film Festival	Amadeo Marquez - Perez	11,500
The Melbourne Cinematheque	The Melbourne Cinematheque	7,500
Little Big Shots 2008	Media Giants Pty Ltd	7,500
Script Alive!	Carlton Nova Joint Venture	5,766
Bayside Film Festival Regional Tour 2008	Bayside City Council	5,000
Shepparton Shorts: Short Film Festival	Shepparton Arts Festival Inc	5,000
ReelDance International Dance on Screen 2008	ReelDance Incorporated	4,000
Australian International Documentary Conference (AIDC) 2007	Australian International Documentary Conference	2,500
Equity Foundation Victorian Screen Culture Programs	Media Entertainment & Arts Alliance	1,000
TOTAL PUBLIC SCREEN ENGAGEMENT		191,266
PUBLIC SCREEN ENGAGEMENT PROGRAM		
Digital Fringe	Kirk's Horse Bazaar Pty Ltd	16,000
Nexus Unpacked – 2008 Next Wave Festival	Next Wave Festival Inc.	8,000
TOTAL PUBLIC SCREEN ENGAGEMENT PROGRAM		24,000

LIST OF PAYMENTS

PROJECT	COMPANY / PERSON	PAYMENTS 2007/08
INDUSTRY AND AUDIENCE DEVELOPMENT		
DIGITAL AUDIENCE DEVELOPMENT		
Mini Freeplay & Resolution	Next Wave Festival Inc	5,000
Dissecta 2006	Ematic Pty L:td	500
Dissecta 2007	Ematic Pty Ltd	12,000
New Platform & Digital Strand: Documentary: how do we do it in a digital age?	Australian International Documentary Conference	456
Ballarat GiG – Get Into Games Event	City of Ballarat	5,000
Digital Fringe 2007	Horse Bazaar Pty Ltd	3,000
Portable Film Festival	Portable Content	3,000
Electundra 2007	Loop 23 Pty Ltd	2,000
TOTAL DIGITAL AUDIENCE DEVELOPMENT (PREVIOUS DMF PROGRAM)		30,956
TOTAL INDUSTRY AUDIENCE DEVELOPMENT		3,310,950
INCENTIVES		
INCENTIVES		
PIAF		2,094,551
RLAF		604,000
TOTAL INCENTIVES		2,698,551

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The Annual Report of Film Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of Film Victoria’s compliance with statutory disclosure requirements.

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Diana Glenn and Vince Colossimo in **Carla Cametti**.
Buon Giorno Productions Pty Ltd. Supported through Fiction Development & Production Investment.

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**Attestation on compliance with the Australian/New Zealand Risk
Management Standard 2007/2008**

I, John Howie, President, Film Victoria Board, certify that Film Victoria has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the Executive to understand, manage and satisfactorily control risk exposures. The Film Victoria Board verifies this assurance and that the risk profile of Film Victoria has been critically reviewed within the last 12 months.



John Howie

President
Film Victoria