



film victoria

annual report 2009/2010

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Introduction



Film Victoria is the State Government agency that provides strategic leadership and assistance to the film, television and digital media industries of Victoria. We invest in projects and businesses, and promote Victoria as a world-class production destination nationally and internationally.

Our screen industry plays a crucial role in Victoria's cultural, economic and social development. It generates jobs and business activity, and enriches our cultural life by capturing local narratives, voices and important ideas.

Through our financial support the film and television industry is able to create entertaining, culturally significant and innovative projects that Victorian audiences want to see and experience; stories about our history, society and life on screen.

Our digital media programmes support the development of diverse projects for online, mobile and video game platforms with an emphasis on technical, creative or design innovation.

Through our work to promote Victoria as a leading production destination nationally and internationally, we're also able to attract production, post-production and visual effects to the state. This enhances opportunities for employment and skills development, creates business prospects and generates a substantial boost for the Victorian economy.

The result of our activity is a film, television and digital media industry that can demonstrate growth over time, with businesses becoming more sustainable. This ultimately achieves our vision for the Victorian screen industry to have a world-leading screen economy and culture.

Initially constituted as the Victorian Film Corporation in 1976 under an Act of Parliament, the Corporation became Film Victoria in 1982 by virtue of the *Film Victoria Act (1981)*. In 1997, the functions of Film Victoria were amalgamated with those of the State Film Centre of Victoria to form Cinemedia Corporation, under the *Cinemedia Corporation Act 1997*. 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, Film Victoria moved from the Arts portfolio to Innovation, and reports to the Minister for Innovation, Gavin Jennings MLC.

The *Film Act 2001* defines Film Victoria's role as to provide:

'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'.

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 to deliver engaging, world class content that enriches our cultural life, and generates jobs, prosperity and creative opportunities.

Our Services

Our staff support the film, television and digital media industry by:

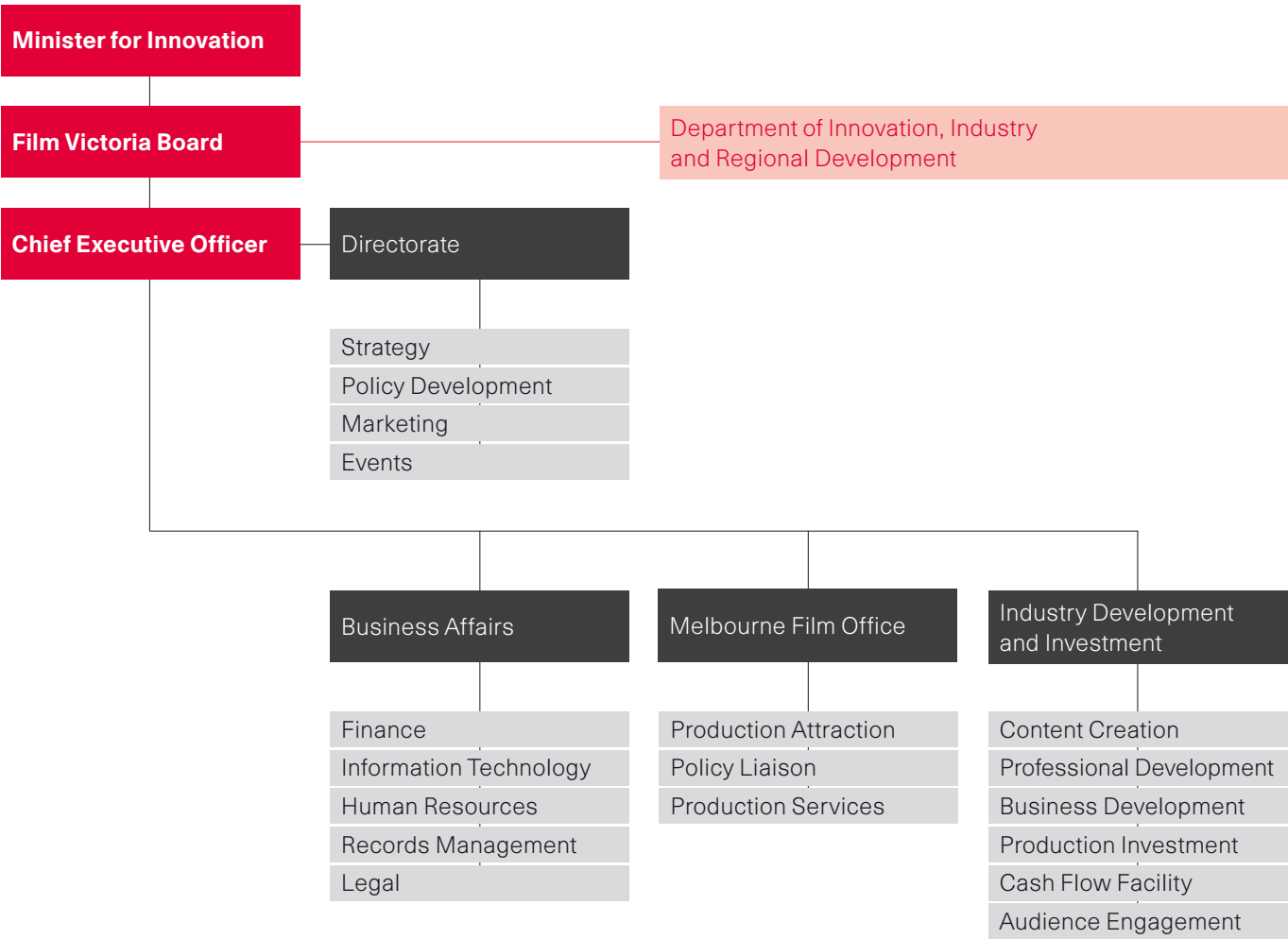
- Providing professional and business development support to foster industry business growth and a skilled workforce
- Supporting the creation and production of original screen content and encouraging audience engagement
- Marketing and developing the state as a world-class production destination to increase the economic value of Victoria's film and television production industry
- Developing and leading industry policy on behalf of the Victorian Government



Our Corporate Governance

We report to the Minister for Innovation, Gavin Jennings MLC. We work closely with the Department of Innovation, Industry and Regional Development (DIIRD) and other government bodies including the Victorian Major Events Company and Australian Centre for the Moving Image, and are guided by the Government’s five-year *Victorian Screen Industry Strategy*.

Organisational Chart



Our Strategic Objectives



Objective One: 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



Objective Two: 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



Objective Three: 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



Objective Four: Enhance Audience Engagement

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



Objective Five: Shape Industry Policy

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



Objective Six: 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

Board Members



John Howie
President

John 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 is a member of the Victorian Screen Industry Roundtable which delivered its strategy in 2009. 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 Chair of Victoria Legal Aid, and a member of the Melbourne and Olympic Park Trust and the Montsalvat Foundation.



Katherine Blashki

With a background in Communications Arts and Information Technology faculties at numerous universities, Katherine is also known for her experience in the interactive media sector, focusing on creating narrative and systems development. Katherine has a new position as Director of Research and Education at the Australian Film, Television and Radio School (AFTRS) and 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 100 papers and journals, along with participation in community, industry and international consultancies in communications, IT and interactive media.



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 experience developed in a range of environments, including CFO of National Financial Management. She is Managing Director and adviser with Executive Wealth Strategies, 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 is the Principal/Director of In-Context Finance, which provides financial consulting, financial management and strategic business advisory services to small and medium enterprises (SMEs). She is an accredited sponsor of the Australian Small Scale Offerings Board (ASSOB). 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 Institute of Chartered Secretaries and Administrators.



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, the latter selected for Director's Fortnight at Cannes and the winner of numerous awards including an AWGIE for Best Adaptation. Ana has directed episodes of the television series EUGENIE SANDLER PI and THE SECRET LIFE OF US. In 2006 her feature film THE BOOK OF REVELATION was launched at the Toronto International Film Festival. Ana's latest feature film BLESSED, premiered at the Melbourne International Film Festival in 2009. It won the Jury prize at San Sebastian for Best Screenplay and the Jury Prize for Best Film at the Kosmorama Trondheim Film Festival in Norway. Ana recently won an Emerging Master Award at the 2010 Seattle International Film Festival.



Kim McGrath

Kim McGrath joined the Board in 2010. She has over 20 years experience in public policy development and implementation in a range of portfolio areas, including the screen industry and governance. She is currently engaged by the United Nations Development Program on the former Victorian Premier, Steve Bracks' Timor-Leste Governance Project. Kim also serves on the Board of the Melbourne International Film Festival.



Michael McMahon

Michael McMahon joined the Board in 2010. A former lawyer with extensive experience in arts and entertainment law, Michael was Director of the Arts Law Centre of Australia and the National Indigenous Arts Advocacy Association, and has served on boards of several arts and cultural organisations. He commenced producing film and television projects in 1997 and is a Director of Matchbox Pictures.



Bryce Menzies

Bryce is a leading entertainment lawyer with more than three decades of experience in film production. His expertise covers the areas of film and television finance and law. He has worked as a lawyer on more than 400 productions including MURIEL'S WEDDING, TWO HANDS, KENNY, DAYBREAKERS, DON'T BE AFRAID OF THE DARK and SOUTH SOLITARY. In addition to acting as legal advisor on Australian films, his executive producer credits include MALCOLM, DEATH IN BRUNSWICK, TWO HANDS, TEN CANOES, NOISE and THE LOVED ONES.



Leonie Morgan

Leonie is Manager, Projects with the Office for the Community Sector in the Department of Planning and Community Development, where she is responsible for projects to strengthen the long-term sustainability of Victoria's not-for-profit community organisations. Between 1997 and 2007 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, and is listed on the Victorian Women's Honour Roll for her services to women in decision making.



Robert Murray

Robert has 16 years' experience in the game development industry. As CEO of Firemint, he has expanded the studio to become a highly awarded company receiving recognition at the Australian Game Developers Conference, International Mobile Gaming Awards, Independent Games Festival and the Governor of Victoria's Export Awards. Robert oversaw the development of numerous triple-A licensed titles for international publishers, as well as Firemint's original iPhone titles, and was the original designer and developer of the studio's smash hit worldwide number one iPhone game, FLIGHT CONTROL. He also oversaw production of REAL RACING, widely acclaimed in the industry as the best iPhone racing game.



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 for BAFTA, the Writers' Guild of America, and the Golden Globes. Jan has also won numerous awards for his work in film and television in Australia, including best screenplay for SHINE. In 2003 he wrote and directed the award-winning film LOVE'S BROTHER an Australian/UK production. He also adapted the hit films THE NOTEBOOK and MAO'S LAST DANCER for the screen. Jan's current projects include adaptations of THE SECRET RIVER by Kate Grenville, and REMARKABLE CREATURES by Tracy Chevalier.





President's Report

I'm pleased to present Film Victoria's Annual Report for 2009/10. It's been an outstanding 12 months for the Victorian screen industry and Film Victoria has played an important role in making the past year such a significant one.

A total of 88 film, television and digital media projects commenced production in Victoria in 2009/10, spending an estimated \$233 million - the second highest spend ever recorded for the Victorian screen industry. What makes this achievement so significant is that the majority of this spend has come from local stories by local teams.

In November 2009 the Government launched the *Victorian Screen Industry Strategy*, which reconfirms the Government's commitment to the industry and acknowledges the importance it plays in the economic and cultural lives of Victorians. We played a major role in the development of the strategy and will deliver many of its objectives over the next five years.

This financial year also marked the last year of our 2007/10 Corporate Plan, and the development of our plan for 2010/13. The new Corporate Plan will focus on objectives that address both the Victorian Government's vision for the screen industry and the ongoing need for Film Victoria to lead industry advocacy and deliver positive outcomes for the industry, which benefit the state.

I must extend a heartfelt thanks to my fellow Board Members for their contributions throughout the year. I'd like to welcome Michael McMahon and Kim McGrath to the Board. Kim and Michael bring a wealth of insight and experience and are welcome additions to the work of the Board.

Film Victoria's standing among the industry as an innovative, responsive and respected screen agency is largely due to our CEO Sandra Sdraulig and her team of dedicated, professional staff. I congratulate and thank them all for your leadership and support of the Victorian screen industry.

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

Together with the Board and the staff of Film Victoria I look forward to an exciting and challenging phase for the industry over the coming months and years.

A stylized, handwritten signature in black ink that reads "John Howie".

John Howie
President



CEO's Report

It's been a remarkable year for Film Victoria and the Victorian screen industry. Our funding programmes leveraged \$179 million in 2009/10, almost double the production expenditure of the previous year.

Local television production was the strongest performing sector, and the 37 productions we supported this financial year contributed \$87 million to the Victorian economy - a 56% increase on last year's figure. And significantly, we saw and heard more Victorian stories on screen, increasing the cultural benefit to the state.

On our screens, viewership of the 33 Film Victoria supported television programs on air this year exceeded 73 million views, signifying the strong appeal of our projects among Australian audiences.

Victorian films also performed incredibly well at the box office - of the top 10 Australian films at the Australian box office, half were Victorian projects or from Victorian teams. Film Victoria supported films released at the Australian box office took more than \$24 million, which represents an estimated attendance of 2.1 million Australians experiencing our stories on the big screen.

Victoria continues its reputation as a leader in the games sector, winning eight of the nine Games Developers Association of Australia Game Developer Awards in 2009. We received a record number of digital media applications – up 45 % on the previous year, signalling that local companies are embracing the opportunity to develop commercially appealing content for new platforms, as well the growth of digital media developers and projects in Victoria.

At Film Victoria we lead the response to an ever-changing landscape to ensure a sustainable, innovative and resilient industry that performs strongly year after year. The *Victorian Screen Industry Strategy* provides the framework for the Victorian Government's vision for the industry. It is a five-year plan and we are already implementing several strategy projects.

In the coming financial year we will continue to consolidate and align our activities to the objectives of the strategy, and deliver programmes that reflect its aims: to extend Victoria's reputation as Australia's foremost location for film, television and digital media production, to increase investment, exports and jobs, to enhance industry skills and increase exposure to Victorian creativity.

As always, my heartfelt thanks to the Board, led by John Howie, for its continued commitment and leadership, and to Film Victoria staff for their hard work throughout the year.

Finally, thanks to our talented screen professionals for their energy, creative vision and high-calibre projects, which have once again made Victoria the leading state for screen activity.

A stylized, handwritten signature in black ink, appearing to read 'Sdraulig'.

Sandra Sdraulig
Chief Executive Officer

Achievements

So how well did we perform this year? Film Victoria's Annual Report for 2009/10 is divided into two sections:

The year in review

All killer no filler

This section highlights our key achievements within each strategic area.

Wherever you see this * it means the achievement also aligns with the *Victorian Screen Industry Strategy: Our Vision On Screen*.

Report of operations

The business end

We deliver an annual report to Parliament that complies with State Government regulations. This section contains our compliance with legislation, the financial statements, report of payments and the disclosure index.

12 Reasons for Victorian Screen Practitioners to be Proud

1

88 film, television and digital media projects commenced production in Victoria in 2009/10, spending an estimated **\$233 million** – the second highest spend on record, and driven predominantly by local activity

2

The television sector was the largest segment of the Victorian screen industry, with production expenditure of **\$130 million**

3

The value of films beginning production in 2009/10 grew by **186%** over the previous year, with production expenditure of **\$101 million**

4

Productions supported by Film Victoria leveraged an estimated spend of **\$179 million**

5

37 television productions supported by Film Victoria contributed **\$87 million** to the state's economy – a **56%** increase from last year's leveraged spend of \$56 million

6

There was a **45%** increase in digital media production applications from the previous year

7

Production Investment Attraction Fund (PIAF) supported projects leveraged **\$102 million** of Victorian industry spend

8

14 productions filmed in **37** locations in regional Victoria with the support of the Regional Location Assistance Fund (RLAF). RLAF support in 2009/10 resulted in a regional spend of **\$2.7 million**. This is an increase of **124%** from the previous year

9

Film Victoria supported projects created an estimated **5,371** full time equivalent jobs

10

Film Victoria supported films released at the Australian Box Office in 2009/10 took **\$24 million** – a **46%** share of the total box office takings for Australian films. This represents an estimated attendance of **2.1 million** Australians – a **411%** increase on last year's results

11

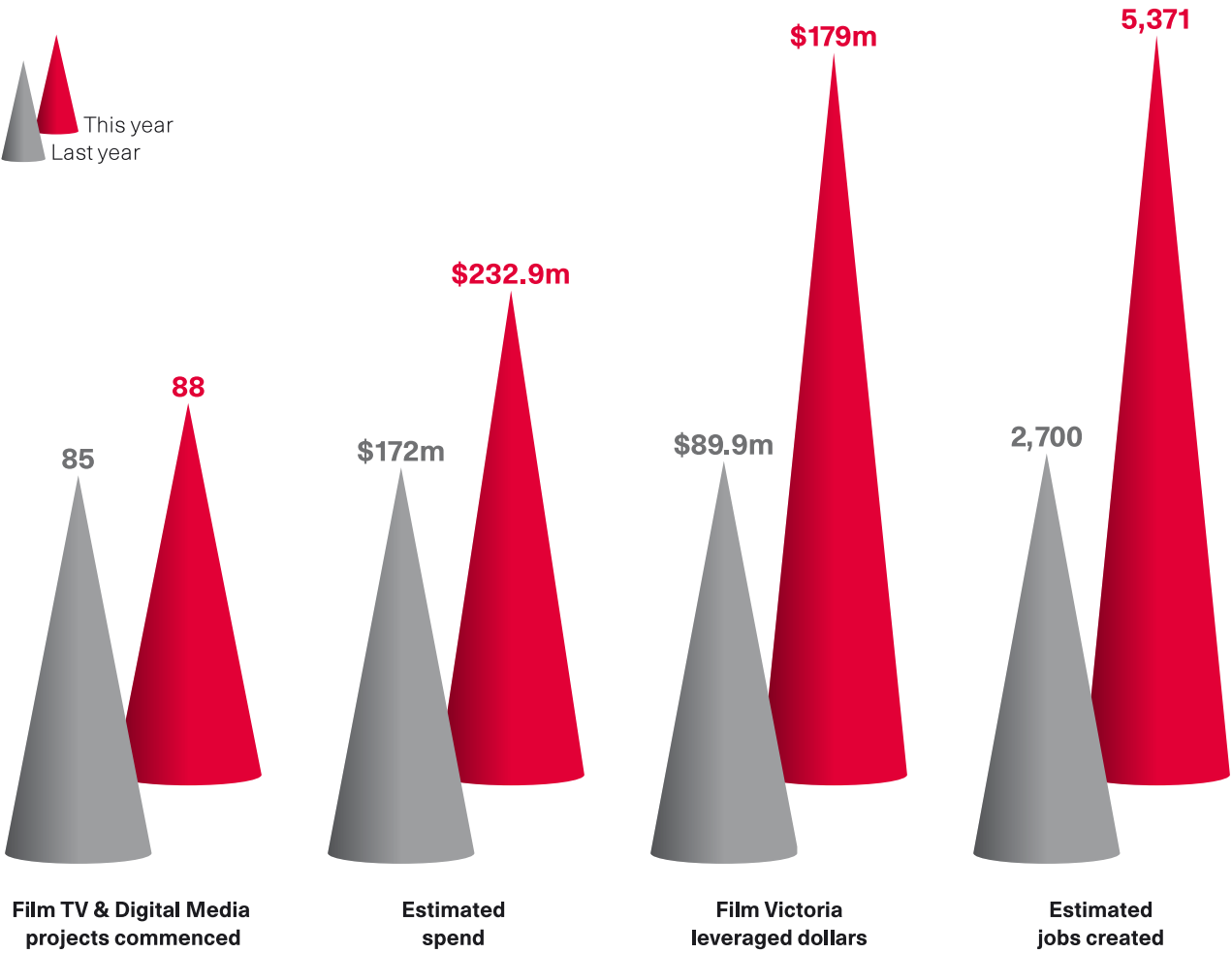
5 out of the top **10** Australian films at the Australian box office were supported by Film Victoria

12

33 Film Victoria supported television programs screened during the 2009/10 financial year, with viewership numbers exceeding **73** million views

Develop an Innovative Industry

88 film, television and digital media projects commenced production in Victoria in 2009/10, spending an estimated \$233 million – the second highest spend on record. * Our programmes leveraged \$179 million of this spend and created an estimated 5,371 full time equivalent positions.





The television sector was the largest segment of the Victorian screen industry, with total state production expenditure of \$129.9 million. We supported 37 of these productions, which generated production expenditure of \$86.8 million - a 56% increase from last year's leverage of \$55.7 million.

\$129.9m ▶
total state production
expenditure

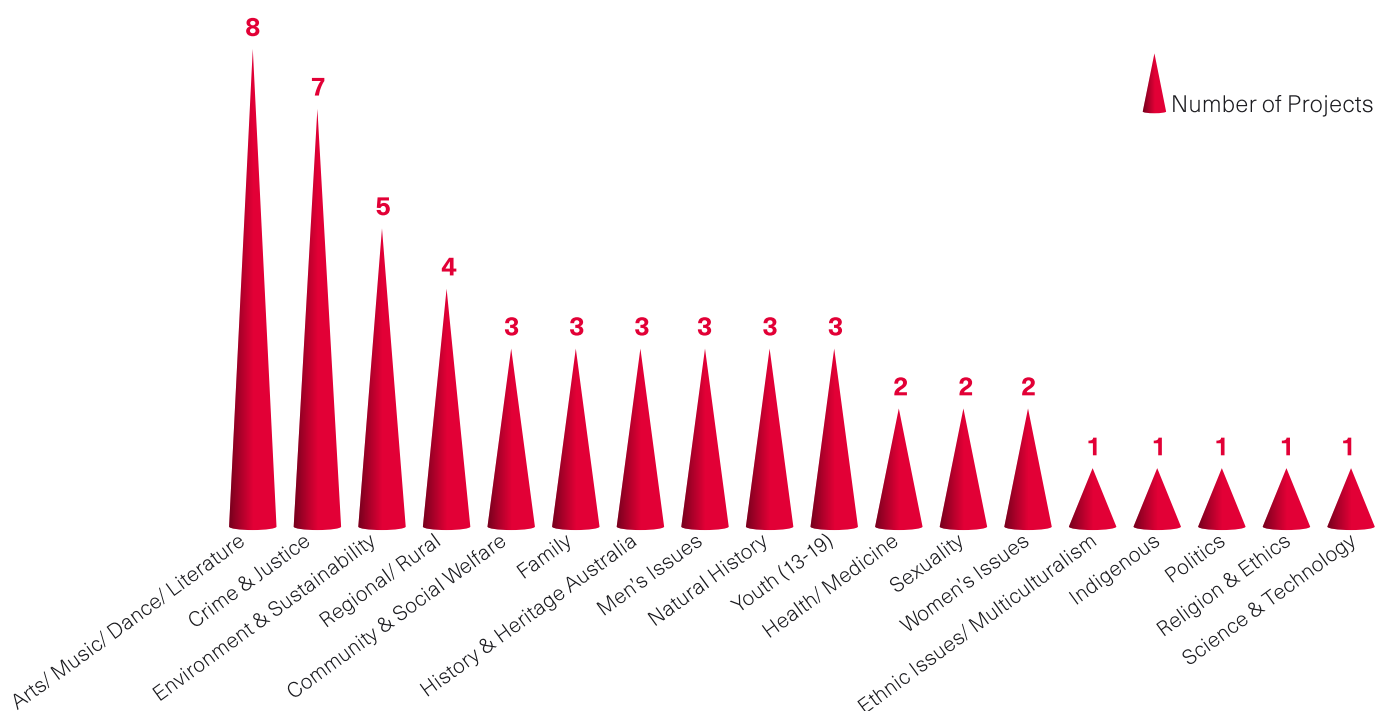
\$86.8m ▶
leveraged Film Victoria
production expenditure



◀ **56%**
increase from
last year

The value of films beginning production in 2009/10 grew by 186%, with total production expenditure of \$101.4 million. Of this, we supported 15 film productions, which leveraged a total spend of \$90.5 million.

Diverse content in productions supported by Film Victoria



We fund a range of projects to engage diverse audiences. In 2009/10, 76% of productions we committed funding to contained socially and culturally diverse content, based on 18 categories defined by Government policy initiatives. These include crime and justice, regional/rural, community and social welfare, Australian heritage and history, women's issues, multiculturalism, science and technology, arts, and religion and ethics.

Through our Production Investment programme we supported:

- Five feature films, with a total commitment of \$482,500
- 14 fiction adult/children's television projects, with a total commitment of \$3,441,864
- 18 factual television projects, with a total commitment of \$1,669,511
- Short projects with a total commitment of \$217,000

Through our Development programmes we supported:

- 39 fiction projects, with a total commitment of \$882,775
- 21 factual projects, with a total commitment of \$205,700

The LOWDOWN on our support through the production cycle

Each week Alex Burchill writes a column for a popular tabloid rag, and each week a celebrity turns his life upside down. This is the world of LOWDOWN, a comedy series from the mind of former showbiz journalist and writer/actor/producer Adam Zwar; developed and produced with our assistance. Produced by Nicole Minchin, written by Adam and directed and co-written by Amanda Brotchie, the series received our Pilot funding in 2008, Script Development funding in March 2009 and Production Investment in September 2009. The series premiered on ABC1 in April 2010, drawing a loyal audience and critical recognition. A second series is in development.



Through our Digital Media programmes we supported:

32 digital media projects with a total commitment of \$1,372,300.

There was a 45% increase in digital media production applications from the previous year, indicating that local companies have embraced the opportunity to develop entertaining and commercially appealing content for new platforms.



We provide more funding for digital content than any other state or federal funding agency in Australia, and the Victorian games development community is world-renowned for its innovation and capability.

Three of the top ten world-wide iPhone games in 2009 were developed in Melbourne: THE SIMS 3, FLIGHT CONTROL and NEED FOR SPEED. It was a strong year for online games with SCARYGIRL (which received our Prototype funding) passing one million online players and PUZZLE CHRONICLES, developed by Infinite Interactive with our assistance, being published by Konami. Victorian company Firemint won two Apple Design Awards for the titles REAL RACING and FLIGHT CONTROL HD, and local young developers The Voxel Agents released their iPhone game TRAIN CONDUCTOR to huge success.

The game was listed by Apple as the #4 most addictive game in the App Store. In 2009 the number of Australians playing games overtook those attending the cinema, so the emphasis that we placed on funding and investing in this sector was timely indeed.

* Downloadable Games Initiative

In September 2009 we announced a new funding programme in our digital media suite – the Downloadable Games Initiative. The only fund of its kind in the world, the initiative supports the development of downloadable games that can be sold direct to the consumer, a market growing at more than 500% each year. This year we invested \$160,600 in 5 projects, keeping us at the forefront of games development support in Australia.





* World Congress of Science and Factual Producers

Some of the best and brightest minds in the world of science and factual production came to Melbourne in December 2009 for the World Congress of Science and Factual Producers, an internationally renowned event that was held for the first time in Australia. Supported by Film Victoria and the Department of Innovation, Industry and Regional Development, the sold-out event attracted more than 500 producers and broadcasters from around the world for information sessions, networking opportunities, spirited debates and potential partnerships with Australia's top academic, journalistic, scientific and research communities.

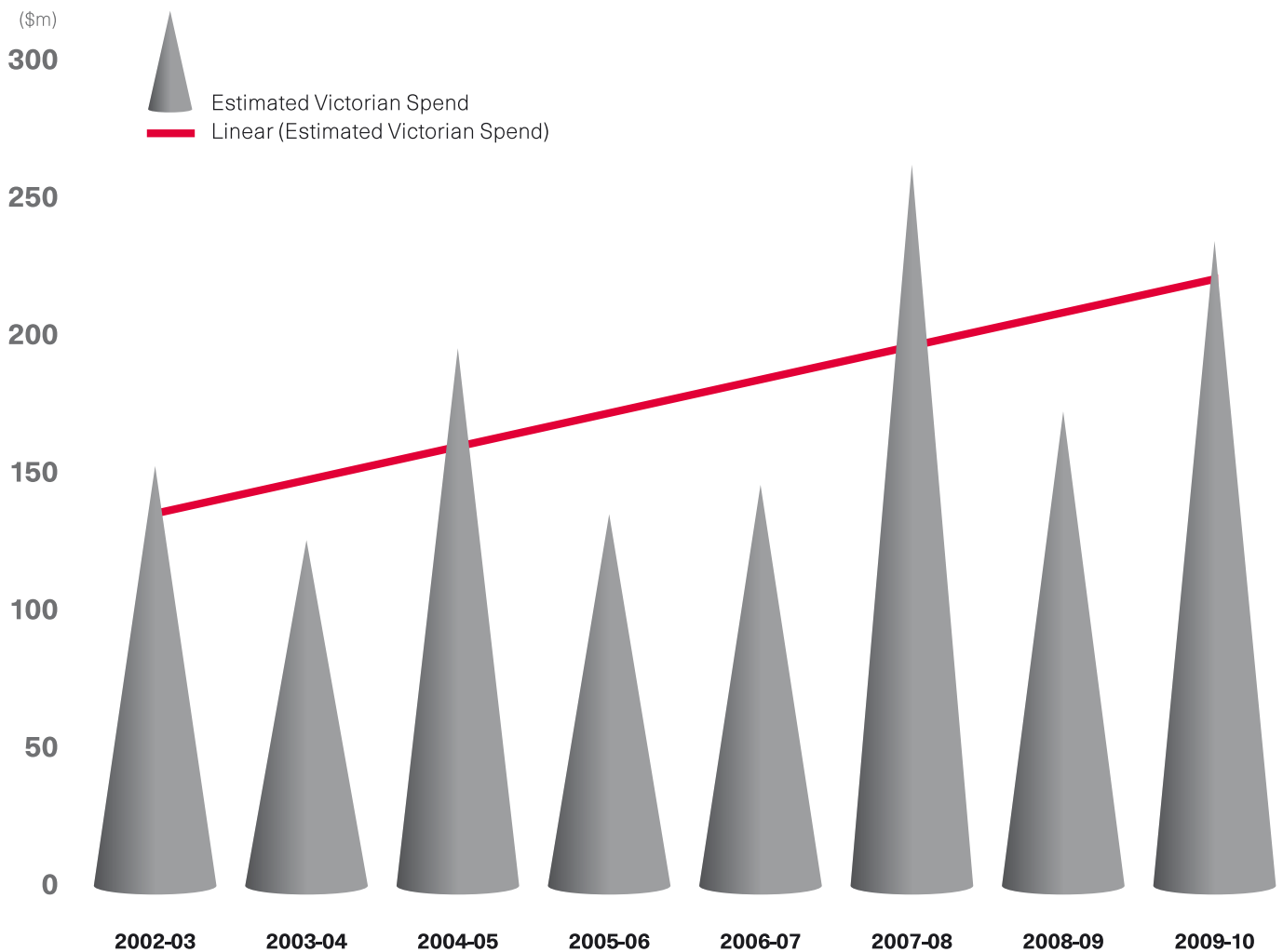
* Digital Distribution Summit

In September 2009 we hosted the *Digital Distribution Summit* – the first of its kind in the world. Digital media industry leaders, developers, publishers and enthusiasts from 112 organisations gathered over three days to discuss the changing nature of games development and shift towards digital distribution. More than 250 people attended the conference, which was also streamed to a worldwide audience of over 5,000.



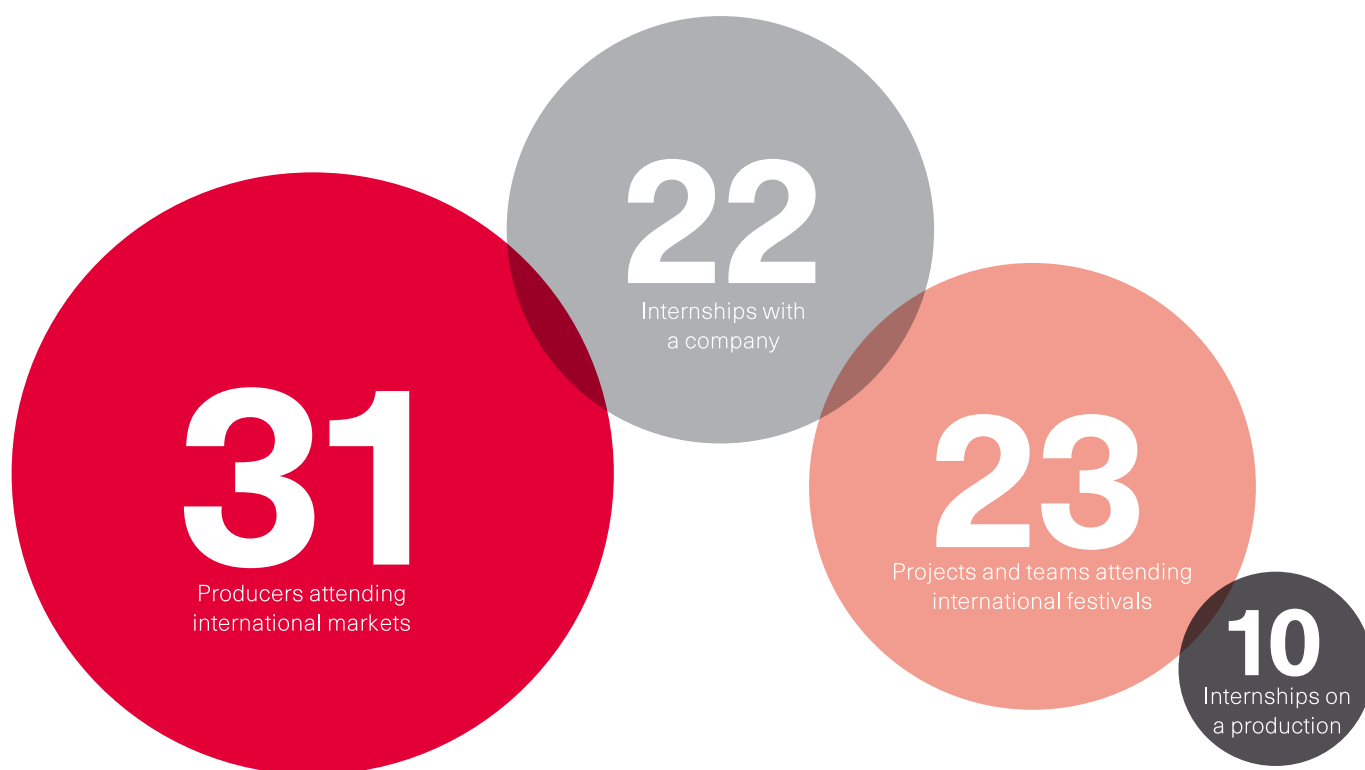
Industry growth: from strength to strength

2009/10 signalled a strong return to form for the local screen industry. Over the past eight years the state's estimated total screen production expenditure has trended upwards. This overall economic buoyancy is indicative of the amount of production occurring in the state and a positive sign of the times and projects to come.



Build Skills and Capacity

In 2009/10 we supported:



* In addition, 90% of crews employed on completed productions (that we supported) were Victorian, and we facilitated 156 business skills development opportunities.



Learning the craft, Hollywood style

Driving past the soaring palm trees of Sunset Boulevard and into the Universal Studios complex, Victorian script writer Jane Allen had amazing experiences ahead of her each day: watching a team of writers plot an episode, chatting with directors and actors about the mechanics of a scene, or shadowing an executive producer during a film edit. As a recipient of our International Fellowship with the hit television series CSI: CRIME SCENE INVESTIGATION, Jane spent 12 weeks with a script writer as episodes were developed for the show's tenth season. She took part in production meetings, sat in on story breaks and observed filming of episodes on-set. Script development is critical to the filmmaking process, and these fellowships offer a once-in-a-lifetime opportunity for Victorian practitioners to continue to strengthen their craft. Importantly, Jane is sharing her experiences and new skills with fellow practitioners - a flow-on effect that illustrates the real value of fellowships to the industry.



* Going global for business

In November 2009 we implemented a new programme, Global Connections, to help filmmakers finance travel for strategic business purposes and build relationships in the international marketplace. Since its inception we've funded six production companies with a total of \$51,900 to travel to London, Cannes and Budapest for key meetings, markets and forums. In May 2010 a number of production companies met with producers and investors at the Ausfilm Co-Production Forum. Amongst these were Harvey Taft Productions and Robyn Kershaw Productions who have both set up potential co-production agreements as a result of their business travel.

Market Victoria and Attract Production

Projects supported through our Production Investment Attraction Fund (PIAF), which attracts footloose film and television production to Victoria, leveraged \$102 million of total Victorian industry spend and included a mixture of international feature films, large budget Australian features and a new high-profile Australian television series.

Four major films were shot in Victoria and supported through PIAF in 2009/10:

- Guillermo del Toro's horror remake *DON'T BE AFRAID OF THE DARK*, starring Katie Holmes and Guy Pearce, filmed at Melbourne's Central City Studios and on location in Melbourne and regional Victoria in mid 2009. All VFX were completed locally as well as portions of the post-production.
- Omnifab's action thriller *THE KILLER ELITE*, starring Robert de Niro, Clive Owen and Jason Statham, filmed in various locations around Melbourne's CBD and in regional Victoria
- Fred Schepisi's *EYE OF THE STORM* set in Sydney but filmed in Melbourne from May 2010, is an adaptation of Patrick White's novel, starring Charlotte Rampling, Judy Davis and Geoffrey Rush and is the first film Schepisi has directed in Australia in 20 years
- Simon Wincer's film about the race that stopped the nation, *THE CUP*, starring Stephen Curry as Damien Oliver, filmed in and around Melbourne from May 2010

James Cameron's underwater cave diving action adventure *SANCTUM* was also post-produced in Melbourne.

* In 2009/10 our film commission services assisted two Indian productions to film in the state, *CROOK: IT'S GOOD TO BE BAD* and *ORANGE*.

Our post and VFX campaign, *POST.VFXMelbourneNow* was launched in 2009/10, putting the local creative and technical expertise front and centre with a dedicated website and magazine style publication.

Our Regional Location Assistance Fund (RLAF) was well travelled this year, with a total of 14 productions using the fund to film in 37 regional locations, including Omeo (*RED HILL*); Warburton (*SURVIVING GEORGIA*); Mildura (*SUMMER CODA*); Mount Macedon (*DON'T BE AFRAID OF THE DARK*); and Healesville and the You Yangs (*THE KILLER ELITE*). This resulted in a regional spend of \$2.7 million, an increase of 124 % from the previous year.

On our screens: Where The Wild Things Are

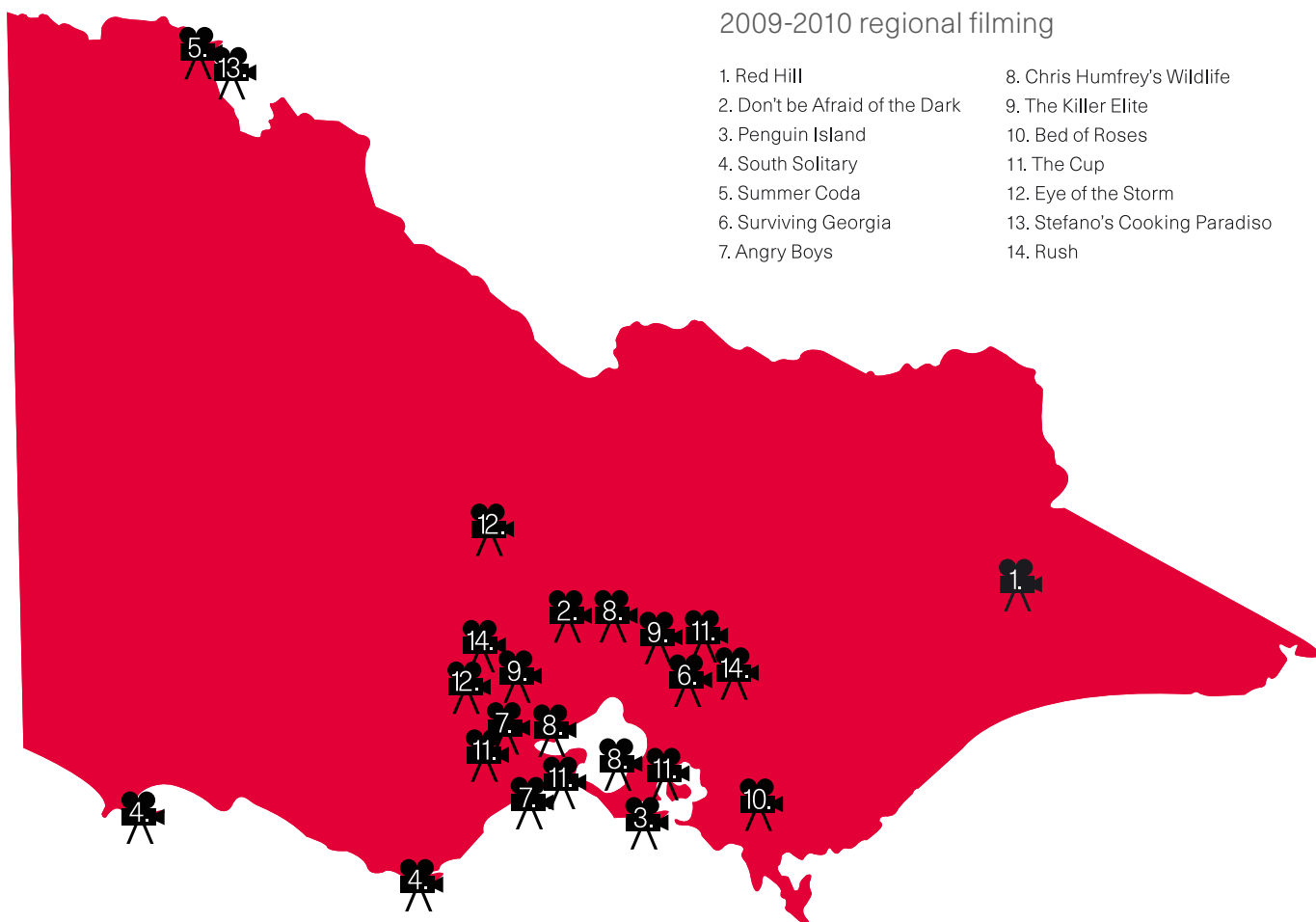
Warner Bros. Pictures' *WHERE THE WILD THINGS ARE*, an adaptation of Maurice Sendack's classic children's story, filmed in Melbourne and regional Victoria in 2006. The visually stunning Spike Jonze film used several regional locations, including Mornington, Gembrook, Mt Arapiles, Discovery Bay, Woodend and Bushrangers Bay. The film was released in the US in October 2009 opening at #1 in its first week. It launched in Australia in November and has since grossed USD \$100,086,793, at the box office worldwide.





2009-2010 regional filming

- | | |
|--------------------------------|--------------------------------|
| 1. Red Hill | 8. Chris Humfrey's Wildlife |
| 2. Don't be Afraid of the Dark | 9. The Killer Elite |
| 3. Penguin Island | 10. Bed of Roses |
| 4. South Solitary | 11. The Cup |
| 5. Summer Coda | 12. Eye of the Storm |
| 6. Surviving Georgia | 13. Stefano's Cooking Paradiso |
| 7. Angry Boys | 14. Rush |



Enhance Audience Engagement

* 33 television programs that we supported were screened with viewership numbers exceeding
73million
views

5 of the Australian top 10 films at the Australian Box Office were supported by us

Films that we supported and were released at the Australian box office in 2009/10 took \$24.4 million – a 46% share of the total box office for Australian films. This represents an estimated attendance of 2.1 million Australians – a 411% increase on last year's results

* Film and television content that we supported received over
76million
views



Melburnians have an insatiable appetite for film, and when it comes to film festivals, there's something to suit everyone.

* In 2009/10:

- 61 Film Victoria projects had a public screening
- We supported 50 screen activities, events and cultural programmes
- More than 1.2 million people participated in programmes and activities supported by us

* Films we supported:

- Received 76 award nominations
- Won 56 awards

Bollywood and beyond

Fact 1: Bollywood is the largest film industry in the world.

Fact 2: At its most basic, Tollywood refers to the industry in Southern India, while Bollywood refers to the industry in the North.

Fact 3: Since 2005, at least five Bollywood or Tollywood films have been shot in Melbourne.

This year, for the first time, we sponsored the Indian Film Festival, held at various locations in and around Melbourne's CBD in March. More than 6,000 people attended screenings of Indian blockbusters and classic, contemporary and regional films. Directors Rajkumar Hirani, Imtiaz Ali and Anuragh Singh, and Rani Mukherjee, recognised in India as one of the greatest female stars of all time, attended the seven-day festival.



* Our support of the Melbourne International Film Festival (MIFF) continued in 2009. It was an eventful year: the controversial 10 CONDITIONS OF LOVE sparked serious political debate and admission figures reached highs of 190,000 for the 350 films screened at the festival. We continued our support of the 2009 MIFF Premiere Fund, which financed BALIBO, BLESSED, BRAN NUE DAE, THE LOVED ONES and INDONESIA CALLING – JORIS IVENS IN AUSTRALIA; and co-financing industry event 37°South. The festival injected more than \$8.6 million into the local economy.

2010 was the first of a three-year Victorian Government commitment to support the TV Week Logie Awards. As well as hosting the Logies in Melbourne, we hosted a networking event in May for more than 140 television producers and programming and content commissioners from the major networks and pay TV broadcasters.

* We continued our sponsorship of The Australian Film Institute (AFI) Awards, which recognise excellence and success in the film and television industry. The awards received a record 217 entries in 2009 and 68 Victorians were nominated for awards.

On our screens: The Pacific

HBO's THE PACIFIC, the biggest mini-series ever made, filmed almost entirely in Melbourne and regional Victoria in 2008. Flinders Street, one of the city's busiest intersections, was closed for two days to film episode 3 of the 10-part series, about the marines' leave time in Melbourne following the battle of Guadalcanal in 1943.

THE PACIFIC screened on Channel 7 from April 2010 to an average audience of 1.59 million viewers across Australia, and was broadcast on the HBO cable television network in the United States a few months earlier, where it reached a potential audience of 20 million people. Exposure of this magnitude promotes Melbourne as a world-class production destination and showcases the city to an international audience.

At the time of printing, THE PACIFIC had received an impressive 24 Emmy nominations.



Shape Industry Policy



In November 2009, the Government launched the *Victorian Screen Industry Strategy: Our Vision on Screen*, which articulated the Government's vision for the Victorian screen industry over the next five years. We played a major role in the development of the strategy and have the mandate to deliver most of its objectives.

The strategy focuses on four key areas:

- **Screen Global** will build the competitiveness of the Victorian screen industry through continued support for content development and production, and companies with capacity to develop a slate of projects. We will also continue to promote the state as a highly attractive filming destination and provide incentives for increased production activity
- **Screen Content** will promote quality, innovation and ambition in Victorian screen culture by focusing on the development of original ideas, exceptional scripts and story-driven games
- **Screen Skills** will support Victorian screen practitioners who are prepared to make a commitment to keep pace with changing technology and continually seek new practical experience (this area is largely the responsibility of Skills Victoria)
- **Screen Engagement** will support a vibrant and relevant screen culture in Victoria by providing a range of opportunities to better engage Victorian audiences, and develop further interest in, and support for, Victorian and Australian creativity and innovation



In 2010, we contributed to a joint submission on behalf of all Australian screen agencies to the **2010 Review of the Australian Independent Screen Production Sector**. The submission suggested 15 recommendations, including changes to the producer offset and a reduction in QAPE (Qualifying Australian Production Expenditure) thresholds. As a member of Ausfilm we contributed to the organisation's submission to the review, which focused on the Location and Post, Digital and Visual (PDV) offsets. We also helped shape Ausfilm's co-production forums in Los Angeles and London.

In January 2010, we led a united environmental coalition with the Australian state and federal government screen agencies for the national screen industry. The **National Green Screen Committee** will develop guidelines, resources and standards to help transform all sectors of the screen industry into more environmentally responsible operators. All agencies are analysing the environmental impact of their current organisational practices as part their commitment to the initiative.

As the key drivers of the formation of the committee, we've committed to facilitating an environmental audit of the Victorian production BED OF ROSES. The results and recommendations of this audit will be used to benchmark sustainability in the television sector.

Strengthen Organisational Capacity



In 2010, we developed our new Corporate Plan, which will guide our business activities until 2013. The new plan focuses on four key objectives, which address both the Victorian Government's vision for the screen industry as articulated in the *Victorian Screen Industry Strategy* (see previous page), and the ongoing need for us to lead industry advocacy and deliver positive outcomes for the industry.

Records Management

In October 2009 we completed full migration of more than 21,000 Film Victoria documents to TRIM, our electronic record management system. TRIM enables us to create, use, share, search for and dispose of corporate information. This was accompanied by new Records Management Procedures to help us use TRIM effectively.

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 included:

- Management and Senior Leadership Skills Development
- Project Management
- Records Management
- Payroll and Management Accounting
- Film and Television Law
- Licensing Law
- Policy Skills
- Locations Management and Scouting
- Producing, Film Business, Marketing and Distribution
- Change Management
- Occupational Health and Safety

Appendix 1

List of Payments

Content Development Support

Project	Company/Person	Payments 2009/10
Catapult (New Feature Writers)		
Station to Station	Karl Smith	\$2,000
If Marlowe	Anne Richey	\$2,000
The Starsailor	Shane O'Neill	\$2,000
Snowtown	Shaun Grant	\$2,000
1981	David Hansen	\$3,000
The Amber Light	Shaun Newcombe and Levente Szilagyi	\$3,000
Death and All His Friends	Beth King	\$10,400
Dreams on the Third Shift	Shane Begg	\$3,000
The Gypsy Heart	David Willing	\$10,400
Merna	Brett Cousins	\$7,800
The Non-Believers	Steve Mitchell	\$10,400
Tinyband	John Pace	\$3,000
Total Catapult (New Feature Writers)		\$59,000
Cross Platform Development		
The Naked Lentil	Moppet Mode	\$2,000
Love in a Bright Landscape	Danielle Karalus	\$8,000
The Precinct	Puffafish	\$2,000
Planet Urban TV	Amila Deshantha Gardi Hewa Pattinige	\$2,000
Westall 1966: A Suburban UFO Mystery	Endangered Pictures	\$2,000
The 10 Conditions of Love	Arcimedia	\$8,000
Punk to Post-Punk	Ghost Pictures	\$6,000
Ollie's Island	Sustain Ability International	\$7,900
Mongolian Bling	Flying Fish Films	\$8,000
Schnorky the Wave Puncher	Circa Entertainment	\$6,000
Eliminated TV	Jammed Films	\$6,000
Total Cross Platform Development		\$57,900

Content Development Support

Project	Company/Person	Payments 2009/10
Digital Media Prototyping		
El Mariachi	Studio Moshi	\$222,694
Swappler.com	Portable Content	\$7,149
The Nightspot	Acheron Design	\$5,000
Kindred Spirits	Firemint	\$43,334
Little Monsters	Torus Games	\$34,000
Transit Platform	Gravity Rail	\$44,400
iDJ	Endgames Studios	\$10,000
Save the Onions	Third Wave Games	\$94,000
ARRR!	Infinite Interactive	\$195,000
Jokes on You	White House Productions International	\$90,000
Shelton 5	Redtribe	\$300,000
The Haplocks	Emergint	\$25,000
Swif Bubbler	Star Digital	\$65,160
App Suite	Lycette Bros.	\$23,245
Entombed	Fun Guy Media	\$45,760
Jolly Rover	Browsome	\$100,483
Bunni Social	Andre Spierings	\$50,000
Total Digital Media Prototyping		\$1,355,225
Digital Media Scoping		
Girl Mechanic	Katrina Mathers	\$1,250
Live	Pure Pictures	\$1,250
Decay	Aku International Bradley Dehnert	\$1,250
Documunity	Portable Content	\$5,000
Art Seam	Yasmin Sabuncu	\$1,250
The China Insight	Cindy Gottinger	\$1,250
Operation Untitled	Big Pipe Media	\$5,000
Space Ranger Academy	Torus Games	\$3,750
Earth Challenge	Cokoon	\$3,000
Being Jo Sapien	Coothwork	\$5,000
The Problematic World of Lou	Sarah-Jane Woulahan	\$3,750
Twenty2	Garth Midgley	\$3,750
The Eco Boomers	Velvet Films	\$3,750
B to C	Robyn Kershaw Productions	\$3,500
Total Digital Media Scoping		\$42,750
Factual Feature Film		
The Martin Grant Project	Ghost Pictures	\$9,000
Journey of a Gaijin	Peter Kaufman	\$25,000
Total Factual Feature Film		\$34,000

Content Development Support

Project	Company/Person	Payments 2009/10
Factual Television		
Sacred Sights	Kylie Boltin	\$750
Rocky Island	Daybreak Films	\$3,250
Sporting Nation	Princess Pictures	\$2,000
Abomination	Nick Bird	\$1,750
Bring 'Em Back	Ish Holdings	\$5,000
Last Waltz at Anny's	Waterbyrd Filmz	\$10,000
Firesetters	Taxi Films	\$4,100
Making Pan Jinlian	Morgan Healy	\$8,450
Will Dyson's War	Mish Armstrong	\$3,250
The Triangle Wars	Circe Films	\$1,000
James Hullick: Sound Art & Recursion	Powerful Owl	\$5,000
Lady Tange's Tid Bits	Marina Films	\$3,250
Conquest & Control	Film Projects	\$6,500
Forgotten Anzacs: Crete 1941	Michael Sweet	\$6,500
John Friedrich: Catch Me if You Can	Stella Motion Pictures	\$12,500
Mongolian Bling	Flying Fish Films	\$12,000
The Real Thing	Whyte House Productions International	\$10,000
The Secret Life of a Kung Fu Grandmaster	The Picture Tank	\$17,500
Missing in the Valley of Gods	Liz Burke	\$3,000
2012: The Party at the End of the Universe	Michele Armstrong	\$13,000
Total Factual Television		\$128,800
Fiction Feature Film		
Slapper Warrior	Camp Sugar Productions	\$1,450
Morning Glory	Mira Robertson	\$4,550
Come Back	Turnstile 4	\$6,000
Made In China	Storybox Films	\$13,000
Cash Machine	Film Camp	\$8,450
Crucifixionata - The Geoffrey Tozer Story	LJM Productions and Baystreet Productions	\$8,450
The Dressmaker	Film Art Doco	\$22,100
Resistance	Maxo	\$8,800
The Originals	Lunahaze Investments	\$10,500
Bon Scott	Circe Films	\$27,000
The Water Diviner	Eleventh Marina	\$30,000
Patrick	Antony I Ginnane	\$17,875
White Lies	Daniel Cardone	\$6,000
Billy Boy	Mira Robertson	\$500
A Kidnapping	Cam Eason	\$25,500
Honk If You Are Jesus	Matt Cameron	\$15,275
In Extremis	Everett De Roche	\$30,000
Cherry Bomb	Jane Liscombe	\$11,250
Carry Me Down	Yaman Films and Sian Davies	\$6,500
Gun Alley	Cascade Films	\$6,405

Content Development Support

Project	Company/Person	Payments 2009/10
Fiction Feature Film (Continued)		
Slow Food Fast Buck	Mushroom Pictures	\$6,125
Bury Me Tracy	FilmMarketing	\$750
Hoop	Marina Films	\$8,050
Scratch the Surface	Retro Active Films and Happening Films	\$7,350
Thunder	Let's Talk	\$23,800
Black Swan	Walker Films	\$11,050
The Dig	Kate Whitbread	\$4,875
The Architect	Circe Films	\$20,650
Bite	Boilermaker	\$6,000
Butterfly Ball	Puffafish	\$6,000
Homework	Mini Studios	\$14,300
In Moral Danger	Circe Films	\$6,000
The Last Line	Pete! Ford	\$24,500
The Boy in the Sky	Valarc Films	\$22,800
The Jenny Plan	Stuart Parkyn, Nick Ball, Luke Davidson and Gus Johnston	\$14,950
Please Explain	Mini Studios	\$22,750
Resistance	Maxo	\$19,500
The Water Diviner	Eleventh Marina	\$22,100
The Sleeper	Edstrong Productions	\$15,275
Looking For Mr Jones	The Picture Tank	\$42,500
Fat, Forty and Fired	Robyn Kershaw Productions	\$23,060
Total Fiction Feature Film		\$581,990
Fiction Television		
Balance of Power	Circe Films	\$3,500
Weddings And Wine	Buon Giorno Productions	\$3,500
The Adventures of Tom Finn	Boilermaker	\$8,000
M.I.K.E	Feather Films	\$8,000
Lowdown	Lowdown TV	\$30,000
Go Girl	Westside Film & Television	\$8,750
Uncle Mum	Mondayitis TV	\$14,880
Hotdog and Mustard	ShortCut Productions	\$10,000
From Baghdad to the Burbs	Daniella Ortega Productions	\$22,500
Small Time Gangster	Boilermaker	\$20,000
Love in Bright Landscapes	Big & Little Films	\$10,000
Total Fiction Television		\$139,130
Pilot for TV or digital media broadcast		
Z Force	Renegade Films Australia	\$65,640
Total Pilot for TV or digital media broadcast		\$65,640
Total Content Development Support		\$2,464,435

Professional Development

Project	Company/Person	Payments 2009/10
Attachments		
James Towsey Electrics Department with Con Mancuso on Dirt Game	Dirt Game Production	\$1,050
Megan Nairn Storyboard Artist with Adam Duncan on Dogstar	Square I	\$1,500
Meghan Fuller Costume Department with Michael Chisholm on Rush	Southern Star Productions	\$5,400
Marc Weinstein Assistant Director with Paul Walton on I Love you Too	Hell and High Waters	\$1,500
Scott Stephens Line Producer/Product Mgr with Ross Allsop on Rush 2	Southern Star Productions	\$1,500
Auryn Lacy Sound Department with John McKerrow on City Homicide	Seven Network Limited	\$5,400
Christian Kloukinas Assistant Director's Department with Damien M Grant on Love & Mortar	Love and Mortar Productions	\$1,500
Total Attachments		\$17,850
Internships		
Selena Tan	Retro Active Films	\$2,040
Josephine Wright	360 Degree Films	\$7,179
Jonathon Dutton	Fremantle Media Australia	\$4,200
Timothy Hobart	Fremantle Media Australia	\$5,880
Darren Burgess	Moody Street Kids	\$2,169
Scott Alexander	Media World Pictures	\$2,031
Anna Slowiak	ArenaMedia	\$6,000
Amelia Phillips	Circe Films	\$12,846
Lorna Musgrove	Lonely Planet Television	\$11,623
Anna Jeffries	Fremantle Media Australia	\$3,200
Katherine Fry	Ruby Entertainment	\$10,769
Karen Bunting	Circe Films	\$4,416
James Collins	Blue Post Productions	\$5,277
Kate Mills	Viskatoons	\$10,416
Maya Gnyp	Robyn Kershaw Productions	\$4,972
Nicole Coppi	Hawke - I Productions	\$3,699
Benjamin Cunningham	Penguin Island Productions	\$4,422
Michael Stifter	The Librarians	\$3,528
Daniel Miller	Bruno/Lotito	\$3,058
Nicky Tyndale-Biscoe	360 Degree Productions	\$5,299
Genevieve Camilleri	Complete Post Australia	\$4,394
Brad Davenport	Complete Post Australia	\$4,394
Jeremy Massey	Imaginating	\$11,190
Timothy Glew	Imaginating	\$10,827
David Cann	Wicked Witch Software	\$13,154
Adrian Harrison	Wicked Witch Software	\$13,154
Christopher Le	XYZ Studios	\$13,154
Glenn Wotherspoon	BigKidz Entertainment	\$12,316
Matthew Goodwin	Animagrafx	\$13,154

Professional Development

Project	Company/Person	Payments 2009/10
Internships (Continued)		
Callum Rosel	Wicked Witch Software	\$8,239
Ashley Curkpatrick	Visual Jazz	\$4,120
Aron Tardini	Visual Jazz	\$4,120
Alec Voang	VastPark	\$4,120
Ben Warwick	Big Ant Studios	\$3,590
Laura Hall	Big Ant Studios	\$3,590
Craig Bowler	Big Ant Studios	\$3,590
Total Internships		\$240,130
International Fellowships		
NCIS Writer Fellowship	Jane Allen	\$6,250
Total International Fellowships		\$6,250
International Festival Attendance		
Jason Gann and Tony Rogers at SXSW	Tony Rogers Productions	\$1,500
Edstrong Productions at Palm Springs Shortfest	Edstrong Productions	\$1,250
Darcy Prendergast at Annecy International Festival of Animated Film	Dee Pee Studios	\$1,250
Amiel Courtin-Wilson at Cannes Directors Fortnight	Amiel Courtin-Wilson	\$5,000
Nick Heydon at Palm Springs Shortfest	Heydon Films	\$1,000
Elka Kerkhofs at Palm Springs International Shortfest	Elka Gerda Kerkhofs	\$4,000
Kate Breen and Kylie Plunkett at Frameline	Katherine Margaret Breen	\$1,000
Diane Busuttil at Frameline	Dianne Busuttil	\$3,000
Ana Kokkinos at Toronto International Film Festival 2009	Zizani Films	\$4,010
Robyn Kershaw at Toronto International Film Festival 2009	Robyn Kershaw Productions	\$5,000
Robert Connolly at Toronto Film Festival 2009	Balibo Film	\$4,000
Nicholas Carlton at New York International Film Festival	Nick Off Films	\$4,500
Sally Hussey at London Film Festival	Sally Hussey	\$4,000
Anna McGrath at London Film Festival	Anna McGrath	\$4,000
Robyn Hughan at Religion Today Film Festival	Robyn Hughan	\$3,328
Philippa Campey at Sheffield Doc Fest	Philippa Campey	\$4,500
Andrea Foxworthy at IDFA 2009	Andrea Foxworthy	\$4,000
The House of Red Monkey at IDFA 2009	The House of Red Monkey	\$4,000
Colin and Cameron Cairnes at Slamdance	Major International Pictures	\$9,000
Sullivan Stapleton at Sundance	Sullivan Stapleton	\$3,000
Yvonne Collins at History Makers 2010	Marina Films	\$4,500
Sean Anthony Byrne at SXSW 2010	Sean Anthony Byrne	\$4,200
Patrick Hughes at Berlin International Film Festival 2010	Hughes House	\$3,750
Chris Corbett and Tim Dean at Aspen Short	Chris Corbett	\$5,000
Anna Kojevnikov at Cannes Film Festival	Anna Kojevnikov	\$3,500
Nicholas Sherry at Cannes Film Festival	The Sherry Company	\$3,500
Suren Perera at Annecy Animation Festival	Renmotion	\$2,474

Professional Development

Project	Company/Person	Payments 2009/10
International Festival Attendance (Continued)		
Lauren Anderson at Palm Springs International Shortfest 2010	Lauren Anderson and Shelly Dresden	\$3,846
Anna Jeffries at Palm Springs Shortfest 2010	Anna Jeffries	\$3,000
Peter Allen at SIGGRAPH Asia	Peter Allen	\$3,000
Total International Festival Attendance		\$108,108
International Market Attendance		
Abracadabra Film and Television Productions at Sunny Side of the Doc 2009	Stella Zammataro and Luigi Acquisto	\$2,000
Circe Films at Cannes Marche du Film 2009	Lizzette Atkins	\$1,250
Ultrafilms at Cannes Marche du Film 2009	David Lightfoot	\$1,250
Peter Kaufmann at Sunny Side of the Doc	Peter Kaufmann	\$5,000
Lowlands Media at Sunny Side of the Doc	Robert de Young	\$1,250
Stella Motion Pictures at Sunny Side of the Doc	Philippe Charluet	\$5,000
Robyn Kershaw Productions at No Borders International Co-Production Market 2009	Robyn Kershaw	\$5,000
Ruby Entertainment at No Borders International Co-Production Market 2009	Mark Ruse	\$5,000
Sense & Centsability at No Borders International Co-Production Market 2009	Leanne Tonkes	\$5,000
Bluedog Productions at MIPCOM	Thomas Parkinson	\$6,000
Emergint at MIPCOM	Veronica Sive	\$6,083
1440 Productions at MIPCOM with mentor Avril Stark	Kristy Fuller	\$8,093
Heydon Films at MIPCOM	Nick Heydon	\$6,000
Julie Turner at MIPCOM with mentor Avril Stark	Julie Turner	\$9,000
Jammed Films at Sichuan TV Festival	Lenny de Vries	\$3,000
Lemonade Digital Productions at KidScreen 2010	Jessica Beirne	\$5,000
Heydon Films at MIPTV 2010	Nick Heydon	\$4,500
Circa Entertainment at MIPTV 2010	Linda Klejus	\$6,000
Gus Howard at MIPTV 2010	Gus Howard	\$6,762
Stella Kinsella at March Du Film 2010	Stella Kinsella	\$4,500
IFG Film Productions Australia at Marche Du Film 2010	Antony Ginnane	\$6,000
QMCODES at SXSW Interactive	Antony McGregor Dey	\$1,530
Johnny Blank at MIPFormats and MIPTV 2010	Benjamin Ramsey	\$6,500
Total International Market Attendance		\$109,718
Key Creatives Development		
Ruby O'Rourke as producer mentored by Sue Maslin		\$1,500
Jasmin Tarasin mentored by Jessica Hobbs		\$480
Bridget Callow mentored by Sue Maslin, Yvonne Collins, Hnery Karjalainen & David Court		\$4,500
Julie Turner mentored by Colin South		\$1,000
Total Key Creatives Development		\$7,480
Total Professional Development		\$489,536

Production Investment

Project	Company/Person	Payments 2009/10
Factual Feature Film		
Balibo	Arenamedia	\$40,000
Total Factual Feature Film		\$40,000
Fiction Feature Film		
Long Weekend	Arclight Films	\$9,000
Matching Jack	Cascade Films	\$60,000
Blessed	Wildheart Zizani	\$25,000
Bran Nue Dae	Robyn Kershaw Productions	\$5,300
The Last Ride	Talk Films	\$7,000
The Loved Ones	Ambience Entertainment	\$16,700
Whatever Happened to Brenda Hean?	Big and Little Films	\$2,000
Animal Kingdom	Porchlight Films	\$10,000
Charlie and Boots	Instinct Entertainment	\$9,000
South Solitary	Macgowan Films	\$339,500
I Love You Too	Hell and High Waters	\$90,000
Lou	Big and Little Films	\$15,000
The Wedding Party	Kin Films	\$90,000
The Kings of Mykonos	See-Saw Films and G.O Films	\$441,000
Total Fiction Feature Film		\$1,119,500
Production Investment for Games		
Fractured Soul	Endgame Studios	\$132,250
Total Production Investment for Games		\$132,250
Propeller Shorts		
Nullabor	Patrick Sarrell	\$10,200
Just Desserts	Velvet Films	\$100,000
Tethered	Ashley Harris and Craig Irvin	\$90,000
Seven Days Under Mavis	Desireline Productions	\$1,830
Total Propeller Shorts		\$202,030
TV Fiction		
Sumo Mouse	Moody Street Kids	\$20,000
Bogan Pride	Big and Little Films	\$3,000
Dogstar Series 2	Media World Pictures	\$297,337
Librarians Series 2	Gristmill	\$9,553
Bed of Roses Series 2	Southern Star Entertainment	\$14,096
Rush Series 2	Southern Star Entertainment	\$440,000
Wilfred Series 2	Renegade Films Australia	\$58,809
Dead Gorgeous	Burberry Productions	\$473,220
FLEA-BITTEN!	Moody Street Kids	\$380,000
Lowdown	BMZ TV	\$295,000
Hawke	The Film Company	\$420,000
My Strange Pet	3D Films	\$11,953

Production Investment

Project	Company/Person	Payments 2009/10
TV Factual (Continued)		
Black Knight White Witch	3D Films	\$12,363
Monster Chef	Viskatoons	\$19,800
Bed of Roses Series 3	Southern Star Entertainment	\$320,000
Librarians Series 3	Gristmill	\$287,773
Rush Series 3	Southern Star Entertainment	\$380,000
Total TV Fiction		\$3,442,904
TV Factual (Documentary)		
Ben Lee: Catch My Disease	Ghost Pictures	\$36,800
Bastardy	Film Camp	\$1,000
After the Fires	December Films	\$59,709
Anatomy Series 2	Big and Little Films	\$120,000
X	Circe Films	\$55,200
Obsessed with Walking	Flaming Star Films	\$30,400
Michael Kirby: Don't Forget the Justice Bit	FilmArtDoco	\$49,500
Photography Hijacked	Valarc Films	\$16,000
Machete Maidens Unleashed!	Fury Productions	\$57,000
Charles Bean's Great War	360 Degree Films	\$40,000
Chris Humfrey's Wild Life	December Films	\$183,578
Kangaroo Mob	360 Degree Films	\$80,500
Second Australians	Renegade Films	\$99,000
Summer Coda	Revival Film Company	\$35,000
The Apprentice	Mini Studios	\$21,000
Rock N Roll Nerd	Letterbox Films	\$5,000
Drugs Death and Betrayal	Carlyon-Miller Productions	\$8,000
Eye For Architecture	360 Degree Films	\$2,250
Jail Birds	Renegade Films Australia	\$8,000
Ned Kelly Uncovered	Renegade Films Australia	\$4,000
Ballets Russes: Our Cultural Revolution	Flaming Star Films	\$12,000
Kokoda	Pericles Film Productions	\$15,000
Penguin Island	360 Degree Films	\$25,000
Catching Cancer	December Films	\$3,254
The Extraordinary Tale of William Buckley	December Films	\$20,800
Immortal	December Films	\$60,000
The 10 Conditions of Love	Arcimedia	\$5,000
Westall 1966: A Suburban UFO Mystery	Endangered Pictures	\$45,900
Mother of Rock: The Life and Times of Lillian Roxon	Lowlands Media	\$63,000
The Trial	360 Degree Films	\$30,000
Inside the Firestorm	Renegade Films	\$105,000
Murundak: Songs of Freedom	Daybreak Films	\$82,500
Total TV Factual (Documentary)		\$1,379,391
Total Production Investment		\$6,316,075

Special Initiatives

Project	Company/Person	Payments 2009/10
SBS Factual Series - The Unemployables	Renegade Films Australia	\$83,600
SBS Factual Series - House of Food Obsessives	Renegade Films Australia	\$52,800
World Science Congress of Factual Producers	World Science Congress of Factual Producers	\$80,000
Prank Patrol	Active TV	\$94,023
Australasian Indian Film Festival	Mind Blowing Films	\$25,000
Matt Hearn to LA. International Co-Production Showcase	403 Productions	\$1,900
Int'l Co-Production Showcase	Producers Guild of Australia	\$9,325
Deadsun	T.J Polinelli & T Stroh-Spijer	\$10,000
Gamebook Adventures	Tin Man Games	\$15,000
Incoming	Christopher James Edmonds	\$15,000
Total Special Initiatives		\$386,648

Business Support

Project	Company/Person	Payments 2009/10
Business Support for Producers/Production Companies		
Yaman Films	Selin Yaman	\$3,500
Boilermaker	Gareth Calverley and Andrew MacInally	\$3,500
Instinct Entertainment	David Redman, Dean Murphy, Shana Levine and Ralph Moser	\$17,500
Storybox Films	Don Linke and Jeremy Stanford	\$45,000
Whyte House Productions	Mike, Matt, Peter and Steven Hill	\$7,500
Resolution Independent	Pete Ford	\$70,000
The Lampshade Collective	The Lampshade Collective	\$3,500
LICKS Productions	LICKS Production	\$3,500
QMCODES	Antony McGregor Dey	\$6,000
Total Business Support for Producers/Production Companies		\$160,000
Global Connections Business Support		
Robyn Kershaw Productions to travel to London	Robyn Kershaw Productions	\$8,000
Gecko Films to travel to London & Cannes	Gecko Films	\$4,500
Film Art Media to travel to London, Cannes and Budapest	Film Art Media	\$4,500
Robyn Kershaw Productions to travel to London. Ausfilm Co-Production Forum 2010	Robyn Kershaw Productions	\$6,400
Melodrama Pictures to travel to London. Ausfilm Forum 2010	Melodrama Pictures	\$6,400
Harvey Taft Prod to travel to London. Ausfilm Forum 2010	Harvey Taft Productions	\$7,900
Circus Productions to travel to London. Ausfilm Forum 2010	Circus Productions	\$6,400
Total Global Connections Business Support		\$44,100

Business Support

Project	Company/Person	Payments 2009/10
Slate Funding		
Arenamedia	Robert Connelly	\$100,000
Jonathan M Shiff Productions	Jonathan M Shiff	\$70,000
Moody Street Kids	Gillian Carr	\$50,000
December Films	Tony Wright and Bryce Menzies	\$150,000
Ruby Entertainment	Mark Ruse and Stephen Luby	\$130,000
Warp Films Australia	Anna McLeish, Mark Herbert and Robyn Gutch	\$180,000
360 Degrees Films	Sally Ingleton and John Moore	\$55,000
Big and Little Films	Michael McMahon and Tony Ayres	\$130,000
Total Slate Funding		\$865,000
Total Business Support		\$1,069,100

Cash Flow Facility

Project	Company/Person	Payments 2009/10
I Love You Too	Hell and High Waters	\$1,010,496
Matching Jack	Cascade Films	\$325,897
Penguin Island	360 Degree Films	\$312,216
Lou	Big and Little Films	\$497,485
Jail Birds	Renegade Films	\$116,414
Kokoda	Pericles Films	\$265,851
Wilfred Series 2	Renegade Productions	\$439,884
Lowdown	BMZ TV	\$391,326
Inside the Firestorm	Renegade Productions	\$145,500
Kings of Mykonos	See-Saw Films and G.O Films	\$720,000
Little Johnny the Movie	Instinct Entertainment	\$600,000
Total Cash Flow Facility		\$4,825,069

Industry Event and Activity Support

Project	Company/Person	Payments 2009/10
Screen Industry Development		
Emerging Practitioners Website	Screenhub	\$5,000
One Night Stand	Glenford Winston Noble	\$4,000
Short & Sharp 2009	Open Channel	\$4,000
Framed 2009	Open Channel	\$10,000
Casting Hothouse workshop	Equity Foundation Media, Entertainment & Arts (MEAA)	\$1,200
Equity Foundation Professional Program 2009	Equity Foundation Media, Entertainment & Arts (MEAA)	\$800
SPAA Fringe 2009	Screen Producers Association of Australia (SPAA)	\$1,000
SPAA Conference 2009	Screen Producers Association of Australia (SPAA)	\$1,000
AWGIE Awards 2009	Australian Writers Guild	\$1,500
Rates, Rights and Revenues Conference	Australian Directors Guild	\$5,000
Oral History Project	Australian Writers Guild	\$2,046
ATOM Awards 2009	Australian Teachers of Media Vic	\$5,000
ACS National Awards for Cinematography 2010	The Australian Cinematographers Society	\$4,800
Australian International Documentary Conference	Australian International Documentary Conference	\$20,000
Film & Television Graduating Students Awards 2009	The University of Melbourne - School of Film and Television	\$3,000
Masterclass Series, Low Budget Feature Workshop and Meet the Director 2010	Australian Directors Guild	\$5,200
Meet Your Cast & Crew 2010	Open Channel Co-Operative	\$10,000
Framed 2010	Open Channel Co-Operative	\$9,000
Short & Sharp 2010	Open Channel Co-Operative	\$6,000
MEGA - Mobile Enterprise Growth Alliance	Australian Interactive Media Industry Association	\$20,000
Multi-Platform Workshop - Open Channel	Open Channel Co-Operative	\$15,000
Total Screen Industry Development		\$133,546
Public Screen Engagement		
Spreading the Light: 50 Years of the AFI	Australian Teachers of Media	\$1,000
Metro Magazine and Study Guides 2009	Australian Teachers of Media	\$1,200
The Melbourne Cinematheque 2009	Melbourne Cinematheque	\$2,000
15/15 Film Festival 2009	Amadeo Marquez-Perez	\$2,000
Senses of Cinema 2009	Senses of Cinema	\$7,200
Little Big Shots International Film Festival for Kids 2009	Petite Grande Kaboom	\$4,000
Paul Cox Conference	The University of Melbourne - The Centre for Ideas	\$6,000
48 Hour Film Project Melbourne 2009	T Blum & O Gerassi & P K Niebel	\$10,000
The Other Film Festival 2010	Arts Access Society	\$12,000
La Mirada Film Festival	La Mirada	\$8,000
Screening of Tropfest and Trop Jr. 2010 in Melbourne	Wonderland Music	\$15,000
The Melbourne Cinematheque 2010	Melbourne Cinematheque	\$8,000
Senses of Cinema 2010	Senses of Cinema	\$9,200
Little Big Shots 2010	Petite Grande Kaboom	\$7,500

Industry Event and Activity Support

Project	Company/Person	Payments 2009/10
Public Screen Engagement (Continued)		
Screen Grab	Next Wave Festival Inc.	\$3,000
Experimenta 2009	Experimenta Media Arts	\$63,750
Experimenta 2010	Experimenta Media Arts	\$22,500
Portable Film Festival 2009	Portable Content Pty Ltd	\$4,200
Digital Fringe 2009	Kirk's Horse Bazaar Pty Ltd	\$10,000
Total Public Screen Engagement		\$196,550
Regional Screen		
Regional Film Screening Geelong Region	Diversitat	\$10,000
Indigo Summer Shorts	Indigo Shire Council	\$4,930
Shepparton Shorts Film Festival 2010	Shepparton Arts Festival Inc	\$4,000
Warrambeen Film Festival	Warrambeen Film Festival Pty Ltd	\$5,000
Picnic 'n a Flick	Movies with the Stars	\$6,000
Bright B-Movie Festival	Craig Dent Regional Events	\$10,000
Balnarring Beach BBQ and a Flick	Lee Michaels Spy Marketing	\$6,000
Total Regional Screen		\$45,930
Screen Organisational Funding		
ACTF - Kids Pilot Initiative	Australian Children's TV Foundation	\$200,000
ACTF Triennial Grant 2008-2010	Australian Children's TV Foundation	\$225,000
MIFF 2009/10 payments	Melbourne International Film Festival	\$1,427,500
St Kilda Film Festival 2009/10 payments	St Kilda Film Festival	\$35,000
Total Screen Organisational Funding		\$1,887,500
Awards		
Greg Tepper Award 2008/09 recipient Philippa Campey	Philippa Campey	\$5,000
Tim Richards Award 2008/09 recipient Firemint	ndWare Pty Ltd	\$5,000
Total Awards		\$10,000
Total Industry Event and Activity Support		\$3,437,177

Incentives

Project	Company/Person	Payments 2009/10
Production Investment Attraction Fund (PIAF)		\$508,000
Regional Victoria Location Assistance Fund (RLAF)		\$548,300
Total Incentives		\$1,056,300

Report of Operations 2009/2010

Report of Operations

Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Film Victoria for the year ending 30 June 2010.



Sandra Sdraulig
Chief Executive Officer

Film Victoria
Melbourne
31 August 2010

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 programmes	\$78m	\$179m
Additional employment from production supported by our programmes	2,340	5,371

Major Changes or Factors Affecting Achievement of Objectives

An increased number of television series and feature films were supported and went into production in 2009/10, resulting in Victoria faring better than most states in terms of leveraged value. Film Victoria also attracted an international production to the state, which positively affects performance. This has resulted in Film Victoria achieving significantly above our output targets for the fiscal year.

Financial Review of Operations and Financial Condition

Five year financial summary

	30-Jun 10	30-Jun 09	30-Jun 08	30-Jun 07	30-Jun 06
	\$	\$	\$	\$	\$
Revenue from government	20,809,000	20,730,000	19,222,767	17,907,910	13,691,000
Other revenue	3,094,923	3,894,517	4,270,623	2,805,931	2,933,571
Total revenue	23,903,923	24,624,517	23,493,390	20,713,841	16,624,571
Total project costs	15,522,408	19,489,258	15,436,984	15,238,024	13,716,000
Net operating result	1,290,956	(1,295,603)	2,477,201	(201,647)	(2,149,003)
Net cash flow	(606,426)	(2,346,777)	617,013	69,829	(1,997,366)
Total assets	34,624,312	33,306,060	34,407,233	31,569,494	31,900,004
Total liabilities	786,572	759,276	564,847	604,309	733,172
Allocation of cash assets:					
Outstanding commitments	17,933,122	16,627,595	16,917,095	16,476,883	13,955,271
Commitment to industry development	1,195,177	4,716,497	1,232,182	8,218	2,856,079
Cash Flow Facility funds	6,501,542	5,337,177	10,878,769	11,925,932	10,517,807
Digital Media Fund funds	0	0	0	0	1,012,047
Total cash assets	26,074,841	26,681,269	29,028,046	28,411,033	28,341,204
Receivables – including Producer Loans	8,040,846	5,966,300	4,710,267	2,971,106	3,278,814
Property, Plant and Equipment	508,625	658,491	668,920	187,355	279,987
Total non-cash assets	8,549,471	6,624,791	5,379,187	3,158,461	3,558,801
Total Assets	34,624,312	33,306,060	34,407,233	31,569,494	31,900,005

Overview of Financial Performance and Position During 2009/10

Revenue from Government

The total funding package from Government to Film Victoria was \$20.8 million in 2009/10.

Whilst total government funding in 2009/10 was marginally higher than the previous year, this increase was attributed mainly to funding of \$400k advanced from the 2010/11 budget for the Melbourne International Film Festival, and additional once-off funds of \$550k received for programme funding.

The recurrent funding indexation for 2009/10 was reduced from 2.5% to 1% despite the full indexation applying to salaries and operating costs.

Other revenue

The decrease in other revenue in 2009/10 is attributed to reduced interest earnings along with decreased recoupment revenue during the period. These recoupments, as with previous years, are directed back into various programmes during the financial year.

Net operating result

The net operating result in 2009/10 is as a result of increased commitments made throughout the year which are yet to be expended.

Timing factors influence how our finances are reported. These timing factors are outlined below.

- 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 programmes 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 using funds received in previous years.

Net cash flow

The net cash flow position for 2009/10 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 2009/10 is predominantly in cash assets and is a result of a reduction in programme payments made during the financial year.

Outstanding commitments

The value of outstanding commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2010. 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, programmes carried forward into future periods and outstanding balance sheet liabilities as at 30 June 2010.

Cash available only for the Cash Flow Facility funds

This is the aggregate amount of cash available to meet future Cash Flow Facility loans. These cash holdings are also represented in the Total assets balance as at 30 June 2010.

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

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

I, John Howie, 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
Melbourne
31 August 2010

Consultancies

During the reporting period we did not enter into individual consultancies over the value of \$100,000. We entered into 13 consultancies, each under the value of \$100,000. The total value and expenditure for these consultancies was \$150,991.

Victorian Industry Participation Policy disclosure of major contracts

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* (VIPPP).

Departments and public bodies are required to apply *VIPPP* in all tenders of more than \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

Film Victoria completed no tenders or contracts to which the *VIPPP* applied during the reporting period.

National Competition Policy

Film Victoria is compliant with National Competition Policy, including compliance with requirements of the policy statement *Competitive Neutrality: A Statement of Victorian Government Policy*, *Victorian Government Timetable for the Review of Legislative Restrictions on Competition*, and any subsequent reforms.

Model financial report

Pursuant to Standing Direction 412 of the *Financial Management Act 1994*, the financial statements of government departments must be presented fairly and in accordance with the model financial reports. The Annual Report of Film Victoria complies with this requirement.

Environmental reporting

During the period we continued our efforts to improve our collective impact on the environment. Film Victoria initiated a National "Green Screen Committee" project with other state and federal agencies, as well as continuing with the Internal Green Screen initiative, a scheme designed to address the environmental impact of both Film Victoria as an organisation and the local industry.

In 2009/10 we commissioned Net Balance Management Group to undertake a baseline assessment of our environmental footprint and provide recommendations on the following:

- Data management
- Targets for reducing our environmental footprint
- Process and policy for sustainable procurement.

The objectives we developed included:

- 1) Form an environment team to develop an action plan to deliver on the objectives, goals and targets and to drive the implementation of the strategy;
- 2) Increase our ability to measure our environmental impacts through establishing data collection systems or processes;
- 3) Integrate environmental assessment into Film Victoria's direct footprint decision-making processes and operations;
- 4) Create a culture of reducing our environmental footprint;
- 5) Increase our stakeholder and client awareness of our environmental sustainability commitments;
- 6) Report on internal achievements annually; and
- 7) Review specific targets annually.

Other activities included taking part in the Victorian Government's Resource Smart program, developing policies and procedures to minimise our environmental footprint and conducting an internal waste audit to set a benchmark.

Additional departmental information available on request

In accordance with the requirements of the Standing 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;
- 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 us about our activities and where they can be obtained
- d) Details of changes in prices, fees, charges, rates and levies charged by us for services, including services that are administered;
- e) Details of any major external reviews carried out in respect of the operation of Film Victoria;
- f) Details of any other research and development activities undertaken 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 to develop community awareness of our services;
- 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 organisation 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 Film Victoria, 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 responsibility in relation to the *Building Act of 1993*.

Disclosure index

An index identifying our compliance with statutory disclosure requirements is contained on page 78 and 79.

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 0 freedom of information requests.

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 Collective Agreement, which can be found at www.film.vic.gov.au.

Workforce data

Staff profiles as at 30 June 2010 expressed as full time equivalent

As At 30 June 2010				As At 30 June 2009			
	Ongoing		Fixed term/ casual FTE		Ongoing		Fixed term/ casual FTE
	Full Time	FTE			Full Time	FTE	
Gender				Gender			
Male	9	8.5	1.6	Male	8	7.5	3
Female	30	28.4	7	Female	30	27.3	6.8
Total	39	36.9	8.6	Total	38	34.8	9.8
Age				Age			
Under 25	-	-	0.6	Under 25	2	2	-
25 – 34	22	22	3	25 – 34	21	20.5	3
35 – 44	14	12.4	1	35 – 44	11	8.8	2
45 – 54	-	-	4	45 – 54	2	1.5	4.8
55 -64	3	2.5	-	55 -64	2	2	-
Over 64	-	-	-	Over 64	-	-	-
Total	39	36.9	8.6	Total	38	34.8	9.8
Classification				Classification			
VPS1	-	-	-	VPS1	-	-	-
VPS2	7	6.4	1	VPS2	10	10	1
VPS3	13	12.6	-	VPS3	12	10.5	-
VPS4	6	5.5	1.6	VPS4	4	2.9	2
VPS5	4	4	2	VPS5	6	6	3.8
VPS6	9	8.4	2	VPS6	6	5.4	1
Executive			2	Executive	-	-	2
Total	39	36.9	8.6	Total	38	34.8	9.8

Human resource management

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 three incidents reported.

Cultural Diversity reporting

We are committed to the ongoing recognition and implementation of Victorian Government policies and the *Multicultural Victorian Act 2004* with regard to cultural diversity, including but not limited to women's, youth, gender, indigenous and multicultural issues. Our three-year Corporate Plan addresses our dedication and commitment to indigenous projects and our commitment to funding culturally diverse projects.

The Film Victoria *Diversity and Equal Opportunity Policy* commits to the provision of fair and equitable treatment for all employees and contractors of Film Victoria and to providing a workplace in which individuals and their unique contributions are recognised and valued. All recruitment processes are managed in accordance with this policy.

Executive Officer data

Number of executive officers classified into 'ongoing' and 'special projects' at 30 June 2010

All			Ongoing	
Classification	Number	Variance	Number	Variance
EO1	0	0	0	0
EO2	1	0	1	0
EO3	1	0	1	0
TOTAL	2	0	2	0

Notes: *Film Victoria has no 'special projects' executives.

Breakdown of executive officers into gender for 'ongoing' and 'special projects' at 30 June 2010

Male		Female		Ongoing Positions
Classification	Variance		Variance	
EO1	0	0	0	0
EO2	0	0	1	0
EO3	0	0	1	0
TOTAL	0	0	2	0

Notes: *Film Victoria has no 'special projects' executives.

Reconciliation with executive numbers

	30 June 2010	30 June 2009
Executives employed with total remuneration over \$100 000	2	2
Add:		
Vacancies	0	0
Executives employed with total remuneration below \$100,000	0	0
Accountable officers	0	0
Separations	0	0
Total executive numbers	2	2

Exemptions from notification of vacancy, 2009/10

Number of exemptions	Classification	Circumstances as Defined in office policy
Nil	N/A	N/A

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.

Enterprise Agreement

The current *Film Victoria Collective Agreement* expires on 30 June 2011. The terms and conditions of the current Agreement are largely in alignment with the terms and conditions of the Victorian Public Service Agreement.

Whistleblowers 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 to the extent that it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by Film Victoria or its employees may be made to:

The Protected Disclosure Coordinator
Sally Wilson, Legal Manager
Phone: (03) 9660 3221
Email: Sally.Wilson@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*

	2009/10 Number	2008/09 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

Film Victoria Committees and Assessment Panels

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 efficiently and effectively. 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 in 2009/10.

Members:

- Joanne Dawson, Board member (chair)
- John Howie, Board member
- Siu Ling Hui, Board member

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

Film Victoria Evaluation and Advisory Committee (Film Victoria 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.

Members of the committee included:

- Chief Executive Officer (chair)
- Lizzette Atkins, Producer
- Tony Ayres, Director/Producer
- Gillian Carr, Director/Producer
- Roger Le Mesurier, Producer
- Alison Nisselle, Writer
- Kris Mrksa, Writer
- Jan Sardi, Board representative

The committee met on 8 occasions and assessed 34 applications, of which 31 were recommended to the Board for final approval.

Fiction Feature Development Assessment Panel

The Fiction Feature Development Assessment Panel assesses applications to the Fiction Feature Development programmes. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

Members (a minimum of one of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Manager, Script Development
- A minimum of two and maximum of four external script development experts

The panel met on 8 occasions and assessed 80 applications, of which 35 projects were approved.

Catapult Assessment Panel

The panel assesses applications for the Catapult programme.

Members (a minimum of one of the following):

- General Manager, Industry Development and Investment
- Manager, Script Development
- A minimum of two and maximum of four external industry based practitioners with relevant skills and experience (typically including a writer and script editor)

The panel met once and assessed 63 applications, of which 4 projects were approved.

Fiction Television Development Assessment Panel

The Fiction Television Development Assessment Panel assesses applications to the Fiction Television programmes. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

Members (a minimum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Manager, Script Development
- Senior Investment Manager
- Investment and Programme Manager(s)
- The panel may also engage external assessors to participate as voting members. A maximum of three external assessors may be appointed at any one meeting

The panel met on 4 occasions and assessed 4 applications, of which 4 projects were approved.

Factual Development Assessment Panel

This panel assesses applications to the Factual Development programmes. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

Members (a minimum of three of the following):

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

The panel met on four occasions and assessed 25 applications, of which 21 were approved and 1 revoked.

Digital Media Assessment Panel

The Digital Media Assessment Panel assesses applications in respect of Digital Media Prototyping, Downloadable Games Initiative and Production Investment for Games programmes.

Members: (a minimum of two and maximum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Digital Media Manager
- Senior Investment Manager
- Investment and Programme Manager(s)
- Technical Project Officer

The Digital Media Assessment Panel also comprises external panel members, with relevant skills and experience. A minimum of three and maximum of five of the following external members must attend each meeting:

- Tony Lay, Managing Director, Iron Monkey Studios
- Stuart Johnston, Chief Executive Officer, Deloitte Australia
- Andrew Davies, Director, Studio Moshi
- Domenic Carosa, Chief Executive Officer, Dominet Digital
- Paul Baiguerra, Digital Strategist, PABA Media
- Jason Hill, Journalist, Fairfax Digital
- Michael Padden, Head of Classifieds, Telstra
- Chris Wright, Marketing Director, THQ

The panel met on 5 occasions and assessed 48 applications, of which 13 were recommended to the Board for final approval.

Cross Platform and Scoping Assessment Panel

The Cross Platform and Scoping Assessment Panel assesses applications to the Cross Platform Development and Digital Media Scoping programmes.

Members (a minimum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Digital Media Manager
- Technical Project Officer
- Senior Investment Manager
- Investment and Programme Manager(s)
- Factual Development Manager
- Manager, Script Development

The panel met on 4 occasions and assessed 31 applications, of which 19 were approved.

Professional Development Assessment Panel

This panel assesses applications to the Internship with a Company, Internship on a Production, International Festival Attendance, International Market Attendance, Global Connections Business Support, and International Fellowships programmes.

Members (a minimum of three of the following):

- General Manager, Industry Development and Investment
- Senior Investment Manager
- Investment and Programme Manager(s)
- Manager, Script Development
- Documentary Development Manager
- Industry Programme Officer(s)
- Digital Media Manager
- Technical Project Officer

When considering applications for Internships with a Company and International Fellowships a minimum of one senior manager must sit on the Assessment Panel. Senior managers include:

- General Manager, Industry Development and Investment
- Senior Investment Manager
- Manager, Script Development
- Digital Media Manager

The panel met on 26 occasions and assessed 194 applications, of which 71 were approved.

Industry and Audience Development Assessment Panel

This Panel assesses applications to the Industry Regional Screen, Screen Industry Development and Public Screen Engagement programmes.

Members (a minimum of three of the following):

- General Manager, Industry Development and Investment
- Senior Investment Manager
- Investment and Programme Manager(s)
- Digital Media Manager
- Industry Programme Officer(s)
- Technical Project Officer

The panel met on 14 occasions and assessed 49 applications, of which 38 were approved.

Propeller Shorts Assessment Panel

The Propeller Shorts Assessment Panel assesses applications in respect of the Propeller Shorts programme.

The Panel consists of a minimum of one of the following:

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Senior Investment Manager
- Manager, Script Development
- Investment and Programme Manager(s)
- Factual Development Manager
- Industry Programme Officer(s)
- And a minimum of three external industry based practitioners with relevant skills and experience (typically a writer, a director and a producer).

The panel met on 4 occasions and assessed 29 applications, of which 2 were recommended to the Board for final approval.

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.

Members:

- Jo Dawson, Board member
- Siu Ling Hui, Board member
- Chief Executive Officer
- General Manager, Melbourne Film Office
- General Manager, Industry Development and Investment
- General Manager, Business Affairs,
- David Hanna, Executive Director Policy, Department of Industry, Innovation & Regional Development

The Committee met on 15 occasions and approved a total of 11 projects, 6 for RLAF and 5 for PIAF.

Credit Committee

This Committee consists of representatives from the Victorian financial sector and is chaired by a representative from the Board of Film Victoria. The Credit Committee receives applications from the Cash Flow Facility programme and meets as required.

- Siu Ling Hui, Board member
- Joanne Dawson, Board member
- Jeremy King (Partner, Blake Dawson - appointed August 7, 2009)

The Credit Committee met on 3 occasions and assessed 5 applications with all 5 applications recommended to the Board for final approval.

Business Support for Established Producers Assessment Panel

This panel assesses applications in respect of the Business Support for Established Producers programme.

Initial short listing process members (a minimum of two and maximum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Senior Investment Manager
- Investment and Programme Manager(s)

Interviewing of shortlisted applicants and final funding recommendation making process members (a minimum of two and maximum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Senior Investment Manager
- Investment and Programme Manager(s)
- A minimum of one and maximum of two external representatives from the film and television industry.

The panel met on 2 occasions and assessed 12 applications of which 8 were recommended for approval by the Board.

Slate Funding for Repeat Applicants Assessment Panel

This panel assesses applications in respect of the Slate Funding programme.

Members (a minimum of two and maximum of three of the following):

- Chief Executive Officer
- General Manager, Industry Development and Investment
- Senior Investment Manager
- Investment and Programme Manager(s)
- A minimum of two and maximum of three external representatives from the film and television industry

The panel met on 2 occasions and assessed 4 applications of which 3 were recommended for approval by the Board.

Film Victoria Staff

Directorate

Sandra Sdraulig, Chief Executive Officer
Christine Wood, Executive Assistant to CEO
Shae Quabba, Head of Strategy, Marketing & Communications
Trisha Vessey, Marketing Manager, Production Attraction
Fiona Hulton, Marketing Manager, Industry & Corporate
Bria Baker, Policy & Industry Analyst
Cara Sputore, Communications Advisor
Odilla O'Boyle, Events Manager
Lee Taylor, Marketing & Events Officer

Industry Development and Investment (IDI)

Jenni Tosi, General Manager, IDI
Christelle Davis, Executive Assistant to GM, IDI
Sue Edwards, Senior Investment & Programs Manager
Charlie Carman, Manager, Script Development
Brad Giblin, Digital Media Manager
Steve Warne, Documentary Development Manager
Lindsay Lipson, Investment & Programs Manager
Jana Blair, Investment & Programs Manager
Alex Keay, Script Coordinator
Anna Kaplan, IDI Programs Officer
Michael Woods, Digital Media Programs Officer
Genevieve Gaffy, Administration Coordinator
Tim Reid, Administration Coordinator
Stephanie Van Schilt, Administrative Support Officer
Kate Taylor, Administrative Support Officer
Penny Harrold, Administrative Support Officer
Maria Toscano, Administrative Support Officer

Melbourne Film Office (MFO)

Kate Marks, General Manager, MFO
Shaun Larkin, Executive Assistant to GM, MFO
Neil McCart, Production and Policy Manager
Georgina Nevile, Incentives Coordinator
Daniel May, Locations Resource Coordinator
Jamy Kim, Production Service Coordinator
Fiona Howat, Victorian Film Officer

Business Affairs (BA)

Nesreen Bottriell, General Manager, BA
Jessica Thomas, Records Management Officer
& Executive Assistant to GM, BA
Nathalie Pelissero, Finance Manager
Janelle Murphy, Human Resources Manager
David Berry- Smith, Information Technology Manager
Sally Wilson, Legal Manager
Emma Cornall, Principal Solicitor
Alison Bird, Solicitor
Simon Jarockyj, Human Resources Advisor
Mark Nolen, Finance Officer
Sharon Karman, Payroll/Finance Officer
Samantha Lloyd, Administrative Assistant – Legal & Recoupment
Kristen Matthews, Contracts Officer – Production & Recoupment
Bernadette Wood, Records Management Coordinator
Jana Jones, IT Business Systems Coordinator
Scott Whitcombe, IT Service Support
Veronica McGee, Receptionist & Marketing Assistant

Disclosure Index

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

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Auditor-General's report



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board,

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of Film Victoria which comprises the comprehensive 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 of the Board's Responsibility for the Financial Report

The Members of the Board are responsible for the preparation and 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 the 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 the Members of the Board, as well as evaluating the overall presentation of the financial report.

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest



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 report published in both the annual report and on the website of Film Victoria for the year ended 30 June 2010. The Members of the Board 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 2010 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
2 September 2010


P D R Pearson
Auditor-General

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Auditing in the Public Interest

Financial Statements 2009/2010

Comprehensive Operating Statement for the financial year ended 30 June 2010

	Note	2010	2009
		\$	\$
Continuing Operations			
Income from transactions			
Victorian government funding	2(b)	20,809,000	20,730,000
Other income	2(a)	3,094,923	3,894,517
Total income from transactions		23,903,923	24,624,517
Expenses from transactions			
Project costs	2(c)	15,522,408	19,489,257
Employee benefits	2(d)	4,235,575	3,708,867
Depreciation and amortisation	2(e)	227,043	202,112
Supplies and services		2,243,451	2,120,377
Operating lease		381,134	384,379
Total expenses from transactions		22,609,611	25,904,992
Net result from transactions (net operating balance)		1,294,312	(1,280,475)
Other economic flows included in net result			
Net loss on non financial asset	3(a)	(128)	(846)
Net loss from other economic flows	3(b)	(3,228)	(14,282)
Total other economic flows included in net result		(3,356)	(15,128)
Net Result		1,290,956	(1,295,603)
Comprehensive result		1,290,956	(1,295,603)

Notes to the financial statements are included on pages 60 to 77

The comprehensive result total of \$1,290,956 is as a result of increased commitments made throughout the year which are yet to be expended and timing factors that influence this result. Revenue is allocated to various programs which results in financial commitments to successful applicants. These commitments however may remain undisbursed at the end of the financial year due to contracted milestones or deliverables being outstanding after contracts are executed.

Balance Sheet
as at 30 June 2010

	Note	2010	2009
		\$	\$
Assets			
Financial assets			
Cash and deposits	14(a)	26,074,841	26,681,269
Receivables	4	8,040,846	5,966,300
Total financial assets		34,115,687	32,647,569
Non-financial assets			
Property, plant and equipment	5	508,625	658,491
Total non-financial assets		508,625	658,491
Total assets		34,624,312	33,306,060
Liabilities			
Payables	6	114,942	187,914
Provisions	7	671,630	571,362
Total liabilities		786,572	759,276
Net assets		33,837,740	32,546,784
Equity			
Accumulated surplus	9	6,089,766	4,798,810
Contributed equity		27,747,974	27,747,974
Net worth		33,837,740	32,546,784

Notes to the financial statements are included on pages 60 to 77

Statement of Changes in Equity
for the financial year ended 30 June 2010

	Note	Equity at 1 July 2009	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2010
		\$	\$	\$	\$
(a) Contribution by owners					
Balance at beginning of financial year		27,747,974	0	0	27,747,974
Balance at end of financial year		27,747,974	0	0	27,747,974
(b) Accumulated surplus					
	9	4,798,810	1,290,956	0	6,089,766
Total equity at end of financial year		32,546,784	1,290,956	0	33,837,740

The accumulated surplus total of \$6,089,766 as at 30 June 2010 represents expenditure that has been allocated to various programs, but has yet to be expended.

Statement of Changes in Equity
for the financial year ended 30 June 2009

	Note	Equity at 1 July 2008	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2009
		\$	\$	\$	\$
(a) Contribution by owners					
Balance at beginning of financial year		27,747,974	0	0	27,747,974
Balance at end of financial year		27,747,974	0	0	27,747,974
(b) Accumulated surplus					
		6,094,413	(1,295,603)	0	4,798,810
Total equity at end of financial year		33,842,387	(1,295,603)	0	32,546,784

Notes to the financial statements are included on pages 60 to 77

Cash flow statement
for the financial year ended 30 June 2010

	Note	2010	2009
		\$	\$
Cash flows from operating activities			
Receipts			
Receipts from Government		21,152,500	21,060,000
Receipts from other entities		1,171,172	1,070,542
Equity Investment repayments		371,916	350,835
Producer Package Investment repayments		319,175	650,909
Interest received		1,325,328	2,095,412
Goods and Services Tax recovered from the ATO		3,154,679	3,664,008
Total receipts from operating activities		27,494,770	28,891,705
Payments			
Payments to suppliers and employees		(7,084,331)	(6,270,914)
Goods and Services Tax paid to the ATO		(1,657,762)	(1,871,953)
Payments to industry applicants		(8,843,807)	(12,049,753)
Equity Investment in new projects		(8,066,943)	(9,088,404)
Producer Package Investment in new projects		(149,000)	(272,750)
Total payments from operating activities		(25,801,843)	(29,553,775)
Net cash from / (used in) operating activities	14(b)	1,692,926	(662,070)
Cash flows from investing activities			
Producer Loans - Cash Flow Facility Repayments		2,603,020	1,475,376
Payments for Property, Plant, and Equipment		(77,304)	(191,683)
Producer Loans - Cash Flow Facility Advances		(4,825,069)	(2,986,400)
Net cash used in investing activities		(2,299,353)	(1,684,707)
Net (decrease) in cash held		(606,428)	(2,346,777)
Cash and cash equivalents at the beginning of the financial year		26,681,269	29,028,046
Cash and cash equivalents at the end of the financial year	14(a)	26,074,841	26,681,269

Notes to the financial statements are included on pages 60 to 77

Notes to the financial statements

for the financial year ended 30 June 2010

Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Film Victoria.

(a) Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable *Australian Accounting Standards*, including Interpretations (AASs). AASs include Australia equivalents to International Financial Reporting Standards.

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The annual financial statements have been authorised for issue by the Board of Film Victoria on the 31st August 2010.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional currency of Film Victoria.

In the application of AASs, 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 AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The report has been prepared in accordance with the historical cost convention.

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 2010 and the comparative information presented for the year ended 30 June 2009.

(c) Reporting entity

The financial statements cover Film Victoria as an individual reporting entity. Film Victoria's principal address is:

Film Victoria
Level 7, 189 Flinders Lane
Melbourne VIC 3000

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

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.

(d) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise in 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australia Bureau of Statistics.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

The net result is equivalent to profit or loss derived in accordance with AASs.

Note 1. Summary of significant accounting policies (continued)

Balance Sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

Output appropriations

Income from the outputs Film Victoria provides to Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank terms deposits and other investments.

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

Net realised and unrealised gains and losses on the revaluation of investments do not form part of the income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

Grants

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which Film Victoria gains control over the underlying assets.

Investment and grant repayments

Investment and grant repayments are income investment returns from funded recipients recognised in the reporting period in which they are received.

Other income

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

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

Development Buyouts

Development buyouts are the repayment of Film Victoria's development investment (plus premium, if applicable) and, once repaid, allows for the reassignment of Film Victoria's copyright interest in the project to the funding recipient.

(f) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee Expenses

Employee expenses include superannuation expenses. The associated expense is simply the employer contributions that are paid or payable in respect of employees during the reporting period.

Superannuation

All superannuation contributions are expensed in the comprehensive operating statement. A total of \$377,791 was contributed to a number of superannuation funds in 2009/10. Superannuation contributions in 2008/09 were \$321,516.

Depreciation and amortisation

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases, assets held-for-sale and investment properties) that have a limited useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated 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.

Note 1. Summary of significant accounting policies (continued)

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

Class of Fixed Asset	Depreciation Rate 2010	Depreciation Rate 2009
Audio Visual Equipment	25%	25%
Computers	33.33%	33.33%
Furniture and Fittings	20%	20%
Office Equipment	20%	20%
Software	40%	40%
Leasehold Improvements	amortised over the life of the lease	amortised over the life of the lease

Other expenses

Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables are classified as other economic flows. (refer Note (h) Financial assets – Impairment of financial assets).

(g) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost;
- disposals of financial assets.

Other gains(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- transfer of amounts from reserves and/or accumulated surplus to the net result due to disposal or de-recognition or reclassification; and
- the revaluation of the present value of the long service liability due to changes in the bond interest rates.

(h) Financial Assets

Cash and cash deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than investment purposes, and which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

Receivables

Receivables consist predominantly of amounts owing from the Victorian Government, producer loans, debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments. 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.

Investments, loans, and other financial assets

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.

Film Victoria assesses at balance sheet date whether a financial asset or group of financial assets is impaired.

Producer Loans - Cash Flow Facility (CFF)

The Film Victoria Cash Flow Facility is a revolving financial facility which complements Film Victoria's programs by cash-flowing the Australian Taxation Office producer offset and pre-sales by way of broadcast licenses and distribution guarantees. The Cash Flow Facility provides financial support for the industry by underpinning private sector participation and assisting local producers in international financing and cash flowing of the Producer offset. It also leverages increased production in Victoria.

Note 1. Summary of significant accounting policies (continued)

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

Loans are recorded at the lower of cost or recoverable amount. 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.

Impairment of financial assets

Film Victoria assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as 'other economic flows'.

In assessing impairment of statutory (non contractual) financial assets which are not financial instruments, Film Victoria applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

(i) Non-Financial Assets

Property, plant and equipment

All non-current assets are measured at cost less accumulated depreciation and impairment.

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvement, whichever is the shortest.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that are part of expenditure made in one accounting period covering a term extending beyond that period.

(j) Liabilities

Payables

Payables consist predominately of accounts payable and other sundry liabilities. Accounts payable 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 repayments in respect of the purchase of those goods and services.

The goods and services tax may be included in payables if applicable.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

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.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave which are expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits. These liabilities are 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 non-current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long Service Leave (LSL)

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Film Victoria does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Note 1. Summary of significant accounting policies (continued)

The components of this current LSL liability are measured at:

- nominal value—component that Film Victoria expects to settle within 12 months; and
- present value—component that Film Victoria does not expect to settle within 12 months.

Non-current liability – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Film Victoria recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(k) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Lease of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive 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. The leased asset is not recognised in the balance sheet.

(l) Equity

Contributions by owners

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

(m) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(n) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated 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 or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(o) 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 existing at the end of the reporting period are translated at the closing rate at the date of the end of reporting period. Non-monetary assets 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.

(p) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statements may not equate due to rounding.

Note 2. Net result from operations

	2010	2009
	\$	\$
Income from transactions		
(a) Other income		
Project revenue		
Development buyout	730,554	678,413
Administration fees	379,177	150,844
Investment and grants repayments	657,280	969,849
Total project revenue	1,767,011	1,799,106
Interest revenue		
Interest / Financial institutions	880,173	1,911,604
Interest / Production advances	366,431	78,671
Interest / Premiums and production	81,308	105,136
Total interest revenue	1,327,912	2,095,411
Total other income	3,094,923	3,894,517
(b) Income from Government		
Government funding		
Government funding for continuing operations	20,809,000	20,730,000
Total government funding	20,809,000	20,730,000
Expenses from transactions		
(c) Project Costs		
Program payments	15,522,408	19,489,257
Total project costs	15,522,408	19,489,257
(d) Employee benefits		
Post employment benefits:		
Defined contribution plans	377,791	321,516
Salary costs	3,857,784	3,387,351
Total employee benefits	4,235,575	3,708,867
(e) Depreciation and amortisation expense		
Depreciation of non-current assets	128,643	103,712
Amortisation of non-current assets	98,400	98,400
Total depreciation and amortisation	227,043	202,112

Note 3. Other economic flows included in net result

	2010	2009
	\$	\$
(a) Net gain/(loss) on non-financial assets		
Net loss on disposal of non-financial assets	(128)	(846)
Total net gain/(loss) on non-financial assets	(128)	(846)
(b) Other gain/(loss) from other economic flows		
Net loss arising from revaluation of long service leave liability	(3,228)	(14,282)
Net gain/(loss) arising from other economic flows	(3,228)	(14,282)

Note 4. Receivables

	2010	2009
	\$	\$
Current receivables		
Contractual		
Producer loans	7,574,150	2,331,413
Other receivables ⁽ⁱ⁾	40,911	88,227
Interest receivable	51,901	49,317
Prepayments	66,157	7,355
Total current contractual receivables	7,733,119	2,476,312
Statutory		
GST receivable	45,574	207,146
Total current statutory receivables	45,574	207,146
Non-current receivables		
Contractual		
Producer loans	262,154	3,282,842
Total non-current contractual receivables	262,154	3,282,842
Total receivables	8,040,846	5,966,300

(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.

	2010	2009
	\$	\$
Producer Loans - Cash Flow Facility (CFF) at cost		
Opening balance	5,614,255	4,121,231
Add: Further loan advances	4,825,069	2,968,400
	10,439,324	7,089,631
Less: Loan principal repayments	(2,603,020)	(1,475,376)
Closing balance	7,836,304	5,614,255
Current Producer Loans - CFF due within 12 months	7,574,150	2,331,413
Current Producer Loans - CFF due after 12 months	262,154	3,282,842
Total Producer Loans	7,836,304	5,614,255

Note 5. Property, plant and equipment

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

	2010	2009
	\$	\$
Leasehold Improvements		
At cost	932,408	932,408
Less: Accumulated amortisation	(670,008)	(571,608)
Total Leasehold Improvements	262,400	360,800
Audio Visual Equipment		
At cost	43,695	42,901
Less: Accumulated depreciation	(38,091)	(35,501)
Total Audio Visual Equipment	5,604	7,400
Computer Equipment		
At cost	474,451	429,254
Less: Accumulated depreciation	(302,583)	(224,685)
Total Computer Equipment	171,868	204,569
Furniture and Fittings		
At cost	215,897	212,654
Less: Accumulated depreciation	(151,138)	(130,280)
Total Furniture and Fittings	64,759	82,374
Office Equipment		
At cost	38,117	39,869
Less: Accumulated depreciation	(34,123)	(36,521)
Total Office Equipment	3,994	3,348
Software		
At cost	6,520	6,520
Less: Accumulated amortisation	(6,520)	(6,520)
Total Software	0	0
Total Property, Plant and Equipment	508,625	658,491

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 financial period are set out below.

	Leasehold Improvements at cost	Audio Visual Equipment at cost	Computer Equipment at cost	Furniture and Fittings at cost	Office Equipment at cost	Software at cost	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2009	360,800	7,400	204,569	82,374	3,348	0	658,491
Additions	0	2,999	65,581	6,760	1,964	0	77,304
Depreciation expense	(98,400)	(4,796)	(98,282)	(24,248)	(1,317)	0	(227,043)
Disposals	0	0	0	(128)	0	0	(128)
Balance at 30 June 2010	262,400	5,604	171,868	64,758	3,994	0	508,625
Balance as at 1 July 2008	459,200	11,746	92,765	101,340	3,869	0	668,920
Additions	0	722	184,498	5,348	1,114	0	191,682
Depreciation expense	(98,400)	(5,068)	(72,694)	(24,314)	(1,635)	0	(202,111)
Disposals	0	0	0	0	0	0	0
Balance at 30 June 2009	360,800	7,400	204,569	82,374	3,348	0	658,491

Note 6. Payables

	2010	2009
	\$	\$
Current payables		
Contractual		
Creditors and accruals – supplies and services	114,942	187,914
Total current payables	114,942	187,914
Total payables	114,942	187,914

Note 7. Provisions

	2010	2009
	\$	\$
Current provisions		
Employee benefits – annual leave		
- Unconditional and expected to be settled within 12 months	302,267	238,298
- Unconditional and expected to be settled after 12 months	0	0
Employee benefits – long service leave		
- Unconditional and expected to be settled within 12 months	53,950	55,066
- Unconditional and expected to be settled after 12 months	72,172	90,001
Total current provisions	428,389	383,365
Non-current provisions		
Employee benefits	167,274	112,030
Leasehold dismantling costs	75,967	75,967
Total non-current provisions	243,241	187,997
Total provisions	671,630	571,362
(a) Employee benefits and related on-costs		
Current employee benefits		
Annual leave	285,293	224,916
Unconditional long service leave	119,596	137,570
Non-current employee benefits		
Conditional long service leave	158,624	106,243
Total employee benefits	563,513	468,729
Current on-costs		
Annual leave	16,974	13,382
Long service leave	6,518	7,498
Non-current on-costs – long service leave	8,658	5,786
Total on-costs	32,150	26,666
Total employee benefits and related on-costs	595,663	495,395
(b) Movement in provision for employee benefits		
Opening balance	495,395	239,464
Leave taken	(293,187)	(172,107)
Additional provisions recognised	393,455	322,709
Closing balance	595,663	495,395
(c) Movement in provision for leasehold dismantling costs		
Opening balance	75,967	75,967
Additional provisions recognised	0	0
Provisions derecognised	0	0
Closing balance	75,967	75,967

Note 8. Superannuation

Film Victoria has made employer contributions on behalf of its employees during 2009/10 to the following defined contribution plans:

Vic Super

Employer contributions paid to the Vic Super scheme in 2009/10 amount to \$226,900 (2008/09 \$187,284). Contributions outstanding as at 30 June 2010 were nil.

Other

Employer contributions paid to other various schemes in 2009/10 amount to \$150,891 (2008/09 \$134,232). Contributions outstanding as at 30 June 2010 were nil.

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

Note 9. Accumulated surplus

The Accumulated surplus total of \$6,089,766 as at 30 June 2010 is as result of increased commitments made throughout the year which are yet to be expended and timing factors influence this surplus. Revenue allocated to various programs results in financial commitments to successful applicants. These commitments however may remain undisbursed at the end of financial year due to contracted milestones or deliverables being outstanding after contracts are executed. As a result, during one financial year Film Victoria makes disbursements that arise from financial commitments outstanding from prior years.

Note 10. Leases

Disclosures for lessees - operating leases

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

	2010	2009
	\$	\$
Non-cancellable operating leases payable		
Not longer than one year	325,791	299,152
Longer than one year and not longer than five years	555,590	948,915
Present value of minimum lease payments	881,381	1,248,067

Note 11. Commitments for expenditure

(a) Equity Investments, 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 \$17,933,122. 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.

The Cash Flow Facility (CFF) represents a \$15 million revolving loan facility. Film Victoria has a stringent credit process to ensure that all loans are prudently managed.

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 2010 is committed to film industry initiatives, programs and expenditure carried forward into future periods, and balance sheet liabilities.

Cash analysed by funding and usage as at 30 June 2010

	Cash as at 30-Jun-10	Outstanding Commitments as at 30-Jun-10	Balance as at 30-Jun-10
	\$	\$	\$
Cash Flow Facility Available	7,163,696	662,154	6,501,542
Film Victoria Programs (including Digital Media)	18,911,145	17,270,968	1,195,177
Total cash assets	26,074,841	17,933,122	8,141,719

Cash analysed by funding and usage as at 30 June 2009

	Cash as at 30-Jun-09	Outstanding Commitments as at 30-Jun-09	Balance as at 30-Jun-09
	\$	\$	\$
Cash Flow Facility Available	9,385,745	4,048,568	5,337,177
Film Victoria Programs (including Digital Media)	17,295,524	12,579,027	4,716,497
Total cash assets	26,681,269	16,627,595	10,053,674

Producer Loans - Cash Flow Facility

	2010	2009
	\$	\$
Total Funding for Cash Flow Facility	15,000,000	15,000,000
Less: Total Loans outstanding	(7,836,304)	(5,614,255)
Cash Flow Facility cash held	7,163,696	9,385,745
Less: Cash Flow Facility Committed not yet paid	(662,154)	(4,048,568)
Cash Flow Facility Available	6,501,542	5,337,177

Note 12. Contingent liabilities and contingent assets

There are 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 recognised 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 recognised at balance date, are as follows:

The following table details Film Victoria's exposure to interest rate risks as at 30 June 2010

	Weighted average effective interest rate	Variable interest rate	Fixed interest rate	Maturity dates less than 1 year (fixed interest rate)	Non-interest bearing	Carrying Amount
		\$	\$	\$	\$	\$
Financial Assets						
Cash and deposits						
Cash on hand and cash at bank	4.51%	208,946	0	0	800	209,746
Short term / at call deposits	4.71%	15,095	0	25,850,000	0	25,865,095
Receivables						
Producer Loans - Cash Flow Facility	5.50% - 9.50%	0	7,836,304	0	0	7,836,304
Other receivables	N/A	0	0	0	92,812	92,812
		224,041	7,836,304	25,850,000	205,342	34,003,957
Financial Liabilities						
Payables	N/A	0	0	0	114,942	114,942
		0	0	0	114,942	114,942

The following table details Film Victoria's exposure to interest rate risks as at 30 June 2009

	Weighted average effective interest rate	Variable interest rate	Fixed interest rate	Maturity dates less than 1 year (fixed interest rate)	Non-interest bearing	Carrying Amount
		\$	\$	\$	\$	\$
Financial Assets						
Cash and deposits						
Cash on hand and cash at bank	2.88%	359,316	0	0	800	360,116
Short term / at call deposits	3.21%	221,153	0	26,100,000	0	26,321,153
Receivables						
Producer Loans - Cash Flow Facility	5.50% - 6.75%	0	5,614,255	0	0	5,614,255
Other receivables	N/A	0	0	0	137,544	137,544
		580,469	5,614,255	26,100,000	138,344	32,433,068
Financial Liabilities						
Payables	N/A	0	0	0	187,915	187,915
		0	0	0	187,915	187,915

Note 13. Financial instruments (continued)

Categorisation of financial instruments

Category		2010	2,009
		\$	\$
Financial assets			
Cash and deposits	Contractual financial assets – loans and receivables at amortised cost or fair value through profit or loss	26,074,841	26,681,269
Receivables		7,929,116	5,759,154
Total financial assets		34,003,957	32,440,423
Financial liabilities			
Payables	Contractual financial liabilities at amortised cost	114,942	187,915
Total financial liabilities		114,942	187,915

Net Holding gain/(loss) on financial instruments by category

		2010	2009
		\$	\$
Financial assets			
Cash and deposits		880,173	1,911,604
Trade and other receivables		(44,732)	(144,885)
Producer Loans - Cash Flow Facility		2,222,049	1,493,024
		3,057,490	3,259,743
Financial liabilities			
Payables		(72,973)	39,527
		(72,973)	39,527

(d) Credit Risk

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 \$3,000,000 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.

As at 30 June 2010, there is no event to indicate that any of the financial assets were impaired.

Note 13. Financial instruments (continued)

The following table discloses the ageing only of financial assets that are past due but not impaired.

	Carrying Amount	Not past due and not impaired	Less than 30 days	Past due but not impaired		
				30-90 days	90-365 days	1-5 years
	\$	\$	\$	\$	\$	\$
2010						
Financial assets						
Other receivables	92,812	0	92,812	0	0	-
Cash on hand and cash at bank	209,746	209,746	0	0	0	-
Short term / at call deposits	25,865,095	25,865,095	0	0	0	-
Producer Loans - Cash Flow Facility	7,836,304	7,503,725	41,665	290,914	0	-
Financial liabilities						
Payables	114,942	0	114,942	0	0	-
2009						
Financial assets						
Other receivables	137,544	0	137,544	0	0	-
Cash on hand and cash at bank	360,116	360,116	0	0	0	-
Short term / at call deposits	26,321,153	26,321,153	0	0	0	-
Producer Loans - Cash Flow Facility	5,614,255	5,614,255	0	0	0	-
Financial liabilities						
Payables	187,915	0	187,915	0	0	-

(e) Interest rate sensitivity analysis

Interest rate sensitivity analysis is based on balances of financial assets not exceeding one year, which are at fixed or floating rates. Minimum and maximum exposures are calculated at shifts of plus or minus 2% respectively. A net decrease in interest rates translates into a fall in surplus as investment income is reduced.

The table below details Film Victoria's sensitivity to shifts in interest rate. The exposures are based on management's best estimates of the possible adverse effects of changes in interest rate as at 30 June 2010.

Market risk exposure - Interest rate

	Carrying Amount	Interest Rate			
		-200 basis points -2%		+200 basis points +2%	
		Net Result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
2010 Financial assets					
Cash and deposits	26,074,041	(521,481)	0	521,481	0
Total Impact		(521,481)	0	521,481	0
2009 Financial assets					
Cash and deposits	26,680,469	(533,609)	0	533,609	0
Total Impact		(533,609)	0	533,609	0

Note 13. Financial instruments (continued)

(f) Fair value

The carrying amount of financial instruments assets and liabilities recorded in the financial statements are a fair approximation of their fair values, because of the short-term nature of the financial

instruments and the expectation that they are paid in full.

The following table shows that the fair values of the financial assets and liabilities are the same as the carrying amounts.

	Carrying amount 2010	Fair value 2010	Carrying amount 2009	Fair value 2009
	\$	\$	\$	\$
Financial assets				
Other receivables	92,812	92,812	137,544	137,544
Cash on hand and cash at bank	209,746	209,746	360,316	360,316
Short term / at call deposits	25,865,095	25,865,095	26,321,153	26,321,153
Producer Loans - Cash Flow Facility	7,836,304	7,836,304	5,614,255	5,614,255
Total financial assets	34,003,157	34,003,157	32,432,268	32,432,268
Financial liabilities				
Other payables	114,942	114,942	187,915	187,915
Total financial liabilities	114,942	114,942	187,915	187,915

Note 14. Cash flow information

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:

	2010	2009
	\$	\$
(a) Cash and cash equivalents		
Cash on hand	800	800
Cash at bank	208,946	359,316
Short term / At call deposits	25,865,095	26,321,153
Total cash and deposits	26,074,841	26,681,269
(b) Reconciliation of net result for the period to net cash flows from operating activities:		
Net result for the year	1,290,956	(1,295,603)
Non cash movements:		
Depreciation and amortisation of non-current assets	227,043	202,112
Loss on sale of non-financial assets	128	846
Movements in net assets and liabilities		
(Increase) / decrease in assets:		
Current receivables	206,305	207,587
Other current assets	(58,802)	28,559
Increase / (decrease) in liabilities:		
Current payables	(72,973)	39,527
Current provisions	45,025	143,901
Non-current provisions	55,244	11,002
Net cash provided for / (used in) operating activities	1,692,926	(662,069)

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, Industry and Regional Development
Gavin Jennings MLC

Governing Board

John Howie, President

Katherine Blashki

Joanne Dawson

Siu Ling Hui

Ana Kokkinos

Kim McGrath (appointed 16 February 2010)

Michael McMahon (appointed 16 February 2010)

Bryce Menzies

Leonie Morgan

Robert Murray

Jan Sardi

Members of the Governing Board did not receive any remuneration for the twelve months ended 30 June 2010, except where members are representing the Board on an assessment panel. The remuneration of the Minister is reported separately in the financial statements of the Department of Premier and Cabinet.

Remuneration of the Accountable Officer is included in Note 17 - Remuneration of executives.

Note 16. 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 arm's 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-10	30-Jun-09
		\$	\$
Executive Wealth Strategies Pty Ltd	Payments	1,000	3,000
/ Jo Dawson	Receipts	0	0
SLH Consulting & Communications / Siu Ling Hui	Payments	1,500	3,000
	Receipts	0	0
Mira Robertson / Ana Kokkinos	Payments	5,050	25,200
	Receipts	0	0
Blessed Film Productions Pty Ltd / Ana Kokkinos	Payments	25,000	487,000
	Receipts	(4,007)	0
Zizani Films Pty Ltd / Ana Kokkinos	Payments	4,010	0
	Receipts	0	0
Big and Little Films Pty Ltd / Michael McMahon	Payments	150,000	0
	Receipts	(4,956)	0
Anatomy 2 Pty Ltd / Michael McMahon	Payments	120,000	0
	Receipts	(11,902)	0
Bogan Pride Productions Pty Ltd / Michael McMahon	Payments	3,000	0
	Receipts	(2,138)	0
Lou Productions Pty Ltd / Michael McMahon	Payments	15,000	0
	Receipts	0	0
Moppet Mode Pty Ltd / Michael McMahon	Payments	2,000	0
	Receipts	0	0
December Films Pty Ltd / Bryce Menzies	Payments	523,841	216,212
	Receipts	(83,111)	(77,562)
Gargoyle Pty Ltd / Bryce Menzies	Payments	0	0
	Receipts	(1,059)	0
ndWare Pty Ltd / Robert Murray	Payments	48,334	106,668
	Receipts	0	(87,000)
Breakaway Scripts Pty Ltd / Jan Sardi	Payments	2,305	1,960
	Receipts	0	0

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.

Note 17. Remuneration of executives

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

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

Income Band	Total Remuneration		Base Remuneration	
	2010	2009	2010	2009
	No.	No.	No.	No.
\$140,000 - \$149,999	1	1	1	1
\$200,000 - \$209,999				1
\$210,000 - \$219,999			1	
\$220,000 - \$229,999	1	1		
Total numbers	2	2	2	2
Total amount	\$372,790	\$369,532	\$355,459	\$346,789

Note 18. Remuneration of auditors

	2010	2009
	\$	\$
Victorian Auditor General's Office		
Audit or review of the financial report	17,750	17,400
	17,750	17,400

Note 19. Events after balance sheet date

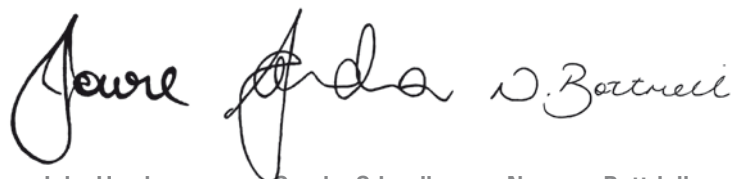
Film Victoria is not aware of any material events after balance date which would affect these financial statements.

**Accountable Officer's and Chief Finance
and Accounting Officer's Declaration**

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 Comprehensive 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 2010 and financial position of Film Victoria at 30 June 2010.

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

Sandra Sdraulig
Chief Executive
Officer

Nesreen Bottriell
General Manager –
Business Affairs

Film Victoria
Melbourne
31 August 2010

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