



FILM
VICTORIA
ANNUAL REPORT
2011/2012

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FILM VICTORIA

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FILM VICTORIA

FILM VICTORIA IS THE STATE GOVERNMENT AGENCY THAT PROVIDES STRATEGIC LEADERSHIP AND ASSISTANCE TO THE FILM, TELEVISION AND DIGITAL MEDIA SECTORS OF VICTORIA.

We invest in projects, businesses and people, and promote Victoria as a world-class production destination nationally and internationally.

We work closely with industry and government to position Victoria as an innovation leader through the growth and development of the Victorian screen industry.

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 Act (1997)*. *The Film Act (2001)* abolished Cinemedia and established Film Victoria and the Australian Centre for the Moving Image as separate statutory authorities.

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.'

OFFSPRING - SERIES 2
Southern Star Entertainment
Supported through Production Investment

OUR VISION

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

OUR MISSION

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

OUR STAFF

- \ Support the creation and production of original screen content, encourage audience engagement, provide skills and business development support, and foster a skilled workforce
- \ Market and develop Victoria as a world-class production destination, provide locations advice and facilitate productions
- \ Develop industry policy and strategy, market and communicate industry opportunities and achievements, host and facilitate industry events and work with the Board and Victorian Government
- \ Manage the organisation's governance and financial, legal, recoupment, human resources and information technology requirements.

OUR CORPORATE GOVERNANCE

We report to the Minister for Innovation, Services and Small Business, the Hon. Louise Asher MP and work closely with the Department of Business and Innovation (DBI).

LAST DANCE
FG Film Productions
Supported through Production
Investment and Slate Funding





BULLISTIC UNLEASHED
Millipede Creative Development
Supported through Games Investment

DEPARTMENT OF BUSINESS AND INNOVATION



ORGANISATIONAL CHART

**MINISTER FOR INNOVATION,
SERVICES AND SMALL BUSINESS**

FILM VICTORIA BOARD

**CHIEF EXECUTIVE OFFICER
JENNI TOSI**

**DIRECTORATE
SHAE QUABBA**

Strategy

Research & policy development

Marketing

Events

**BUSINESS AFFAIRS
NESREEN BOTTRIELL**

Finance

Information technology

Human resources

Legal

Cash Flow Facility

**INCENTIVES, LOCATIONS
AND PRODUCTION SERVICES
KATE MARKS**

Production attraction

Policy liaison

Production services

**INDUSTRY DEVELOPMENT
AND INVESTMENT
SUE EDWARDS (ACTING)**

Content development

Production investment

Skills development

Professional development

Audience engagement

OUTLAND

Princess Pictures
Supported through Production Investment,
Fiction Television Co-funding and Cash Flow Facility



OUR BOARD



IAN ROBERTSON

PRESIDENT

SINCE SEPTEMBER 2011

Ian is a corporate and media lawyer who heads the media and entertainment practice of law firm Holding Redlich. He is also the Managing Partner of the firm's Sydney office. Ian has worked in and for the media and entertainment industries for most of his career, including in the 1980s as in-house counsel for David Syme & Co Limited, publisher of the *The Age* newspaper in Melbourne, and as a Senior Executive of the video, post-production and facilities company, AAV Australia, in South Melbourne. He became a partner of Holding Redlich in Melbourne in 1990 and established the firm's Sydney office in 1994. He is also the Deputy Chair of the Australian Government film agency Screen Australia and a Director of the ASX-listed production and distribution company, Beyond International Limited. Ian's former appointments include board membership of the Australian Broadcasting Authority, Director and Chair of Ausfilm, Director and Deputy Chair of Film Australia Limited, and Director of the predecessor agency to Film Victoria, Cinemedia. Ian is a Fellow of the Australian Institute of Company Directors.



DEBRA ALLANSON

SINCE SEPTEMBER 2010

Debra is an experienced screen industry executive and entrepreneur with specialist knowledge of digital media business and industry developments. She is a former Chief Executive of Screen West who has served on a number of arts and business boards and international festival juries. She was previously the Victorian President of the Australian Interactive Multimedia Industry Association (AIMIA), the leading digital media industry association. Debra is Managing Director of Studio Ish, a company she founded in 2006, which specialises in content production and marketing for broadcast, online and mobile.



ANN DARROUZET

SINCE SEPTEMBER 2010

Ann has worked in the film and television industry for more than 30 years. She is a graduate of the NSW University of Technology and VCA, and has worked as a creator, executive producer and producer of feature films, documentaries, long-form television and multiplatform content. Ann has won national and international awards including two AFIs, an International Emmy, a Banff Rockie and two A.T.O.M. awards. She has won the Sydney Film Festival Dendy Award and the St Kilda Film Festival Best Film Award for her short film work. Ann is Managing Director of Westside Film & Television and has been engaged as an independent film production consultant to federal government departments for the past decade.



JO DAWSON

SINCE NOVEMBER 2004

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 Chief Financial Officer 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 and listed investment company Templeton Global Growth Fund Ltd.

**DAN FILL**

SINCE SEPTEMBER 2010

Dan is the co-founder of Chocolate Liberation Front, an entertainment company focused on high-quality and innovative properties for all platforms. He has produced THE ADVENTURES OF FIGARO PHO for ABC3, IMMIGRATION NATION – BUILDING MULTICULTURAL AUSTRALIA for SBS and THE WILD KRATTS interactive games for PBS and TVOntario. Dan was Head of Multi-Platform at ABC TV and Vice President of Toronto-based Decode Entertainment. He is one of the creators behind ABC iView and has been recognised with more than 40 international awards, including a BAFTA nomination, Canadian New Media Producer of the Year 2002 and Australian Digital Media Producer of 2009.

**LYN MADDOCK AM, PSM**

SINCE SEPTEMBER 2011

Lyn has more than 25 years of experience as an executive in the public and private sectors, with a background in research and economics. For the past decade she has worked within the government and media sectors, including with the Australian Communications and Media Authority (ACMA) from 2005 to 2009 and as the Interim CEO of Screen Australia in 2008. Lyn has served on various Boards including Deputy/Acting Chair of ACMA and Deputy/Acting Chair of the Australian Broadcasting Authority. From 2009 to 2011, Lyn was the Director of the Australian Antarctic Division. In June 2012 Lyn was awarded a Member (AM) in the General Division of the Order of Australia.

**KIM MCGRATH**

SINCE FEBRUARY 2010

Kim has a legal background and over 20 years' experience in public policy development and implementation in a range of portfolio areas, including the screen industry and governance. Kim provides policy and governance advice to the Timor-Leste Government, and public and private sector entities in Australia. Kim also serves on the Board of the Melbourne International Film Festival and South Gippsland Water.

**MICHAEL MCMAHON**

SINCE FEBRUARY 2010

Michael is a former lawyer with extensive experience in arts and entertainment law. He 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.

**DAVID PARKER**

SINCE SEPTEMBER 2010

David's first film MALCOLM was a critical and box office success winning eight AFI awards and released in 22 countries. He has continued to work as producer, writer and cinematographer on features and TV movies such as THE BIG STEAL, AMY, HERCULES RETURNS, PURE LUCK, KATH AND KIMDERELLA and his latest film FATAL HONEYMOON with Harvey Keitel. His 2010 film, MATCHING JACK, won Best Film, Best Director and Best Screenplay at the Milan International Film Festival in 2011. David's company with Nadia Tass, Cascade Films, owned and operated the successful Melbourne Film Studio for 25 years.

**JAN SARDI**

SINCE SEPTEMBER 2007

Jan 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 Globe Awards. 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. He is President of the Australian Writers' Guild.

**DARYL TALBOT**

SINCE SEPTEMBER 2011

Daryl Talbot is Managing Director of WTFN Entertainment – an independent television production company based in Melbourne which produces shows such as BONDI VET and the award winning story of conjoined twins TRISHNA & KRISHNA: THE QUEST FOR SEPARATE LIVES. Daryl started at WTFN in 2001 after nearly 20 years working as a news reporter and producer for network television in Australia and the UK. This included 15 years at Australia's Nine Network producing news, documentaries and lifestyle shows. Under his leadership WTFN has grown to be one of Australia's most dynamic independent television production companies.

RETIRED MEMBERS**John Howie**

(President)

February 2003 – August 2011

Ana Kokkinos

December 2002 – August 2011

Michael Lynch

September 2010 – June 2011

OUR STRATEGIC OBJECTIVES

OUR CORPORATE PLAN OUTLINES OUR STRATEGIC OBJECTIVES AND PRIORITY AREAS FOR 2010–2013.

\\ OBJECTIVE 1 DRIVE INDUSTRY GROWTH THAT ATTRACTS INVESTMENTS, EXPORTS AND JOBS

- \ Support Victorian screen businesses to drive industry growth
- \ Provide assistance to increase production activity in Victoria
- \ Market Melbourne and provincial Victoria as a world-leading production destination to encourage activity in Victoria
- \ Maximise opportunities for Victorian crews to expand their skills base
- \ Support screen industry practitioners to upskill in content creation and business development areas

\\ OBJECTIVE 2 INCREASE AND BROADEN AUDIENCE ENGAGEMENT WITH VICTORIAN AND AUSTRALIAN SCREEN CONTENT

- \ Support local content that reflects Australian perspectives, resonates with local audiences and can achieve international recognition
- \ Support organisations that increase and broaden audience engagement in screen culture

\\ OBJECTIVE 3 SHAPE POLICIES AND PRACTICE TO ACHIEVE INDUSTRY GROWTH

- \ Lead advocacy or strategic policy projects for the industry in identified areas of need

\\ OBJECTIVE 4
ENHANCE ORGANISATIONAL
CAPABILITY TO DELIVER
THE ORGANISATION'S
CORPORATE PLAN

- \ Maintain corporate governance through policies, procedures, relevant legislation and Departmental standards and improve organisational efficiency
- \ Value our staff and enhance their skills and capability to the benefit of the individual and the organisation



Circe Films
Supported through Production Investment

DON'T BE AFRAID OF THE DARK
Miramax Films
Supported through PIAF and RLAF

FROM OUR PRESIDENT



I AM PLEASED TO PRESENT THE ANNUAL REPORT OF FILM VICTORIA FOR THE 2011/12 FINANCIAL YEAR.

This has been a challenging year for the Victorian screen industry, reflecting in part the challenges and uncertainties of the global economic environment and a strong Australian dollar, and the uncertainties in the media industry generally.

It is accordingly very pleasing that Victoria has continued to maintain its position as a strong and competitive centre for screen production.

A total of 73 feature film, television and digital media projects commenced production in Victoria in 2011/12, spending an estimated \$208.9 million in the state – an increase in expenditure of more than 50 per cent above the previous year. Many of these projects were directly supported by Film Victoria.

This considerable achievement by the Victorian screen industry highlights its energy, talent, creative excellence and ability to deliver value. It also demonstrates the importance of continued Victorian Government support for the industry.

However, Film Victoria, in common with all state and federal government agencies, is operating within budget constraints and must accordingly focus on operating as efficiently as possible, so as to deliver the maximum benefit to the Victorian industry. This has been a particular focus of the Film Victoria Board in the second half of 2011/12 as we prepare the agency for the challenges ahead.

Other priorities during the year have included the appointment of a new CEO, Jenni Tosi who brings great energy to the role as well as considerable experience in the Victorian screen production sector and within Film Victoria itself. Jenni succeeded Sandra Sdraulig AM as CEO. Sandra served Film Victoria with distinction and her nine years of tireless leadership are gratefully acknowledged.



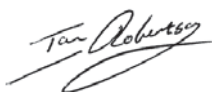
CLOUDSTREET
Screen time
Supported through PIAF (post)

Film Victoria has also supported the inaugural *Indian Film Festival of Melbourne* and the *Victoria-India Co-production Initiative*, both aimed at strengthening the relationship between the Victorian and Indian screen industries. Greater engagement with India is a priority of the Victorian Government and Film Victoria has welcomed the opportunity to support complementary programs involving the screen sector.

I wish to particularly acknowledge the very significant contribution of John Howie, who served as president of Film Victoria and chair of its predecessor agency for an aggregate period of more than a decade. I also acknowledge the contribution of outgoing members Ana Kokkinos and Michael Lynch and thank them for their service. I welcome new members Lyn Maddock and Daryl Talbot who bring a depth and breadth of valuable skills and experience to the Board.

The Premier, the Hon. Ted Baillieu MP, and the Minister for Innovation, Services and Small Business, the Hon. Louise Asher MP, have each shown a continued interest in and support of the Victorian screen industry and the activities of Film Victoria, for which we thank them.

Finally, I thank Film Victoria's staff, together with the industry practitioners who serve on our various committees, for their very considerable efforts to ensure that Film Victoria and the Victorian screen industry continue to be successful.



Ian Robertson
President
Film Victoria



SURVIVING GEORGIA
Surviving Georgia Pty Ltd
Supported through Production
Investment and RLAF

FROM OUR CEO



ON BEHALF OF FILM VICTORIA, I'M DELIGHTED TO PRESENT THIS YEAR'S ANNUAL RESULTS.

The Victorian screen industry has demonstrated its resilience and robustness, with significant local and footloose production activity occurring in 2011/12.

In my first year as CEO, it has been deeply satisfying working with the Board and staff to support practitioners to develop, produce and distribute their projects to audiences around the world; and deliver significant economic and cultural benefits to Victoria.

I'm pleased to report that Film Victoria's programs leveraged a total spend of \$152.7 million in 2011/12 – almost double our leveraged spend the previous year. Importantly, the projects we supported created 6,662 jobs for practitioners, and kept our screen service businesses active.

These strong results reflect the talent, creativity and responsiveness of Victoria's screen practitioners, and their ability to tell stories that resonate with audiences.

We supported 13 factual and narrative features commencing production or post-production in Victoria, which leveraged \$58.9 million – a significant increase of 276 per cent on the previous year. This included a mix of local, national and offshore production activity.

Local production in particular has increased despite the challenging economic environment. In 2011/12 we committed more than \$5.8 million to 33 local projects through our Screen Production-Investment program. More than two-thirds of our investment commitment has supported the television sector, which continues to dominate the Victorian industry.

The calibre of local productions such as *THE SLAP*, *MISS FISHER'S MURDER MYSTERIES*, and *OFFSPRING* have not only achieved strong viewership numbers here at home, they've also been sold overseas, demonstrating that Melbourne is home to exceptional television with worldwide appeal. Television documentaries also achieved local and international success.

On the digital media front, we committed almost \$750,000 to 13 games projects and local games have performed strongly throughout the year. Brawsome's puzzle adventure *MACGUFFIN'S CURSE*, for example, was released in April 2012 to excellent reviews and strong sales to date. And in June we partnered with ACMI to deliver *Game Masters: The Forum*, in which the world's most influential games experts shared their experiences with local developers.



While the strong Australian dollar and highly competitive environment continue to affect large-scale international project interest in Australia, the reputation of Victoria's practitioners, along with Film Victoria's incentives and film commission services have enabled us to secure several footloose productions.

Extraordinary sets, big-name actors and a period of frenzied activity for many local crew and technicians marked the filming of *I, FRANKENSTEIN* at Docklands Studios Melbourne and various locations around the city. Add to the mix TV pilot *THE FRONTIER*, which shot in regional Victoria; adult comedy feature *TED*, which completed its VFX here; and the mini-series *HOWZAT! KERRY PACKER'S WAR*; and our reputation as a film-friendly city and exceptional production destination remains strong. It also highlights the diversity of projects we attract to the state.

We continued our work with Victorian Indigenous screen practitioners in 2011/12, partnering with the ABC and Screen Australia to deliver the *Flash Black* and *Call To Country* series, and providing skills development opportunities through our Production Placements initiative.

While our programs are at the core of Film Victoria's activities, the services we provide are equally important. We work closely with industry to preserve Victoria's reputation as a production hub, and ensure local and visiting filmmakers have a consistently positive experience while filming here.

Work has commenced to streamline processes for granting film production permits, with the aim of reducing red tape for filmmakers; and we developed and introduced a voluntary code of conduct for the screen industry to assist local filmmakers and maintain our great locations. We also worked closely with the City of Melbourne to develop its new filming guidelines, which have set a benchmark for councils across the state.

I wish to thank and acknowledge the Board for their commitment and leadership throughout the year. I'd also like to thank the dedicated, hard-working staff at Film Victoria for their contribution and enthusiasm. Without them, we would not have achieved these outcomes.

I also acknowledge the Minister for Innovation, Services and Small Business, the Hon. Louise Asher MP [who] has been a strong supporter of Film Victoria throughout the year, demonstrating a keen interest in our screen industry and the cultural and economic contribution it brings to the State.

Finally, to Victoria's screen professionals, congratulations on the success of your projects and all your achievements over the past year. As we look back on 2011/12, there is much to be celebrated. We look forward to working with you in the coming year to build on this and bring more of your ideas and stories to the screen.



Jenni Tosi
Chief Executive Officer
Film Victoria



ANGRY BOYS
Princess Pictures
Supported through PIAF and RLAF



AUSTRALIA ON TRIAL
December Media
Supported through Production
Investment and Slate Funding

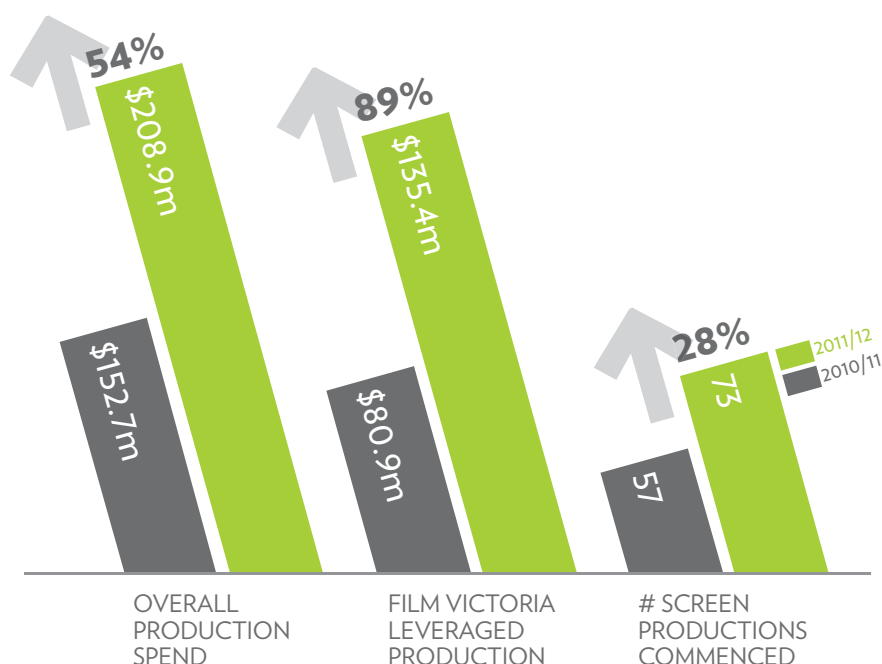
OUR PROGRAMS

THE BIG PICTURE

A total of 73 film, television and digital media projects commenced production in Victoria in 2011/12, spending an estimated \$208.9 million – a 54 per cent increase on the previous year.

We leveraged \$152.7 million of this total spend – an 89 per cent increase, and almost twice our leveraged spend in the previous year.

The projects we supported created 6,662 jobs.



Our programs support projects, people and businesses. They're at the core of what we do, and one of the many reasons we're proud of our work here in Melbourne.

Through our **Screen Production – Investment** program we committed support to:

- \ five fiction feature films, with a total commitment of \$1,115,000
- \ 11 adult fiction television and five children's television projects, with a total commitment of \$3,907,500
- \ 12 documentary feature, television and online projects, with a total commitment of \$782,140

That's a total of more than \$5.8 million in investment support to 33 local projects.

FILM

23

NUMBER OF FILMS BEGINNING PRODUCTION IN 2011/12

\$66.8m

TOTAL PRODUCTION EXPENDITURE IN VICTORIA

WE SUPPORTED 13 OF THESE FILMS, LEVERAGING \$58.9 MILLION – A 276% INCREASE ON THE PREVIOUS YEAR

TV

35

NUMBER OF TV PROJECTS BEGINNING PRODUCTION IN 2011/12

\$138.3m

TOTAL PRODUCTION EXPENDITURE IN VICTORIA

WE SUPPORTED 28 OF THESE PROJECTS, WHICH LEVERAGED \$90.1 MILLION – A 46% INCREASE ON THE PREVIOUS YEAR

DIGITAL

WE SUPPORTED 13 GAMES PROJECTS AND 1 INTERACTIVE PROJECT BEGINNING DEVELOPMENT IN 2011/12, WHICH LEVERAGED \$3.6 MILLION

We love to fund projects through the development and production cycle. Knowing that our end-to-end support can help a project grow from an idea to a script to a fully-fledged production makes us feel very rewarded. Cyan Films' 100 BLOODY ACRES is one such project. The script for this feature about two misguided brothers and their unusual fertiliser business was a standout from the get-go, receiving funding through our **New Feature Writers** program in 2006 and **Feature Film Script Development** in 2007. In 2010 we supported the writers Colin and Cameron Cairnes to attend Slamdance, where the script won 1st prize in the thriller/horror category of the festival's screenwriting competition. **Production Investment** support followed in 2011, and in 2012 the Cairnes brothers' debut feature premiered at MIFF.

The opulent world of Miss Fisher first captured our attention in 2010, and received our support from development to production through **Screen Development – Co-funded Television, Screen Production – Investment** and our **Regional Locations Assistance Fund**. Following the adventures of elegant lady sleuth Phryne Fisher and based on the novels of Australian author Kerry Greenwood, Every Cloud Production's MISS FISHER'S MURDER MYSTERIES screened on ABC TV in 2012 and has delighted audiences with its fine performances, dazzling production design and faithful rendering of 1920s Melbourne.

Magician Lucas MacGuffin, the subject of Brawsome's latest game MACGUFFIN'S CURSE, is an interesting fellow. After bungling a robbery, he finds himself trapped in a city and bound to an ancient amulet. He also has the ability to switch between human and werewolf form. This funny, charming puzzle adventure was supported through **Screen Development – Games** and released in April 2012 to excellent reviews and strong sales. It also won the 2011 Freeplay Award for Best Game Writing.

Through our **Screen Development** program we committed support to:

- \ 19 fiction projects, with a total commitment of \$505,458
- \ 23 documentary projects, with a total commitment of \$196,600
- \ 13 games projects, with a total commitment of \$745,873

The screen industry thrives on creativity, and it's important to foster new ideas from new talent. So we were thrilled to offer early-career screenwriters a special development opportunity in 2011/12. **The Catapult Concept Lab** supported 10 writers to take part in an intensive workshop to develop a feature film concept to an outline or treatment, with the aid of experienced mentors. Following the workshop, lab participants got a chance to woo 22 local producers at a targeted 'speed-dating' event.

Through our **Screen Business** program we committed support to:

- \ 15 producers through **Global Connections** loans
- \ 10 projects and teams to attend international festivals
- \ seven companies through our **Online** program

Through our **Screen Skills** program we committed support to:

- \ five internships with a digital media company
- \ 18 companies to deliver industry activities
- \ five production internship opportunities
- \ nine placements on productions for Indigenous practitioners

We continued our focus to increase opportunities for Victorian Indigenous screen practitioners through our **Indigenous Initiatives**. In 2011/12 we:

- \ Updated our development and production guidelines to ensure producers consult Indigenous communities, receive permission to film, include the cost of research and consultation in their budgets and acknowledge relevant communities and individuals in production credits
- \ Partnered with the ABC and Screen Australia to deliver the *Call To Country* series and Screen Australia for *Flash Back*
- \ Brokered nine skills development opportunities for Indigenous practitioners
- \ Supported the AFTRS Filmmaking 101 Workshop for Indigenous practitioners wanting to make the transition to the screen industry
- \ Continued to enhance the Indigenous section of our Locations Gallery (see page 19)

In a highly competitive screen industry, a production placement can give early-career practitioners the edge they need. Indigenous filmmaker Pauline Whyman spent 11 weeks with December Films' TV series AUSTRALIA ON TRIAL as part of our **Indigenous Production Placement** initiative, one of nine skills development opportunities we supported in 2011/12. During her Director placement Pauline read scripts, provided input into shots, liaised with the Victorian Aboriginal community to help cast Indigenous actors, and ensured cultural sensitivities were handled with respect – all under the indispensable supervision of award-winning filmmaker Ana Kokkinos. Pauline described working with Ana as "like a masterclass, and I was the only student" and said the placement was a progressive step that gave her a better understanding of the craft of directing. Her long-term goals are to direct a feature – perhaps one she's developed herself – and mentor other early-career practitioners along the way.

WE LOVE AN AUDIENCE

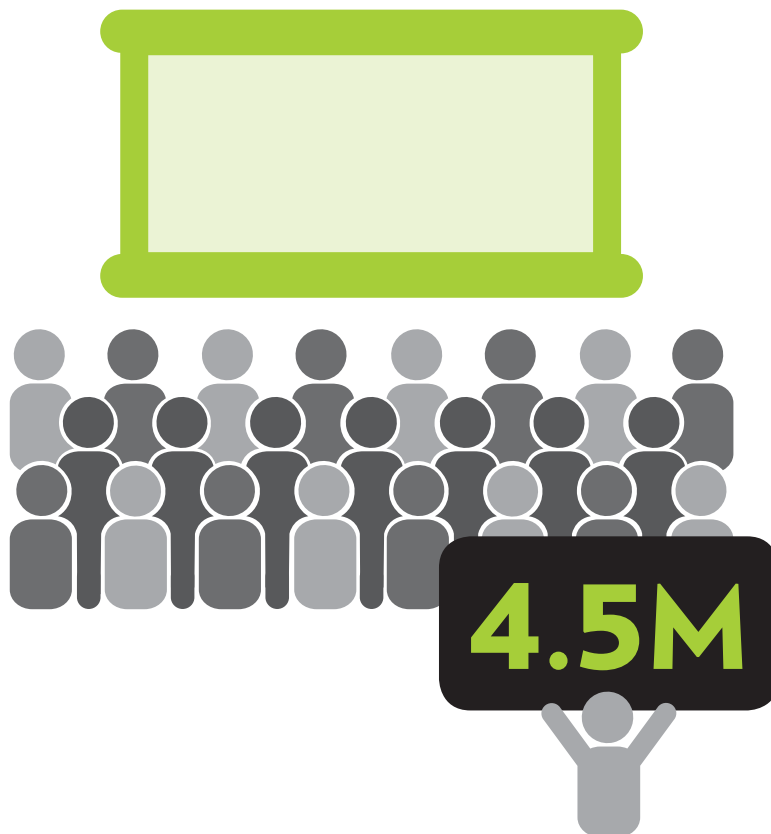
A lot of people in this big wide land of ours are watching and loving local content on screen – film and television projects we supported received 64 million Australian views in 2011/12.

But when it comes to engaging with screen content, it's not just the homegrown projects we champion.

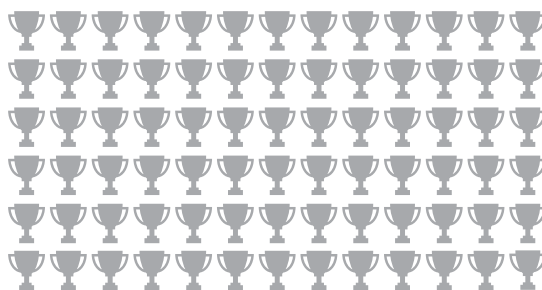
Each year we support a range of events and organisations to engage local audiences with diverse screen content and culture from around the world.

More than 4.5 million people engaged in screen culture activities we supported in 2011/12, including the *Melbourne International Film Festival*, *St Kilda Film Festival*, *Tropfest*, *Little Big Shots* and *Games Masters: The Forum* (see page 18).

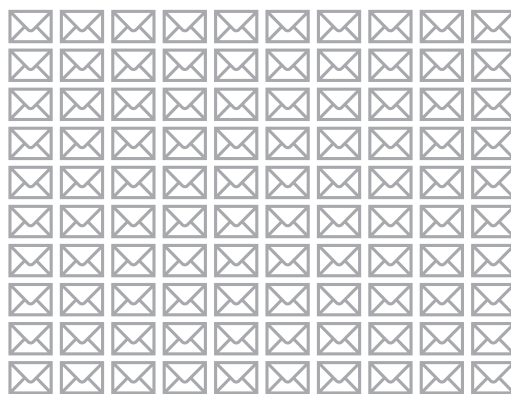
We're always delighted to see Victorian productions and practitioners recognised for their work. Projects we supported won 78 awards and received more than 100 award nominations.



**MORE THAN 4.5 MILLION PEOPLE
ENGAGED IN SCREEN CULTURE
ACTIVITIES WE SUPPORTED IN 2011/12**



**PROJECTS WE SUPPORTED
WON 78 AWARDS...**



**...AND RECEIVED MORE THAN
100 AWARD NOMINATIONS**

When a TV series strikes a chord with viewers, one season is never enough. In 2011/12 we were thrilled to support subsequent seasons of great local productions, including ActiveTV's PRANK PATROL 3, Werner Films' DANCE ACADEMY 3, Southern Star Entertainment's OFFSPRING 3 and Matchbox Pictures' ANATOMY 4 (see below). We love that these shows are so diverse, but they share a few characteristics too – they're popular, engaging and very well executed.

We've supported all four series of Matchbox Pictures' ANATOMY, a multi-award winning documentary series exploring the human body and how it drives the creative process. Each film in this series is thematically linked but also a complete story in itself – sometimes shocking, sometimes funny, sometimes moving and often all three. Series 3 screened on ABCTV in 2011/12.

It's one (excellent) thing for a production to perform well here at home but many of the projects we've supported are also being sold internationally. Local drama series THE SLAP, MISS FISHER'S MURDER MYSTERIES, and OFFSPRING; documentaries KOKODA, CATCHING CANCER and OUT OF THE ASHES and feature film SOUTH SOLITARY are just a sample of productions that have sold overseas, demonstrating that Melbourne is home to exceptional content with worldwide appeal.

THE SLAP is one of those TV series everyone talks about. Bold and provocative, the eight-part drama from Matchbox Pictures, based on the Christos Tsiolkas novel averaged close to a million metro viewers for each episode on ABC1, with hundreds of thousands more tuning in for the second broadcast or catching up online. It has since aired in the United Kingdom, the United States and Canada among other territories and has picked up a swag of awards, including Best Telefeature, Mini Series or Short Run Series, Best Director and Best Screenplay at the AACTA Awards and Most Outstanding Drama Series, Miniseries or Telemovie at the Logies. We supported the series through our **Production Investment** program.



PRODUCTIONS ♥ MELBOURNE

Despite the challenging economic environment, Victoria's status as a film-friendly state and exceptional production destination remains strong.

The reputation of Victoria's practitioners, Melbourne's top-notch studios and facilities, and our incentives and film commission services have enabled us to secure several footloose productions.

Production and post-production work secured through our **Production Investment Attraction Program (PIAF)** in 2011/12 includes:

HOWZAT! KERRY PACKER'S WAR
Southern Star Entertainment
TV mini-series dramatising Kerry Packer's revolutionary World Series Cricket.

AFTER EARTH
Columbia Pictures
M. Night Shyamalan's new sci fi feature set 1,000 years after cataclysmic events force humanity's escape from Earth.

THE DEEPSEA CHALLENGE
Wight Expedition Films
James Cameron's 3D feature about his record-breaking solo dive to the Earth's deepest point.

THE FRONTIER

Sony Pictures Television
TV Pilot for a series chronicling the journey of a group of men and women determined to build new lives for themselves on the Pacific coast in the 1840s.

PAPER GIANTS: THE MAGAZINE WARS
Southern Star Entertainment
A follow-up to 2011's successful **PAPER GIANTS: THE BIRTH OF CLEO**, this mini-series explores the glossy magazine wars of the 1990s in Sydney.

MRS BIGGS

December Media and ITVG Studios
TV mini-series co-production about the woman behind Britain's most famous villain, great train robber Ronald Biggs.

EMPEROR

Fellers Film LLC
Japanese feature film set in Tokyo at the end of the war, when the allies wanted to charge the Emperor of Japan as a war criminal.

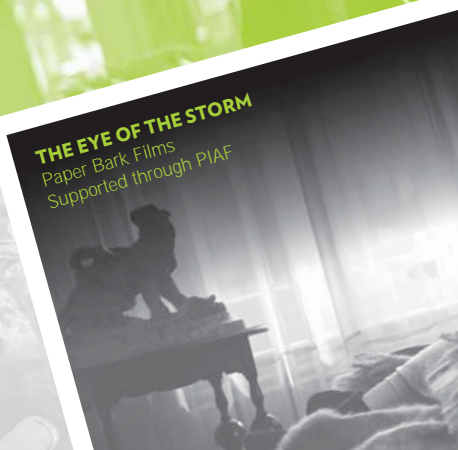
Awesome sets, crazy stunts, big-name actors and frenzied activity for many local crew and technicians marked the filming of Hopscotch Features and Lakeshore Entertainment's **I, FRANKENSTEIN** at Docklands Studios Melbourne and various locations around the city in early 2012. Victoria secured the major production, featuring Aaron Eckhart in the title role, despite strong competition from other states. This created around 500 jobs for cast and crew, provided significant opportunities for local technicians to build their skills, and supported several small businesses.



KILLER ELITE
Omnilab Media
Supported through PIAF and RLAF



THE EYE OF THE STORM
Paper Bark Films
Supported through PIAF



Some of these projects have commenced production while others are yet to start, but the potential economic benefit of attracting these productions speaks volumes – combined, they're expected to spend around \$53.2 million in Victoria.

There's big love for regional Victoria, too – we supported eight projects that commenced production in 2011/12 through our **Regional Locations Assistance Fund (RLAF)**. As a result, they spent an estimated \$2.3 million and created more than 800 jobs in Victorian regional communities.

Four of the feature films we supported through our **Production Investment Attraction Fund (PIAF)** were released in Australian cinemas in the second half of 2012. *THE EYE OF THE STORM*, *THE CUP*, *KILLER ELITE* and *DON'T BE AFRAID OF THE DARK* were all shot in Melbourne and generated expenditure of around \$77 million in Victoria. Supporting a diverse range of productions has significant economic benefits for the state, as well as employment opportunities and support for local businesses – these four films alone created around 1,200 job opportunities for local practitioners.

VICTORIAN VFX BREATHES LIFE INTO TED

So you need a smoking, swearing, flirty, naughty animated teddy bear for your feature film? No problem. *TED*, a comedy about a man and his childhood teddy bear from award-winning US writer, producer and comedian Seth MacFarlane was supported through our **Production Investment Attraction Fund (Post Production, Digital and Visual Effects)** and brought to life by the talented local visual effects artists at Iloura. The Media Rights Capital film stars Mark Wahlberg, Mila Kunis and Giovanni Ribisi and clocked more than \$280 million at the worldwide box office in the two months after its June release.



OUR SERVICES

WHILE OUR PROGRAMS ARE AT THE CORE OF FILM VICTORIA'S ACTIVITIES, THE SERVICES WE PROVIDE THE INDUSTRY ARE EQUALLY IMPORTANT.

In June we partnered with ACMI to bring some of the world's most influential games developers – including Tim Schafer and Warren Spector – to Melbourne to share their experiences and secrets with local developers. The two-day symposium *Game Masters: The Forum* was a sell-out and provided plenty of inspiration and new connections for local games developers. It was also a fitting start to the 2012 Melbourne Winter Masterpieces exhibition *Game Masters*, the first locally-curated exhibition in the Masterpieces series.

As Australian television's premiere awards and recognition ceremony, the *TV Week Logie Awards* hold a special place in the screen industry's annual events calendar. But on the eve of the awards, another less well-known but equally important happening takes place. With so many Sydney-based broadcasting executives in town for the weekend, we jump at the chance each year to put these key decision-makers in a room with our talented local television producers to share ideas and get to know each other. Our April 2012 networking event was a great success, with more than 150 people attending.

We achieved one of the Victorian Government's key election commitments for the screen industry in 2011/12 – the inaugural *Indian Film Festival of Melbourne*. Festival organisers Mind Blowing Films delivered a fantastic program of more than 40 Indian films, masterclasses, Q&A sessions, panel discussions and a short film competition to showcase the depth and diversity of the Indian film industry. Former Miss World and screen goddess, Priyanka Chopra; Bollywood superstar Shahid Kapoor; producer/director Kunal Kohli; and others were special guests at opening night, and organisers recorded more than 15,000 admissions over the 12-day event.

A strong Australian dollar and increasingly competitive global market has highlighted the importance of co-productions and joint venture partnerships to maintain offshore production activity in Victoria.

As part of our overall strategy to promote Melbourne and Victoria as a production destination, in 2011/12 we launched a new online database to connect Victorian writers, directors and producers with the international screen industry. Like RSVP but better, **eMate** promotes local talent by introducing them to international practitioners to increase co-production and joint venture activity in Victoria. With nearly 100 international practitioners registered on **eMate** since its launch in February 2012, we think this is the start of some beautiful partnerships.



We work closely with industry, other government agencies and local councils to preserve Victoria's reputation as a production hub, and ensure local and visiting filmmakers have a consistently positive experience while filming here. In 2011/12 we delivered several significant pieces of work to help achieve this goal:

- \ We developed and launched the *Victorian Screen Industry Code of Conduct*, a comprehensive and practical tool designed to benefit the industry and safeguard locations against the impact of filming activity. Developed in consultation with agencies, guilds, organisations and local governments, the code brings together the various elements of filming regulation and process in one document to simplify, support and promote the work of the Victorian screen production community.
- \ We worked closely with the City of Melbourne to develop its new film guidelines, *A World of Locations: A Filming Guide to Melbourne*, which have set a benchmark for councils across the state.
- \ We've commenced work on a Victoria-wide review of film permit processes across local and state governments, with the aim of streamlining processes for granting film production permits and reducing red tape for filmmakers.

As the agency responsible for promoting Victoria as a film friendly location to increase production activity in the state, we service the local industry and attract footloose productions to Melbourne.

Pitching to secure footloose productions for the state is one of our core services. It's often the first opportunity we have to showcase Victoria to a client. In 2011/12 we:

- \ Pitched for 71 potential projects for Victoria
- \ Continued to track and work with 19 existing projects
- \ Dispatched more than 1,200 customised image galleries to clients
- \ Hosted 16 'inbound visits' – that is, a group of clients interested in seeing specific Victorian locations and facilities for the purpose of producing a project here.

Filmmakers have benefited from our online **Locations Gallery** for many years. With more than 10,000 unique visitors and 94,000 page views in 2011/12 alone, the gallery is a popular resource for the filmmakers and location managers who browse through more than 37,000 images of Melbourne and Victoria. Recent enhancements include a frequently updated section providing information on filming in areas of cultural significance to the Aboriginal people of Victoria.

In 2011/12 we also introduced our **Image Lounge**, a new way of delivering location images and information to our clients. This custom-built system is cutting edge and unlike any other tool used by screen agencies or film commissions in the world.

INDIAN FILM FESTIVAL OF MELBOURNE

India is one of the largest film production destinations in the world. In the last 10 years the industry has released more than 1,000 films and generated around 3 billion cinema admissions. In 2011/12 we developed a new initiative to foster relationships and encourage partnerships between the Victorian and Indian film and television industries. For the first phase of the **Victoria-India Co-production Initiative**, we led a delegation of nine Victorian screen practitioners to Mumbai, India, to attend the Federation of Indian Chambers of Commerce and Industry (FICCI) Frames Conference – one of the most noteworthy media and entertainment sector trade events in India.

We coordinated the itinerary – which included the conference, tours of facilities and meetings with Indian producers – and supported delegates through grants to cover costs associated with the trip. In the next phase, to take place in 2012/13, we'll support Victorian companies to develop a project as a joint venture with an India-based production company.

DISCLOSURE OF PAYMENTS

The following is a list of individual payments made in the 2011/12 financial year and may in some cases represent only a portion of the full amount committed to projects, businesses or people through our funding programs.

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
SCREEN DEVELOPMENT PROGRAMS AND INITIATIVES		
FICTION DEVELOPMENT AND INITIATIVES		
Fiction Development		
Come Back	Turnstile4	\$4,550
Mutt	Circe Films	\$16,000
Cherry Bomb	Jane Says	\$1,200
The Butterfly Ball	Puffafish	\$10,400
Straw Men	Caravel Pictures	\$5,375
The Dressmaker	Film Art Media	\$33,350
Sick Puppy	Boilermaker	\$7,875
Cash Machine	Film Camp	\$11,450
By Any Other Name	Melodrama Pictures	\$1,200
Jack of All Trades	Clan Alpine Films	\$6,000
Australian Gothic	Geoffrey Wright	\$23,075
An Oddball Solution	Kmunications	\$29,500
Yester Damon	Aquarius Films	\$16,575
True Love Commandos	Cam Eason	\$21,450
Undercover	Daniel Dubiecki & Torus Tammer	\$10,000
The Female Factory	Caroline Waters	\$9,625
Carry Me Down	Yaman Films	\$8,400
Breakable	3 Monkey Films	\$24,000
Driving Back From Dubbo	Gecko Films & Circe Films	\$40,850
Arranged	Mondayitis	\$6,000
My Strange Pet	3D Films	\$22,250
Horrendo's Curse	403 Productions	\$29,000
Resistance	Maxo	\$35,000
Blood Borne	Rogue Productions	\$27,032
Piccolo	Emu Creek Pictures	\$6,000
Made In Thailand	Storybox Films	\$21,125
Kooks	Ghost Pictures	\$2,800
El Mariachi	Studio Moshi	\$6,840
The Athletes	ArenaMedia	\$31,000
Off the Map	Media World Holdings	\$20,000
Dead Gorgeous Series 2	Burberry Entertainment	\$23,000
Small Time Gangster Series 2	Boilermaker – Burberry Entertainment	\$10,000
Laid Series 3	Porchlight Films	\$11,835
Little Lunch	Gristmill	\$20,000
Total Fiction Development		\$552,757

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
FICTION SPECIAL INITIATIVES – CONSULTS, FELLOWSHIPS, SEMINARS AND EVENTS		
Matt Hearn to LA. International Co-Production Showcase	403 Productions	\$100
Romeo & Cheryl	Roger Monk	\$29,000
The Cloudchasers	David Richardson	\$6,000
The Girls	Jason Byrne Productions	\$2,400
Piano Lessons	Zizani Films	\$42,750
National Screenwriters Conference 2013	Australian Writers Guild	\$85,000
Total Fiction Special Initiatives		\$165,250
TOTAL FICTION DEVELOPMENT AND INITIATIVES		\$718,007
DOCUMENTARY DEVELOPMENT		
The Martin Grant Project	Ghost Pictures	\$3,000
The Beer Detective	Fair Trade Films	\$2,625
Concrete: An Australian Love Affair	Storybox Films	\$1,925
Happy Campers	Moppet Mode	\$2,800
What Makes us Human	Freehand Productions	\$3,500
Barefoot Microlite Odyssey	Intafusion Films	\$2,100
Kicking Fields	Brian Hoare & Associates	\$1,750
The Call of the Horn	Flying Fish Films	\$1,925
She's Making My Baby	Heydon Films	\$10,850
Silent War	Carlyon-Miller Productions	\$4,080
Emotional Striptease	Endangered Pictures	\$3,250
Clean-bowled, Bradman	Arcimedia	\$5,000
An Unnatural Life	Savage Films	\$3,250
The Brawler	Flood Projects	\$3,250
The Peacemaker	B.C Callow and S.B Wright	\$3,250
Megacorp	Renegade Films Australia	\$7,500
2012: The Party at the End of the Universe	Michele Armstrong	\$7,000
The Art of Listening	Rachael Thompson	\$3,850
Love and Devotion	Stella Motion Pictures	\$4,025
Where Do the Rabbits Go	Ghost Pictures	\$13,000
A Place to Call Home	Licketty Split	\$3,500
John and Tim	Waterbyrd Filmz	\$13,500
Love and Fury	Early Works	\$3,500
Rewriting History	B-M Film and Productions & Tattooed Media	\$10,000
Ten Years On	Flying Carpet Films	\$1,750
A History of Mining	Renegade Films Australia	\$25,000
A Filmmakers' Cinema	BIC Productions	\$14,300
Journey To Nowhere!	Robyn Hughan	\$13,300
The Long Road Home	Shannon Owen	\$6,825
Wilfred Burchett: Rebel with a Cause	Flaming Star Films	\$15,000

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
The Legacy Project	Plus One Production	\$10,000
Dear Dirt – Mum Says I Can't Play With You No More	Moppet Mode	\$6,750
Thalidomide's Lost Babies	360 Degree Films	\$9,000
Neon	Lawrence Johnston	\$4,000
TOTAL DOCUMENTARY DEVELOPMENT		\$224,355

DIGITAL MEDIA DEVELOPMENT AND INITIATIVES

DIGITAL MEDIA SCOPING

PrisonPals	Tim Stone & Jackson Castiglione	\$1,250
Total Digital Media Scoping		\$1,250

DIGITAL MEDIA PROTOTYPING

Snap! Sorcery	Endgame Studios	\$8,612
Desura	DesuraNet	\$34,000
Live	Pure Pictures	\$10,000
Nawlz	Stuart Campbell	\$12,000
Total Digital Media Prototyping		\$64,612

GAMES DEVELOPMENT

Puzzle Treasure	Chris Watts	\$17,400
Rugby Union	Wicked Witch Software	\$75,000
Table Top Cricket	Big Ant Studios	\$75,000
MacGuffin's Curse	Browsome	\$18,200
Beast Farmer Ranch	Industrial Brothers Operations	\$50,000
Beatbooster	Current Circus	\$25,000
Bullistic Unleashed	Millipede Creative Development	\$40,000
Gamebook Adventures	Tin Man Games	\$19,000
Groome Me	Gregory P Sharp	\$4,000
Market Garden	Bulpadok	\$65,000
Pony Farm	Tantalus	\$70,000
Speak for the Dead	Speak for the Dead Productions	\$16,000
Blastpoints	Checkbox Studios	\$32,625
InFlux	Joseph Wintergreen-Arthur	\$23,700
Man in a Maze	Lewis Mitchell	\$21,000
Fanstand	Ideal League	\$75,000
Sprint Cars	Big Ant Studios	\$25,000
Total Games Development		\$651,925

DOWNLOADABLE GAMES INITIATIVE

Electroids	Scott Ashton	\$40,000
Total Downloadable Games Initiative		\$40,000
TOTAL DIGITAL DEVELOPMENT AND INITIATIVES		\$757,787
TOTAL SCREEN DEVELOPMENT PROGRAMS AND INITIATIVES		\$1,700,149

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
SCREEN SKILLS PROGRAMS AND INITIATIVES		
INTERNSHIPS		
Phoebe Hartley	Fremantle Media Australia	\$1,211
Ariel Parisi	December Films	\$7,569
Kylie Plunkett	Southern Star Productions	\$1,699
Shelley Dresden	Shezow Productions	\$1,568
Meg Courtney	Miss Fisher's Murder Mysteries	\$1,320
Amelia De Rauch	Southern Star No.5	\$4,840
Demos Karkazis	December Films	\$931
Dan Beck	Miss Fisher's Murder Mysteries	\$6,372
Esther Justin	Miss Fisher's Murder Mysteries	\$5,471
Tamara Dennett	Southern Star Productions	\$2,478
Nicci Dillon	High Wire Films	\$5,232
Kishani Selvadurai	Renegade Films Australia	\$4,776
Nora Niasari	Genepool Productions	\$6,738
Alexander Tulloh	VastPark	\$2,911
Mark Quenault	Complete Post Australia	\$9,035
Drewe Clarke	Iloura (Omnilab Media Melbourne)	\$9,479
Peter Allen	Iloura (Omnilab Media Melbourne)	\$9,479
Cal Ferguson	Helgonet Unit Trust	\$9,035
Amy Alexander	Chocolate Liberation Front	\$4,860
David Bennett	Complete Post Australia	\$4,077
Lisa Cope	Visual Playground	\$4,536
Laura Ogeil	Tilt Creative	\$4,240
Joshua Tusjak	Media Saints	\$4,119
Total Internships		\$111,976
INDIGENOUS PLACEMENTS		
Tracey Rigney (Production Placement)	Hansom Cab Productions	\$1,294
Pauline Whyman (Industry Placement)	December Films	\$19,327
Nikki Ashby (Industry Placement)	Renegade Films	\$10,560
Simon Rose (Industry Placement)	Every Cloud Productions	\$19,954
Total Indigenous Placements		\$51,135
INDUSTRY ACTIVITIES		
Script Alive	Cinema Nova Joint Venture	\$4,188
Victorian Mentorship Program	Australian Writers Guild	\$1,300
AWG Victorian Branch Professional Development Program	Australian Writers Guild	\$1,000
SPAA Conference 2011	Screen Producers Association of Australia (SPAA)	\$5,000
Film & Television Graduating Students Awards 2011	The University of Melbourne	\$3,000
Screen Futures Industry Innovation Education	ATOM (Australian Teachers Of Media)	\$5,000
Natalie Miller Fellowship	Natalie Miller Fellowship Fund Trust	\$20,000
Open Channel 2010/11	Open Channel Co-operative Ltd	\$60,000

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
Open Channel 2011/12	Open Channel Co-operative Ltd	\$150,000
Home is Where the Hall is	Open Channel Co-operative Ltd	\$10,000
2012 Australian Directors Guild Awards	Australian Directors Guild	\$4,000
Pathways and Speed Dating Event	Australian Writers Guild	\$4,000
Input International Television Conference	Input International Television Conference	\$8,000
2012 Australian International Documentary Conference	Australian International Documentary Conference	\$15,000
X Media Lab – Jeff Gomez Masterclass	Jeff Gomez	\$7,500
Portable Talks	Portable Australian P/L	\$2,500
Total Industry Activities		\$300,488

INDUSTRY AWARDS

Atom Awards 2011	ATOM (Australian Teachers Of Media)	\$7,000
The 44th Annual Awgie Awards 2011	Australian Writers Guild	\$7,500
Greg Tepper Award 2010	Sophie Byrne	\$5,000
Greg Tepper Award 2011	Shaun Grant	\$5,000
Atom Awards 2012	ATOM (Australian Teachers Of Media)	\$5,000
Tim Richards Award 2010	The Voxel Agents	\$5,000
Tim Richards Award 2011	Matthew Hall	\$5,000
Total Awards		\$39,500
TOTAL SKILLS DEVELOPMENT PROGRAMS AND INITIATIVES		\$503,099

SCREEN BUSINESS PROGRAMS AND INITIATIVES**INTERNATIONAL FESTIVALS**

Kasimir Burgess	Kasimir Burges	\$1,113
Katrina Mathers	The Lampshade Collective	\$1,250
Marek Polgar	Marek Polgar	\$3,600
Amiel Courtin-Wilson	Amiel Courtin-Wilson	\$5,000
Fred Schepisi	Fred Schepisi	\$5,000
David Easteal	David Easteal	\$3,450
Natasha Gadd	Daybreak Films	\$3,150
Andrew Kavanagh	Ramona Telecican	\$2,550
Craig Irvin	Craig Irvin	\$3,000
Marisa Brown	Marisa Brown	\$1,900
Nickolas Bird	Waterbyrd Filmz	\$3,000
Total International Festival Attendance		\$33,013

GLOBAL CONNECTIONS (INCL SPECIAL INITIATIVES FOR TRAVEL)

Stephen Luby	Ruby Entertainment	\$5,000
Peter George	Peter George	\$270
Sharyn Prentice	Flaming Star Films	\$1,594
Tony Wright	December Films	\$8,000
David Rapsey and Glenda Hambly	Rogue Productions	\$4,056

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
Alkinos Tsilimidos	Resuced Films	\$4,500
Sue Maslin	Film Art Media	\$2,800
Joel Kohn	Kidmogul Films	\$5,500
Gian Christian & Dina McPherson	Galaxy Pop	\$5,500
Stephen Amis	Revolution Pictures	\$5,000
Robert Galinsky & Elizabeth Howatt	Top Cat Media	\$5,000
Robert de Young	Lowlands Media	\$5,552
Sally Ingleton	360 Degree Films	\$6,000
Jason Byrne	Jason Byrne Productions	\$5,000
John Lewis	Arcimedia	\$4,500
Amanda Peppard	ActiveTV	\$4,400
Producers Showcase Registration	Producers Guild of America	\$2,411
Dominic Allen	Camera Club	\$5,500
Steve Kearney	Mini Stdio	\$4,400
Mark Ruse	Ruby Entertainment	\$5,962
Total Global Connections		\$90,945

ONLINE

Arenamedia	Arenamedia	\$10,000
ATOM VIC Inc	ATOM (Australian Teachers Of Media)	\$7,650
Bubbler Interactive	Bubbler Interactive	\$10,000
December Films	December Films	\$10,000
Film Art Media	Film Art Media	\$10,000
ScreenClass	ScreenClass	\$8,000
Moppet Mode	Moppet Mode	\$8,000
Mutiny Media	Mutiny Media	\$9,965
The Picture Tank	The Picture Tank	\$8,000
360 Degree Films	360 Degree Films	\$8,000
Film Camp	Film Camp	\$8,000
Ghost Pictures	Ghost Pictures	\$8,000
John Moore Productions	John Moore Productions	\$8,000
Moonshine Agency	Moonshine Agency	\$8,000
Total Online		\$121,615

CROSS PLATFORM DEVELOPMENT

Weird and Wonderful – The Rise and Fight of the Disability Rights Movement	Fertile Films	\$2,000
Total Cross Platform Development		\$2,000

PRODUCER SUPPORT

Richard Lowenstein, Lynn-Maree Milburn & Andrew De Groot	Ghost Pictures	\$7,000
Greg McLean	Emu Creek Pictures	\$22,000
Sue Maslin & Daryl Dellora	Film Art Media	\$10,000
Jim Shomos	Let's Talk	\$5,000

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
Andrew Davies & Michael Amos	Studio Moshi	\$15,000
Craig Monahan	Point Blank Pictures	\$72,000
Antony I Ginnane & Michael Roseby	FG Film Productions	\$72,000
Gareth Calverley & Andrew McNally	Boilmaker	\$90,000
Luigi Acquisto & Stella Zammataro	Fair Trade Films	\$45,000
Colin South, Ross Hutchens & Judy Malmgren	Media World Holdings	\$60,000
Adam Elliot	Adam Elliot Pictures	\$50,000
Total Producer Support		\$448,000

SLATE FUNDING

Ruby Entertainment	Ruby Entertainment	\$20,000
Pericles Film Productions	Pericles Film Productions	\$79,620
Moody Street Kids	Moody Street Kids	\$130,000
December Films	December Films	\$80,000
Total Slate Funding		\$309,620

BUSINESS PROGRAMS – SPECIAL INITIATIVE

AFTRS Creative Enterprise Course 2011	AFTRS	\$54,000
Total Business Programs – Special Initiative		\$54,000

ATTENDANCE AT 2012 VICTORIA INDIA CO-PRODUCTION DELEGATION

Chris Schwarze	Complete Post	\$5,000
Ian Anderson	Deluxe Melbourne	\$5,000
Julia Adams	G Shiff & Company	\$5,000
David Redman	Instinct India	\$5,000
Bryce Menzies	Marshalls & Dent	\$4,500
Gillian Carr	Moody Street Kids	\$5,000
Robyn Kershaw	Robyn Kershaw Productions	\$4,500
Roger Savage	Soundfirm	\$5,000
Joanne Werner	Werner Film Product	\$4,524
Total India Delegation		\$43,524
TOTAL BUSINESS PROGRAMS AND INITIATIVES		\$1,102,718

PRODUCTION INVESTMENT AND PRODUCTION INITIATIVES**FICTION FEATURE FILM**

X	Circe Films	\$1,000
100 Bloody Acres	Cyan Films	\$95,000
Surviving Georgia	Surviving Georgia	\$3,875
Last Dance	FG Film Productions	\$170,000
Hail	Flood Projects	\$2,500
Save Your Legs	Save Your Legs	\$435,000
Total Fiction Feature Film		\$707,375

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
TV FICTION		
Woodley	Bucket Tree	\$19,123
Twentysomething	Hire Wire Films	\$4,022
Rush Series 4	Southern Star Entertainment	\$182,000
Miss Fisher's Murder Mysteries	Every Cloud Productions	\$300,000
Offspring Series 2	Southern Star Entertainment	\$23,750
Beaconsfield	Southern Star Entertainment	\$350,000
Lowdown Series 2	Hire Wire Films	\$319,000
Jack Irish	Essential Media and Entertainment	\$407,385
Laid Series 2	Porchlight Films	\$200,000
Offspring Series 3	Southern Star Entertainment	\$285,000
Cliffy	Clock End Films	\$135,000
The Dr. Blake Mysteries	January Productions	\$259,200
Homicide Franchise	Eclipse Films	\$115,200
Mystery of a Hansom Cab	Burberry Entertainment	\$199,500
Underground	Underground Productions	\$167,250
Prank Patrol Series 2	ActiveTV	\$12,800
Dance Academy Series 2	McMicking Werner	\$30,000
Shezow	Moody Street Kids	\$395,000
Prank Patrol Series 3	ActiveTV	\$240,000
The Flamin' Thongs	Media World Holdings	\$93,750
FLEA-BITTEN!	Moody Street Kids	\$10,000
Lowdown	Lowdown TV	\$5,000
Killing Time	FremantleMedia	\$12,500
Outland	Princess Pictures	\$6,625
The Slap	Matchbox Pictures	\$25,000
Total TV Fiction		\$3,797,105

DOCUMENTARY FEATURES AND TV

Machete Maidens Unleashed!	Bionic Boy Productions	\$3,000
The First Interview	Jungle Pictures	\$1,000
Ballroom Rules	Waterbyrd Filmz	\$3,500
Life Architecturally	Paalma	\$3,260
Judith Lucy's Spiritual Journey	Bearded Lady Productions	\$8,514
Miss South Sudan Australia	Matchbox Pictures	\$2,000
Trafficked – The Reckoning	Fairtrade Films	\$3,194
Kapyong	Kapyong	\$4,500
Mad as Hell: The Peter Finch Story	Lowlands Media	\$22,500
Utopia Girls	Renegade Films	\$3,650
Autoluminescent – Rowland S Howard	Ghost Pictures	\$21,000
Australia on Trial	December Films	\$127,099
Sporting Nation	Sporting Nation Holdings	\$159,250
Anatomy Series 3	Matchbox Pictures	\$46,675

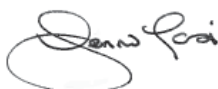
PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
Croker Island Exodus	Tamarind Tree Pictures	\$39,000
Then the Wind Changed	Rebel Films	\$24,000
Triangle Wars	Circe Films	\$56,000
History of Mining	Renegade Films	\$170,000
Australian Encounters	Suitcase Murphy	\$51,766
Gallipoli From Above	John Moore Productions	\$56,500
Anatomy Series 4	Matchbox Pictures	\$50,000
Possum Wars	360 Degree Films	\$17,500
Murundak: Songs of Freedom	Daybreak Films	\$2,200
Ben Lee: Catch My Disease	Film Camp	\$8,400
Total Documentary Features and TV		\$884,508
INTERACTIVE CONTENT		
The Multicultural History Portal	Chocolate Liberation Front	\$2,500
Wonderland	Chocolate Liberation Front	\$41,500
Total Interactive Content		\$44,000
INDIGENOUS PRODUCTION GRANT		
The Hunter	Brown Cab Productions	\$19,000
Total Indigenous Production Grant		\$19,000
PROPELLER SHORTS/SHORT FILM FUND		
Nullabor	Patrick Sarrell	\$941
Tethered	Ashley Harris & Craig Irvin	\$1,000
The Rat	Polly Staniford	\$12,000
Golden Girl	Janine Barnes	\$10,700
Spider Walk	Andrew Curry	\$10,000
Total Propeller Shorts/Short Film Fund		\$34,641
TOTAL PRODUCTION INVESTMENT		\$5,486,629
CASH FLOW FACILITY		
Utopia Girls	Utopia Girls	\$45,445
Total Cash Flow Facility		\$45,445
TOTAL CASH FLOW FACILITY		\$45,445

PROJECT	COMPANY/PERSON	PAYMENTS 2011/12
SCREEN ENGAGEMENT PROGRAM		
AUDIENCE ACCESS		
The Melbourne Cinematheque 2011	The Melbourne Cinematheque Inc	\$2,000
Little Big Shots 2011	Petite Grande Kaboom Ltd	\$2,000
Metro Magazine and Study Guides 2011	ATOM (Australian Teachers of Media)	\$2,500
Sense of Cinema 2011	Senses of Cinema Inc	\$5,000
Little Big Shots 2012	Little Big Shots International Festival for Kids	\$8,000
The Melbourne Cinematheque 2012	The Melbourne Cinematheque	\$8,000
Metro Magazine and Study Guides 2012	ATOM (Australian Teachers of Media)	\$7,500
The Other Film Festival 2012	Arts Access Victoria	\$12,000
Tropfest Melbourne 2012	Wonderland Music	\$10,000
Experimenta 2011	Experimenta Media Arts	\$45,000
Portable Film Festival 2011	Portable Australia	\$3,000
Freeplay Independent Games Festival	Freeplay Inc.	\$12,000
Total Audience Access		\$117,000
REGIONAL ACCESS		
The Warrambeen Film Festival 2012	The Warrambeen Film Festival	\$5,000
Total Regional Access		\$5,000
SCREEN ORGANISATIONAL FUNDING		
MIFF 2010/11	Melbourne International Film Festival	\$389,000
MIFF 2011/12	Melbourne International Film Festival	\$1,175,000
St Kilda Film Festival 2010	St Kilda Film Festival	\$5,000
St Kilda Film Festival 2011	St Kilda Film Festival	\$35,000
ACTF Grant 2011-2014	Aust Childrens TV Foundation	\$300,000
St Kilda Film Festival 2012	St Kilda Film Festival	\$20,000
Indian Film Festival of Melbourne	Mind Blowing Films	\$135,000
Total Screen Organisational Funding		\$2,059,000
TOTAL SCREEN ENGAGEMENT PROGRAM		\$2,181,000
INCENTIVES		
Production Investment Attraction Fund (PIAF)		\$3,743,200
Regional Victoria Location Assistance Fund (RLAF)		\$212,350
TOTAL INCENTIVES		\$3,955,550
TOTAL PAYMENTS		\$14,974,589

REPORT OF OPERATIONS 2011/2012

ACCOUNTABLE OFFICER'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Annual Report for Film Victoria for the year ending 30 June 2012.



Jenni Tosi
Chief Executive Officer
Film Victoria
Melbourne
23 August 2012

MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

The value of production and employment figures in 2011/12 was particularly high due to the high number of larger budget multiple episode television projects that commenced production, including MISS FISHER'S MURDER MYSTERIES, THE DR. BLAKE MYSTERIES, JACK IRISH, PRANK PATROL Series 3, OFFSPRING Series 3 and TIME OF OUR LIVES. There was also benefit to the State from feature films commencing production, including international production I, FRANKENSTIEN.

The number of Australian views of content was lower than anticipated, due to an overall decrease in supported feature films released at the box office and the conclusion of a 24 episode television series we previously supported.

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 2011/2012 reporting period are:

		TARGET	ACTUAL
Value of film, television and new media production supported by Film Victoria production	\$ million	80.00	152.70
Actual employment opportunities created by leveraged productions	actual job opportunities (p/time, f/time or contract)	2400	6,672
Australian views of screen content supported by Film Victoria	number of views in millions	70	64

FIVE YEAR FINANCIAL SUMMARY

FINANCIAL REVIEW OF OPERATIONS AND FINANCIAL CONDITION

	30-JUN-12	30-JUN-11	30-JUN-10	30-JUN-09	30-JUN-08
	\$	\$	\$	\$	\$
Revenue from Government	17,541,463	22,416,426	20,809,000	20,730,000	19,222,767
Other revenue	2,919,970	3,050,564	3,094,923	3,894,517	4,270,623
Total revenue	20,461,433	25,466,990	23,903,923	24,624,517	23,493,390
Total project costs	15,547,946	17,903,124	15,522,408	19,489,258	15,436,984
Net operating result	(2,083,022)	(253,275)	1,290,956	(1,295,603)	2,477,201
Net cash flow	1,289,711	4,486,077	(606,426)	(2,346,777)	617,013
Total assets	32,552,887	34,567,501	34,624,312	33,306,060	34,407,233
Total liabilities	1,051,445	983,035	786,572	759,276	564,847

ALLOCATION OF CASH ASSETS

Outstanding commitments ⁽¹⁾	20,298,110	20,579,849	18,595,276	16,627,595	16,917,095
Commitment to industry development	(2,830,757)	(932,804)	978,023	4,716,497	1,232,182
Cash Flow Facility funds	14,383,277	10,913,873	6,501,542	5,337,177	10,878,769
Total cash assets	31,850,630	30,560,918	26,074,841	26,681,269	29,028,046
Receivables – including Producer Loans	499,356	3,549,970	8,040,846	5,966,300	4,710,267
Property, Plant and Equipment	202,901	456,613	508,625	658,491	668,920
Total non-cash assets	702,257	4,006,583	8,549,471	6,624,791	5,379,187
Total Assets	32,552,887	34,567,501	34,624,312	33,306,060	34,407,233

(1) Commitments for 2011–12 include GST. Previous years exclude GST.

OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2011/12

REVENUE FROM GOVERNMENT

The total funding package from government to Film Victoria was \$17.5 million in 2011/12.

Total government funding in 2011/12 was lower than the previous year. This decrease was attributed to funding that was advanced from the 2011/12 budget for Digital Media, and the Victoria and India Co-production Initiative received in 2010/11, and additional one-off funds received for program funding in 2010/11 not received in 2011/12.

OTHER REVENUE

Other revenue in 2011/12 is similar to previous years with a slight decrease in interest revenue being offset by an increase in program recoupments. These recoupments, as with previous years, are directed back into various programs during the financial year.

NET OPERATING RESULT

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 programs that result in financial commitments to successful applicants. In turn, a substantial portion of the financial commitments may remain undisbursed at the end of the financial year. This is primarily due to contracted milestones or deliverables that are still outstanding after contracts are executed. As a result, during any one financial year, Film Victoria may make 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.

The reduction in the net operating result in 2011/12 from 2010/11 is primarily due to a decrease in government funding, and whilst program payments decreased also, the decrease did not equal that of the reduction in funding, mainly due to the timing factors outlined above.

NET CASH FLOW

The major factors affecting the variability of net cash flows are program payments and cash flow loans. During 2011/12 there was a decrease in net cash flows, due to a decrease in government funding, offset by a decrease in program payments.

This was further offset by a significant reduction in advances made from the Cash Flow Facility and an increase in the repayments of loans to the Cash Flow Facility. The net result was an increase in cash held by Film Victoria.

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

TOTAL ASSETS

The decrease in total assets during 2011/12 is predominantly due to a decrease in non-cash assets. This was as a result of an increase in loan repayments to the Cash Flow Facility along with a reduction in the number of advances made from the Facility.

OUTSTANDING COMMITMENTS

The value of outstanding commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2012. Disbursement is dependent on the achievement of contracted milestones and deliverables. Commitments for 2011/12 are reported inclusive of GST, where in previous years they were reported exclusive of GST.

COMMITMENT TO INDUSTRY DEVELOPMENT

This is the aggregate amount of cash held and committed to fund industry development initiatives, programs carried forward into future periods and outstanding balance sheet liabilities as at 30 June 2012. Due to the high level of demand on available funding, the balance this year is negative and will be funded from future government funding.

CASH AVAILABLE ONLY FOR THE CASH FLOW FACILITY

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 2012.

SUBSEQUENT EVENTS

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

ATTESTATION ON COMPLIANCE WITH THE AUSTRALIAN/NEW ZEALAND RISK MANAGEMENT STANDARD

I, Ian Robertson, certify that Film Victoria has risk management processes in place consistent with the AS/NZS ISO 31000:2009 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.



Ian Robertson
President
Film Victoria
Melbourne
23 August 2012

HUMAN RESOURCE MANAGEMENT

Under the *Occupational Health and Safety Act 2004*, Film Victoria has 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 Committee, which meets quarterly, has employee representation from management and staff. Two appropriately trained first aid officers are also represented. During the reporting period two incidents were reported. Both incidents involved staff injuries due to the lift closing on them.

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* 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 2010* as well as being bound by the privacy standards articulated in the *Information Privacy Act 2000*. We are committed to applying merit and equity principles when appointing staff. We provide position descriptions for all employees and potential candidates and have established procedures for recruiting new staff members and managing employee relations to ensure that applicants are assessed and evaluated fairly. 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 Film Victoria is outlined in our Collective Agreement, which can be found at www.film.vic.gov.au.

COMPARATIVE WORKFORCE DATA ^{(i)(ii)(iii)(iv)}**TABLE 1: FULL TIME EQUIVALENT (FTE) STAFFING TRENDS FROM 2008 TO 2012**

2012	2011	2010	2009	2008
44.2	49.3	45.5	44.6	41.8

JUNE 2011 - JUNE 2012				
	Ongoing Employees ⁽ⁱ⁾			Fixed term and casual employees
	Employees (headcount)	Full time (headcount)	Part time (headcount)	FTE ⁽ⁱⁱ⁾
June 2012	37	30	7	33.2
June 2011	41	36	5	38.4

	2012			2011		
	Ongoing ⁽ⁱ⁾		Fixed term and casual employees	Ongoing ⁽ⁱ⁾		Fixed term and casual employees
	Employees (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾	Employees (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾
GENDER						
Male	7	6	3	9	8.5	2.1
Female	30	27.2	8	32	29.9	8.8
Total	37	33.2	11	41	38.4	10.9

AGE

Under 25	-	-	-	-	-	-
25-34	13	12.2	4.2	19	18.6	4.5
35-44	18	16	2.8	17	15.3	1.8
45-54	1	1	2	1	1	2.6
55-64	4	3	2	4	3.5	2.0
Over 64	1	1	-	-	-	-
Total	37	33.2	11	41	38.4	10.9

CLASSIFICATION

VPS 1	-	-	-	-	-	-
VPS 2	6	5.4	1.2	7	7	2
VPS 3	10	9.4	2	11	9.9	1.5
VPS 4	7	6.5	1.8	9	8.5	1.8
VPS 5	4	4	2	4	4	2.6
VPS 6	9	6.9	4	9	8	3
STS	-	-	-	-	-	-
Exec Officer	1	1	-	1	1	-
Total	37	33.2	11	41	38.4	10.9

Notes:

(i) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(ii) FTE means full time staff equivalent.

(iii) All figures reflect employment levels during the last full pay period in June of each year.

(iv) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004*.

EXECUTIVE OFFICER DATA

TABLE 1: NUMBER OF EXECUTIVE OFFICERS CLASSIFIED INTO 'ONGOING' AND 'SPECIAL PROJECTS' AT 30 JUNE 2012

ALL ONGOING

	ALL		ONGOING		SPECIAL PROJECTS	
Class	No.	Var	No.	Var	No.	Var
EO1	-	-	-	-	-	-
EO2	1	+1	1	+1	-	-
EO3	-	-1	-	-1	-	-
Total	1	-	1	-	-	-

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

The position of Chief Executive Officer at the EO-2 Level was filled during the financial year. The position of General Manager, Industry Development & Investment at the EO-3 was vacated during the financial year.

TABLE 2: BREAKDOWN OF EXECUTIVE OFFICERS INTO GENDER FOR 'ONGOING' AND 'SPECIAL PROJECTS' AT 30 JUNE 2012

	ONGOING					SPECIAL PROJECTS				
Class	Male No.	Var	Female No.	Var	Vacancies No.	Male No.	Var	Female No.	Var	Vacancies No.
EO1	-	-	-	-	-	-	-	-	-	-
EO2	-	-	1	+1	-	-	-	-	-	-
EO3	-	-	-	-1	1	-	-	-	-	-
Total	-	-	1	-	1	-	-	-	-	-

TABLE 3: RECONCILIATION OF EXECUTIVE NUMBERS

		2012	2011
	Executives with remuneration over \$100 000 (Financial Statement Note 41)	1	1
Add	Vacancies (Table 2)	1	1
	Executives employed with total remuneration below \$100 000	-	-
	Accountable Officer (Secretary)	-	-
Less	Separations	1	1
	Total Executive numbers at 30 June	1	1

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 an industrial dispute.

ENTERPRISE AGREEMENT

The current Film Victoria Collective Agreement expired on 30 June 2011 and negotiations commenced in September 2011 for a replacement Agreement which were continuing as at 30 June 2012. The terms and conditions of the current Agreement are largely in alignment with the terms and conditions of the Victorian Public Service Agreement.

VICTORIAN INDUSTRY PARTICIPATION POLICY

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

DETAILS OF CONSULTANCIES OVER \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCL GST)	EXPENDITURE 2011/12	FUTURE EXPENDITURE
Customer Care Solutions Pty Ltd	To plan and facilitate a Change Management Planning Day	11 April 2012	30 April 2012	\$13,800	\$13,800	Nil
Jones Lang LaSalle	Assist with reviewing accommodation solutions to best support the evolving needs of Film Victoria due to current lease expiring in February 2013	8 April 2012	30 September 2012	\$22,000	\$9,000	\$13,000
PricewaterhouseCoopers	Digital Media Program Evaluation	7 November 2011	9 January 2012	\$50,000	\$45,000	\$5,000
Thinktank Social Pty Ltd	Partner with Film Victoria to create a social media strategy for the 'More in Melbourne' Campaign	21 November 2011	28 February 2012	\$10,800	\$10,800	Nil
Enabling Change	Develop a strategy for change towards sustainability for the Victorian film industry	1 February 2012	30 June 2012	\$12,464	\$12,464	Nil
Worksight Pty Ltd	Facilitate Collective Agreement negotiation process and provide general workplace relations advice	5 May 2011	30 June 2012	\$13,750	\$11,979	\$1,771

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2011/12 Film Victoria engaged two consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$8,867 (excluding GST).

DISCLOSURE OF MAJOR CONTRACTS

Film Victoria did not enter into any contracts greater than \$10 million in 2011/12.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Film Victoria. For the 12 months ending 30 June 2012, Film Victoria received one application.

Film Victoria received an application from Mr Grant McArthur at the Herald Sun, dated 11 October 2011, requesting Film Victoria's Gifts Register for the years 2010/11 and from July–September 2011 (documents). Film Victoria granted access to the documents requested.

MAKING A REQUEST

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- a) It should be in writing
- b) It should identify as clearly as possible which document is being requested, and
- c) It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Film Victoria should be addressed to:

Freedom of Information Manager

Film Victoria
Level 7, 189 Flinders Lane
Melbourne VIC 3000

Requests can also be lodged online at www.foi.vic.gov.au.

Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au.

BUILDING ACT 1993

Film Victoria does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

NATIONAL COMPETITION POLICY

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

Film Victoria continues to work to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the National Reform Agenda (NRA).

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, or 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 within its power 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 it is legally possible and to the extent the matter is within Film Victoria's power.

REPORTING PROCEDURES

Disclosures are to be made or referred to the Protected Disclosure Coordinator. This role is to be performed by Film Victoria's Legal Manager.

Where the disclosure relates to the Legal Manager, the disclosure is to be made or referred to the Chief Executive Officer, who will immediately refer the matter to the Ombudsman.

The person making the disclosure may also elect to make the disclosure directly to the Ombudsman.

Contact details for disclosure parties are:

Legal Manager

Film Victoria
Level 7
189 Flinders Lane
Melbourne VIC 3000
Telephone (03) 9660 3200
Email sally.wilson@film.vic.gov.au

Chief Executive Officer

Film Victoria
Level 7
189 Flinders Lane
Melbourne VIC 3000
Telephone (03) 9660 3200
Email christine.wood@film.vic.gov.au

Ombudsman Victoria

Level 9
459 Collins Street (North Tower)
Melbourne VIC 3000
Telephone (03) 9613 6222 or
toll free 1800 806 314 (regional only)
Facsimile (03) 9614 0246
Email ombudvic@ombudsman.vic.gov.au
Website www.ombudsman.vic.gov.au

FURTHER INFORMATION

Written guidelines outlining the system for reporting disclosures of improper conduct or detrimental action by the Department or its employees are available on the Department's website.

DISCLOSURES UNDER THE WHISTLEBLOWERS PROTECTION ACT 2001.

The current procedures established by the public body under Part 6 are available upon request.

THE NUMBER AND TYPES OF DISCLOSURES MADE TO PUBLIC BODIES DURING THE YEAR	2011-12 NUMBER	2010-11 NUMBER
Public interest disclosures	0	0
Protected disclosures	0	0
The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures	0	0
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0	0
The number and types of disclosures referred by the public body to the Ombudsman for investigation	0	0
The number and types of investigations taken over from the public body by the Ombudsman	0	0
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0	0
The number and types of disclosed matters that the public body has declined to investigate	0	0
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0	0
Any recommendations made by the Ombudsman that relate to the public body: Recommendation regarding file security and management	0	n/a

ENVIRONMENTAL REPORTING

During the 2011/12 financial year we continued our efforts to reduce our environmental impact footprint, by focusing on reducing paper usage within the organisation. This included changes to paper-heavy processes and moving them to online processes, as well as altering subscriptions from paper to digital where possible, and campaigning for staff to reduce paper usage.

The targeted activities resulted in a 16.6 per cent reduction in paper use in the 2010/11 financial year.

As part of our commitment to assisting the broader screen industry to become more environmentally aware, Film Victoria invited 12 industry practitioners to participate in a brainstorming workshop about how we could best support the industry to adopt more environmentally sustainable business practices.

A number of positive and achievable ideas were generated which Film Victoria will now use to develop its environmental strategy for the coming years.

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.

This information is available on request from:

General Manager, Business Affairs

Film Victoria
Level 7
189 Flinders Lane
Melbourne VIC 3000

FILM VICTORIA COMMITTEES AND ASSESSMENT PANELS

AUDIT AND RISK COMMITTEE (PREVIOUSLY THE FINANCE AND AUDIT COMMITTEE AND THE CREDIT COMMITTEE)

This 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 the 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 the organisation. The committee also oversees and reviews the risks associated with the *Cash Flow Facility* fund and assesses applications for the program for recommendation to the Board for final approval. The Audit and Risk Committee met on four occasions, the Finance and Audit Committee met on four occasions and the Credit Committee met on three occasions in 2011/12. All five members are independent.

- \ Jo Dawson, Board member (Chair)
- \ Debra Allanson, Board member
- \ Lyn Maddock, Board member
- \ Siu Ling Hui, external member
- \ Jeremy King, external member

FILM VICTORIA EVALUATION AND ADVISORY COMMITTEE (EAC)

This committee consists of suitably qualified and experienced practitioners across film and television. A minimum of five members are convened to consider applications for the *Screen Production – Investment* program, providing recommendations to the Board for final approval.

- \ CEO, Film Victoria (Chair)
- \ David Parker, Board member
- \ Jan Sardi, Board member
- \ Kate Dennis
- \ Richard Frankland
- \ Jeni McMahon
- \ Kris Mrksa (until May 2012)
- \ Andy Walker

In the 2011/12 financial year, former EAC members were engaged to consider applications where current serving members declared conflicts of interest. These former members included:

- \ Ewan Burnett
- \ Daniel Scharf
- \ Sue Maslin
- \ Gillian Carr
- \ Nick McMahon
- \ Sue Seeary

The committee met on six occasions and assessed 43 applications, of which 35 were recommended to the Board for final approval and one decision deferred.

FICTION FEATURE DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Screen Development – Fiction Features* funding strands. The composition of the assessment panel comprises a minimum of one internal staff from the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Manager, Script Development

The panel also includes a minimum of two and maximum of four external script development assessors.

External script development assessors engaged in the 2011/12 financial year included:

- \ Stuart Page
- \ Ranald Allan
- \ Andy Cox
- \ Regina Lee
- \ Greg Woodland
- \ Mira Robertson

The panel met on five occasions and assessed 20 applications, of which 12 were approved.

FICTION TELEVISION DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Screen Development – Fiction Television* funding strands. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

The panel must comprise of a minimum of three of the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Senior Investment Manager
- \ Manager, Script Development
- \ Investment and Programs Manager(s)
- \ External assessors (as required)

External assessors engaged to date in the 2011–12 financial year included the following:

- \ Andy Cox
- \ Stuart Page
- \ Mira Robertson

The panel met on five occasions and assessed nine applications, of which eight were approved.

CATAPULT CONCEPT LAB ASSESSMENT PANEL

This panel assesses applications to the *Catapult Concept Lab Special Initiative*. The panel comprises:

- \ Manager, Script Development
- \ A minimum of two and a maximum of five external script development experts

External assessors engaged were:

- \ Mac Gudgeon
- \ Karin Altmann
- \ Mira Robertson
- \ Andy Cox

The panel met on three occasions and assessed 128 applications, of which 10 were approved.

DOCUMENTARY DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Screen Development – Documentary* funding strands. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

The panel must comprise of a minimum of three of the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Documentary Development Manager
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)
- \ Manager, Script Development
- \ External assessors (as required)

The panel met on five occasions and assessed 41 applications, of which 23 were approved.

DIGITAL MEDIA ASSESSMENT PANEL

This panel assesses applications in respect of the *Screen Development – Games* funding strand, providing recommendations to the Board for final approval.

The panel must comprise of a minimum of two and maximum of three of the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Digital Media Manager
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)

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

- \ Paul Baiguerra (until November 2011)
- \ Domenic Carosa (until November 2011)
- \ Andrew Davies (until November 2011)
- \ Jason Hill (until November 2011)
- \ Stuart Johnston (until November 2011)
- \ Tony Lay (until November 2011)
- \ Michael Padden (until November 2011)
- \ Chris Wright (until March 2012)
- \ Ben Britten Smith (from November 2011)
- \ Dan Fill (from November 2011)
- \ Nick Hagger (from November 2011)
- \ Cam Lee (from November 2011)
- \ Moran Paldi (from November 2011)
- \ Harry Ravenswood (from November 2011)
- \ Matthew Hall (from April 2012)

The panel met on three occasions and assessed 35 applications, of which 14 were recommended to the Board for final approval.

BUSINESS AND SKILLS DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Indigenous Production Placements*, *Screen Skills – Company Internship (Digital Media)*, *Screen Business – International Festivals*, *Screen Business – Global Connections* and *Screen Business – Online* funding strands. It also assesses our current Indigenous initiatives and other special initiative programs relevant to business and skills development as required.

We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application.

Members should include a minimum of three of the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)
- \ Manager, Script Development
- \ Documentary Development Manager
- \ Digital Media Manager
- \ Industry Programs Officer(s)
- \ Indigenous Projects Officer

When considering applications for *Screen Business – Global Connections* and *Screen Skills – Company Internship* a minimum of one senior manager must be on the panel:

- \ General Manager, Industry Development and Investment
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)
- \ Manager, Script Development
- \ Digital Media Manager

When considering applications for one-off specific international markets or targeted business travel to a particular international event offered through *Screen Business – Global Connections*, the panel must comprise a minimum of three internal staff from the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ General Manager, Incentives, Locations and Production Services
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)
- \ Manager, Script Development
- \ Digital Media Manager

The panel met on 36 occasions and assessed 137 applications, of which 89 were approved.

INDUSTRY AND AUDIENCE DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Screen Skills – Industry Activities*, *Screen Engagement – Audience Access* and *Screen Engagement – Regional Access* funding strands.

The panel must comprise of a minimum of three of the following:

- \ CEO, Film Victoria
- \ General Manager, Industry Development and Investment
- \ Senior Investment Manager
- \ Investment and Programs Manager(s)
- \ Digital Media Manager
- \ Industry Programs Officer(s)

The panel met on five occasions and assessed 33 applications, of which 26 were approved.

**PRODUCTION INVESTMENT ATTRACTION FUND
(PIAF)/REGIONAL LOCATION ATTRACTION FUND
(RLAF) COMMITTEE**

The committee meets as required.

Members:

- \ Jo Dawson, Board member (Chair)
- \ Kim McGrath, Board member
- \ CEO, Film Victoria
- \ General Manager, Incentives, Locations
and Productions Services (non-voting)
- \ General Manager, Business Affairs
- \ A Film Victoria Legal Representative (voting member
in the absence of CEO, GM, Industry Development
& Investment or GM, Business Affairs)
- \ Incentives Coordinator (non-voting)
- \ David Hanna, external member

The Committee met on six occasions and approved a total of 16 projects, nine for *PIAF* and seven for *RLAF*.

FILM VICTORIA STAFF (AS AT 30 JUNE 2012)

DIRECTORATE

Jenni Tosi

Chief Executive Officer

Christine Wood

Executive Assistant to the Chief Executive Officer

Shae Quabba

Head of Strategy,
Marketing & Communications

Trisha Vessey

Marketing Manager,
Production Attraction

Fiona Hulton

Marketing Manager,
Industry & Corporate Programs

Odilla O'Boyle

Events Manager

Cara Sputore

Communications Advisor

Bria Baker

Policy & Industry Analyst

Lee Taylor

Marketing & Events Officer

Kris Matthews

Project Officer

INDUSTRY DEVELOPMENT & INVESTMENT

Sue Edwards

Acting General Manager,
Industry Development & Investment

Genevieve Gaffy

Industry Development & Investment
Operations Coordinator

Charlie Carman

Manager, Script Development

Brad Giblin

Digital Media Manager

Cristina Pozzan

Investment & Programs Manager

Franziska Wagenfeld

Investment & Programs Manager

Steve Warne

Documentary Development Manager

Anna Kaplan

Industry Programs Officer

Julianne Deeb

Industry Programs Officer

Sarah Bond

Indigenous Projects Officer

Beatrix Coles

Script Development Coordinator

Stephanie Van Schilt

Programs Administration
& Support Officer

Kate Taylor

Programs Administration
& Support Officer

Jacinta Palmer

Programs Administration
& Support Officer

Maria Toscano

Programs Administration
& Support Officer

Erin Bretherton

Programs Administration
& Support Officer

INCENTIVES, LOCATIONS & PRODUCTION SERVICES

Kate Marks

General Manager,
Incentives, Locations & Production Services

Audrey-Maeve Barker

Executive Assistant to General Manager

Neil McCart

Production & Policy Manager

Daniel May

Locations Resource Coordinator

Tim Reid

Production Services Coordinator

Madeline Getson

Victorian Film Officer

BUSINESS AFFAIRS

Nesreen Bottrill

General Manager, Business Affairs

Nathalie Pelissero

Finance Manager

Sharon Karman

Payroll & Accounts Officer

Marcus Stella

Finance Officer

Sally Wilson

Legal Manager

Alison Bird

Solicitor

Emma Cornall

Principal Solicitor

Michelle Rubin

Senior Solicitor

Emma Geier

Contracts Officer,
Production & Recoupment

Samantha Lloyd

Contracts Officer,
Development & Grants

Daniel Reid

Administrative Assistant – Legal Team

David Spargo

Manager,
Information Management & Technology

Jana Jones

IT Business Systems Coordinator

Brett Griggs

Information Management Coordinator

Janelle Murphy

Human Resources Manager

Brooke Atkins

HR Services Coordinator

Suzanne Woolley

Receptionist

DISCLOSURE INDEX

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

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FRD 22C	Organisational structure	3
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AUDITOR-GENERALS REPORT

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Film Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of Film Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of Film Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 Board Members, 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.

Independent Auditor's Report (continued)

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.


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Film Victoria as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Film Victoria for the year ended 30 June 2012 included both in Film Victoria's annual report and on the website. The Board Members of Film Victoria are responsible for the integrity of Film Victoria's website. I have not been engaged to report on the integrity of Film Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
29 August 2012


D D R Pearson
Auditor-General

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	NOTE	2012	2011
		\$	\$
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Victorian Government funding	2(a)	17,541,463	22,416,426
Other income	2(b)	2,919,970	3,050,564
Total income from transactions		20,461,433	25,466,990
EXPENSES FROM TRANSACTIONS			
Program costs	2(c)	15,547,946	17,903,124
Employee expenses	2(d)	4,609,852	4,855,692
Depreciation and amortisation	2(e)	256,098	311,334
Other operating expenses	2(f)	2,175,438	2,510,089
Total expenses from transactions		22,589,334	25,580,239
NET RESULTS FROM TRANSACTIONS (NET OPERATING BALANCE)		(2,217,902)	(113,249)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net loss on non financial assets	3(a)	(1,904)	0
Net loss on financial instruments	3(b)	14,799	(137,655)
Net gain/(loss) from other economic flows	3(c)	31,984	(2,371)
Total other economic flows included in net result		44,879	(140,026)
COMPREHENSIVE RESULT		(2,083,022)	(253,275)

The comprehensive loss of \$2,083,022 includes disbursement of program costs of \$15,547,946. Revenue is allocated to various programs which results in financial commitments to successful applicants. These commitments may remain undisbursed at the end of the financial year due to contracted milestones or deliverables being outstanding after contracts are executed. As a result, during one financial year Film Victoria may make disbursements that arise from financial commitments outstanding from prior years.

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 52 to 77.

BALANCE SHEET AS AT 30 JUNE 2012

	NOTE	2012	2011
		\$	\$
ASSETS			
FINANCIAL ASSETS			
Cash and cash deposits	14(a)	31,850,630	30,560,918
Receivables	4	457,729	3,485,944
Total financial assets		32,308,359	34,046,862
NON-FINANCIAL ASSETS			
Prepayments		41,627	64,026
Property, plant and equipment	5	202,901	456,613
Total non-financial assets		244,528	520,639
TOTAL ASSETS		32,552,887	34,567,501
LIABILITIES			
Payables	6	80,853	56,368
Provisions	7	970,592	926,667
Total liabilities		1,051,445	983,035
NET ASSETS		31,501,443	33,584,467
EQUITY			
Accumulated surplus/(deficit)	9	3,753,469	5,836,491
Contributed capital		27,747,974	27,747,974
Net Worth		31,501,443	33,584,466

Commitments on program costs undisbursed at the 30 June 2012 total \$20,298,110 and are detailed in Note 11.

The balance sheet should be read in conjunction with the accompanying notes included on pages 52 to 77.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	NOTE	ACCUMULATED SURPLUS	CONTRIBUTIONS BY OWNERS	TOTAL
		\$	\$	\$
Balance at 1 July 2010		6,089,767	27,747,974	33,837,741
Net result for the year		(253,275)	0	(253,275)
Other comprehensive income for the year		0	0	0
Balance as at 30 June 2011		5,836,491	27,747,974	33,584,466
Net result for the year		(2,083,022)	0	(2,083,022)
Other comprehensive income for the year		0	0	0
Balance as at 30 June 2012	9	3,753,469	27,747,974	31,501,443

The accumulated surplus total of \$3,753,469 as at 30 June 2012 represents expenditure that has been allocated to various programs, but has yet to be expended.

The statement of changes in equity should be read in conjunction with the accompanying notes included on pages 52 to 77.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	NOTE	2012	2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Receipts from Government		17,757,363	22,726,426
Receipts from Other Entities		1,595,748	263,987
Equity Investment Repayments		504,557	310,916
Producer Package Investment Repayments		99,730	243,725
Interest Received		1,528,000	1,692,297
Goods and Services Tax recovered from the ATO		1,384,101	1,577,428
Total receipts		22,869,499	26,814,779
PAYMENTS			
Payments to Suppliers and Employees		(6,871,729)	(7,410,813)
Payments to Industry Applicants		(9,549,539)	(11,326,250)
Equity Investment in New Projects		(6,906,902)	(7,693,986)
Producer Package Investment in New Projects		(587,545)	(612,000)
Total payments		(23,915,715)	(27,043,049)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	14(b)	(1,046,216)	(228,272)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Flow Facility – Producer Loans Repayments		2,385,663	6,312,722
Payments for Property, Plant, and Equipment		(4289)	(267,604)
Cash Flow Facility – Producer Loans Advances		(45,445)	(1,330,771)
Net cash from (used in) investing activities		2,335,929	4,714,347
Net increase/(decrease) in cash held		1,289,711	4,486,077
Cash and cash equivalents at the beginning of the financial year		30,560,918	26,074,841
Cash and cash equivalents at the end of the financial year	14(a)	31,850,630	30,560,918

The cash flow statement should be read in conjunction with the accompanying notes included on pages 52 to 77.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for Film Victoria for the period ending 30 June 2012. The purpose of this report is to provide users with information about Film Victoria's stewardship of resources entrusted to it.

(A) STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AAS), which include Interpretations, issued by the Australian Accounting Standard Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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 annual financial statements have been authorised for issue by the Board of Film Victoria on 23 August 2012.

(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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- \ plant and equipment;
- \ impairment on receivables; and
- \ provisions.

These financial statements are presented in Australian dollars, and are prepared in accordance with the historical cost convention.

(C) REPORTING ENTITY

The financial statements cover Film Victoria as an individual reporting entity.

Its principal address is:
Film Victoria
Level 7
189 Flinders Lane
Melbourne VIC 3000

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 *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to Australian System of Government Finance Statistics, 2005* (ABS Catalogue Cat. No. 5514.0).

'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-financial physical and intangible assets; and
- \ fair value changes of financial instruments assets.

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

BALANCE SHEET

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

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

CASH FLOW STATEMENT

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

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from 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 economic flows-other movements in equity' related to 'Transactions with owner in its capacity as owner'.

ROUNDING

Amounts in the financial statements (including the notes) have been rounded to the nearest dollar. Minor discrepancies in totals of tables are due to rounding.

(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.

VICTORIAN GOVERNMENT FUNDING

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.

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 including interest; and
- \ Income from project assistance, producer advances, and the sale of rights is recognised upon delivery of the service or rights to the customer.

Interest revenue

Interest includes interest received on deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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.

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.

Administration Fees

Administration fees are charged by Film Victoria for production investment and are based on the amount of Film Victoria's investment.

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.

(F) EXPENSES FROM TRANSACTIONS

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

PROGRAM COSTS

These expenses are related to payments made to the approved funding recipients for grants, advances and production investment.

EMPLOYEE EXPENSES

Salary Costs

Refer to the section in Note 1 (k) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

SUPERANNUATION

All superannuation contributions are expensed in the comprehensive operating statement. A total of \$451,161 was contributed to a number of superannuation funds in 2011-12. Superannuation contributions in 2010/11 were \$455,094.

DEPRECIATION

All plant and equipment and other non-financial physical assets (excluding items under operating leases and assets held-for-sale) that have finite 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.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

CLASS OF FIXED ASSET	DEPRECIATION RATE	DEPRECIATION RATE
	2012	2011
Audio Visual Equipment	25%	25%
Computers	33.33%	33.33%
Furniture and Fittings	20%	20%
Office Equipment	20%	20%
Leasehold Improvements	amortised over the life of the lease of five years	amortised over the life of the lease of five years

OTHER EXPENSES

Refer to the section in Note 1(i) regarding Leases.

Supplies and services

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

Bad and doubtful debts

(Refer Note 1(i) *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.

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 disposal of non-financial assets is recognised at the date of disposal 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 at fair value;
- \ impairment and reversal of impairment for financial instruments at amortised cost; and
- \ disposals of financial assets.

OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS

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

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

(H) FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Film Victoria's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example statutory receivables arising from taxes do not meet the definition of financial instruments as they do not arise under contract. However, Cash Flow Facility loans to producers are financial instruments as they arise out of contractual agreements.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

CATEGORIES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS

Loans and receivables

Loans and receivables are financial instrument assets with fixed determinable payments that are not quoted on the active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables category includes cash and deposits, trade receivables, term deposits, loans and other receivables, but not statutory receivables.

(I) 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 for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

RECEIVABLES

Receivables consist of:

- \ contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties and accrued investment income; and
- \ statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input credits recoverable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note (h) for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and 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.

CASH FLOW FACILITY (CFF) – PRODUCER LOANS

The Film Victoria *Cash Flow Facility* is a revolving financial facility which complements Film Victoria's programs by providing loans to finance 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 financing of the producer offset. It also leverages increased production in Victoria.

Cash Flow Facility advances to producers are by nature a loan secured by executed distribution contracts and pre-sale agreements. Producer offset loans are secured by executed Loan Agreements together with relevant guarantees and Personal Property Securities Register charges. Interest is charged on amounts outstanding until fully repaid and recorded as revenue.

A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. (See Note 1 (i) Financial Assets – Impairment of Financial Assets.)

EQUITY INVESTMENTS AND ADVANCES

Production investment is an equity investment made directly to screen projects and the amount of Film Victoria's investment is written off in the period of payment. This type of investment is recouped by the organisation as the success of the project allows over a timeframe set in accordance with Film Victoria's copyright reversion policy. This policy means that Film Victoria's entitlement to recoup ceases 5 years after the first commercial release.

Under certain programs Film Victoria makes advances, for example to production companies towards specified projects and agreed business costs. These are written off in the period of payment. Advances may be repaid to Film Victoria upon projects completing certain stages for example, the relevant production company commencing principal photography. The repayment period will differ from case to case, depending on when projects are produced.

IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, Film Victoria assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non contractual) financial assets which are not financial instruments, professional judgement is applied in assessing materiality and using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

(J) NON-FINANCIAL ASSETS

PROPERTY, PLANT AND EQUIPMENT

All non-financial physical assets are measured initially at cost and subsequently measured at amounts equal to the fair value less accumulated depreciation and impairment.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. For plant and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

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 shorter.

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.

(K) LIABILITIES

PAYABLES

Payables consist of:

- \ contractual payables, including items such as accounts payable and unearned income including deferred income from concessional arrangements. Accounts payable represent liabilities for goods and services provided by Film Victoria prior to the end of the financial year that are unpaid, and arise when Film Victoria becomes obliged to make future payments in respect of the purchase of those goods and services; and
- \ statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised costs (refer to Note 1 (h)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

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 liability 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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

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

(i) 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.

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

Liabilities for wages and salaries and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal value. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are 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.

b) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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.

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.

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.

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.

(L) 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. Leases of infrastructure, 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.

(M) EQUITY**CONTRIBUTIONS BY OWNERS**

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

(N) COMMITMENTS

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed by way of note (refer Note 11) 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 value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

**(O) ACCOUNTING FOR THE GOODS
AND SERVICES TAX (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other 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.

(P) AAS'S ISSUED THAT ARE NOT YET EFFECTIVE

Film Victoria has adopted all the new and revised Australian Accounting Standards (ASS) and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for reporting from 1 July 2011.

Management has given due consideration to new and revised standards and interpretations issued by AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements. Film Victoria has not early adopted these standards.

NOTE 2. NET RESULT FROM OPERATIONS

	2012	2011
	\$	\$
INCOME FROM TRANSACTIONS		
(A) INCOME FROM GOVERNMENT		
GOVERNMENT FUNDING		
Government funding for continuing operations	17,541,463	22,416,426
Total government funding	17,541,463	22,416,426
(B) OTHER INCOME		
PROGRAM REVENUE		
Development buyout	682,156	463,524
Administration fees	157,353	344,745
Investment and grants repayments	558,442	555,400
Total program revenue	1,397,951	1,363,669
INTEREST REVENUE		
Interest/Financial institutions	1,345,897	1,315,153
Interest/Production advances	93,794	298,727
Interest and Premiums on development and production	82,328	73,016
Total interest revenue	1,522,019	1,686,896
Total other income	2,919,970	3,050,565
EXPENSES FROM TRANSACTIONS		
(C) PROGRAM COSTS		
Program payments	15,547,946	17,903,124
Total program costs	15,547,946	17,903,124
(D) EMPLOYEE EXPENSES		
POST EMPLOYMENT BENEFITS		
Superannuation	451,161	455,094
Salary costs	4,158,692	4,400,599
Total employee expenses	4,609,853	4,855,693
(E) DEPRECIATION AND AMORTISATION		
Depreciation of non-current assets	101,698	120,934
Amortisation of non-current assets	154,400	190,400
Total depreciation and amortisation	256,098	311,334
(F) OTHER OPERATING EXPENSES		
Operating leases	421,466	406,467
Supplies and services	1,753,972	2,103,622
Total operating expenses	2,175,439	2,510,089

NOTE 3: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2012	2011
	\$	\$
(A) NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS		
Net loss on disposal of non-financial assets	(1,904)	0
Total net gain/(loss) on non-financial assets	(1,904)	0
(B) NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Impairment on financial instruments (See Note 13)	14,799	(137,655)
Total net gain/(loss) on financial instruments	14,799	(137,655)
(C) OTHER GAIN/(LOSS) FROM OTHER ECONOMIC FLOWS		
Net gain/(loss) arising from revaluation of long service leave liability	31,984	(2,371)
Net gain/(loss) arising from revaluation of long service leave liability	31,984	(2,371)

NOTE 4. RECEIVABLES

	2012	2011
	\$	\$
CURRENT RECEIVABLES		
CONTRACTUAL		
Cash Flow Facility – Producer Loans	0	2,854,353
Cash Flow Facility – Impairment allowance	0	(137,655)
Other receivables (i)	0	665,600
Interest receivable	42,397	48,378
Total current contractual receivables	42,397	3,430,676
STATUTORY		
GST receivable	24,053	55,267
Total current statutory receivables	24,053	55,267
NON-CURRENT RECEIVABLES		
CONTRACTUAL		
Cash Flow Facility – Producer Loans	514,135	0
Cash Flow Facility – Impairment allowance	(122,856)	0
Total non-current receivables	391,279	0
TOTAL RECEIVABLES	3,457,729	3,549,970

(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 *Cash Flow Facility – Producer Loan* advances paid out and principal repayments received during the reporting period.

	2012	2011
	\$	\$
CASH FLOW FACILITY (CFF) – PRODUCER LOANS AT COST		
Opening balance	2,854,353	7,836,304
Add: Further loan advances	45,445	1,330,771
	2,899,798	9,167,075
Less: Loan principal repayments	(2,385,663)	(6,312,722)
Closing balance (before impairment allowance)	514,135	2,854,353
Current CFF Producer Loans due within 12 months	514,135	2,854,353
Non-current CFF Producer Loans due after 12 months	0	0
Total CFF Producer Loans (before impairment allowance)	514,135	2,854,353

	2012	2011
	\$	\$
MOVEMENT IN THE ALLOWANCE ACCOUNT FOR IMPAIRMENT OF CFF PRODUCER LOANS		
Balance at beginning of year	137,655	0
Movement in impairment provision for CFF Producer Loans	(14,799)	137,655
Balance at end of year	122,856	137,655

Details of the impairment in producers' loans are included in Note 13 Financial Instruments.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

(A) PROPERTY, PLANT AND EQUIPMENT AT COST LESS ACCUMULATED DEPRECIATION OR AMORTISATION

	2012	2011
	\$	\$
LEASEHOLD IMPROVEMENTS		
At cost	1,212,408	1,212,408
Less: Accumulated depreciation	(1,090,808)	(936,408)
Total Leasehold Improvements	121,600	276,000
AUDIO VISUAL EQUIPMENT		
At cost	59,343	58,594
Less: Accumulated depreciation	(45,207)	(41,264)
Total Audio Visual Equipment	14,136	17,330
COMPUTER EQUIPMENT		
At cost	420,368	446,972
Less: Accumulated depreciation	(375,014)	(329,386)
Total Computer Equipment	45,354	117,586
FURNITURE AND FITTINGS		
At cost	217,821	217,127
Less: Accumulated depreciation	(197,628)	(174,100)
Total Furniture and Fittings	20,193	43,027
OFFICE EQUIPMENT		
At cost	37,070	37,070
Less: Accumulated depreciation	(35,452)	(34,400)
Total Office Equipment	1,618	2,670
Total Property, Plant and Equipment	202,901	456,613

(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 FAIR VALUE	AUDIO VISUAL EQUIPMENT AT FAIR VALUE	COMPUTER EQUIPMENT AT FAIR VALUE	FURNITURE AND FITTINGS AT FAIR VALUE	OFFICE EQUIPMENT AT FAIR VALUE	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2011	276,000	17,330	117,586	43,027	2,670	456,613
Additions	0	3,747	0	694	0	4,441
Disposals	0	(2,999)	(26,603)	0	0	(29,602)
Accumulated Depreciation on Disposals	0	1,095	26,452	0	0	27,547
Depreciation expense	(154,400)	(5,037)	(72,080)	(23,528)	(1,052)	(228,551)
Asset impairment	0	0	0		0	0
Balance at 30 June 2012	121,600	14,136	45,354	20,193	1,618	202,901
Balance as at 1 July 2010	262,400	5,604	171,868	64,759	3,994	508,624
Additions	280,000	14,899	39,387	1,816	0	336,102
Disposals	0	0	(66,866)	(586)	(1,046)	(68,499)
Accumulated Depreciation on Disposals	0	0	66,163	586	970	67,718
Depreciation expense	(266,400)	(3,173)	(92,966)	(23,548)	(1,247)	(387,334)
Asset impairment	0	0	0		0	0
Balance at 30 June 2011	276,000	17,330	117,586	43,027	2,670	456,613

NOTE 6. PAYABLES

	2012	2011
	\$	\$
CURRENT PAYABLES		
CONTRACTUAL		
Supplies and services	80,853	56,368
Total current payables	80,853	56,368
TOTAL PAYABLES	80,853	56,368

NOTE 7. PROVISIONS

	2012	2011
	\$	\$

CURRENT PROVISIONS

EMPLOYEE BENEFITS – ANNUAL LEAVE

Unconditional and expected to be settled within 12 months	308,877	329,034
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	56,523	55,363
Unconditional and expected to be settled after 12 months	133,175	88,882
Total current provisions	498,575	473,279

NON-CURRENT PROVISIONS

Employee benefits	192,050	173,420
Leasehold dismantling costs	279,967	279,967
Total non-current provisions	472,017	453,387
TOTAL PROVISIONS	970,592	926,666

(A) EMPLOYEE BENEFITS AND RELATED ON-COSTS

CURRENT EMPLOYEE BENEFITS

Annual leave	291,668	310,703
Long Service Leave entitlements	178,506	135,735

NON-CURRENT EMPLOYEE BENEFITS

Long Service Leave entitlements	180,719	163,188
Total employee benefits	650,893	609,626

CURRENT ON-COSTS

Annual leave	17,208	18,331
Long service leave	11,192	8,510
Non-current on-costs-long service leave	11,331	10,232
Total on-costs	39,732	37,074
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	690,625	646,699

(B) MOVEMENT IN PROVISIONS FOR EMPLOYEE BENEFITS

Opening balance	646,699	595,663
Leave taken	(363,145)	(370,097)
Additional provisions recognised	407,071	421,133
Closing balance	690,625	646,699

(C) MOVEMENT IN PROVISION FOR LEASEHOLD DISMANTLING COSTS

Opening balance	279,967	75,967
Additional provisions recognised	0	204,000
Provisions derecognised	0	0
Closing balance	279,967	279,967

NOTE 8. SUPERANNUATION

Film Victoria has made employer contributions on behalf of its employees during 2011/12 to the following defined contribution plans:

VICSUPER

Employer contributions paid to the Vic Super scheme in 2011/12 amount to \$276,548 (2010/11 \$287,492). Contributions outstanding as at 30 June 2012 were nil.

OTHER

Employer contributions paid to other various schemes in 2011/12 amount to \$174,612 (2010/11 \$167,602). Contributions outstanding as at 30 June 2012 were nil.

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

NOTE 9. ACCUMULATED SURPLUS

The Accumulated surplus total of \$3,753,469 as at 30 June 2012 represents expenditure that has been allocated to various programs, but has yet to be expended.

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.

	2012	2011
	\$	\$
NON-CANCELLABLE OPERATING LEASES PAYABLE		
Not later than one year	209,113	338,437
Longer than one year and not longer than five years	8,040	217,153
Present value of minimum lease payments	217,153	555,590

NOTE 11. COMMITMENTS FOR EXPENDITURE

(A) PROGRAMS AND CASH FLOW FACILITY – PRODUCER LOANS

The balance of Film Victoria's commitments which were not disbursed in this twelve month period amounted to \$20,298,110 (2011: \$22,405,181). These commitments become payable when contracts are executed and upon contractees satisfying certain conditions. Payments of these commitments are expected to be made within five years of the balance sheet date. Commitments are stated inclusive of the Goods and Services Tax (GST) payable.

The balance of outstanding commitments includes amounts funded by future year budget allocations.

CASH ANALYSED BY FUNDING AND USAGE 2011/12

	CASH AS AT	OUTSTANDING COMMITMENTS AS AT	BALANCE AS AT
	30-JUN-12	30-JUN-12	30-JUN-12
	\$	\$	\$
Cash Flow Facility Available	14,485,865	102,588	14,383,277
Film Victoria Programs (including Digital Media)	17,364,765	20,195,522	(2,830,757)
Total cash assets	31,850,630	20,298,110	11,552,520

CASH ANALYSED BY FUNDING AND USAGE 2010/11

	CASH AS AT	OUTSTANDING COMMITMENTS AS AT	BALANCE AS AT
	30-JUN-11	30-JUN-11	30-JUN-11
	\$	\$	\$
Cash Flow Facility Available	12,145,647	1,231,774	10,913,873
Film Victoria Programs (including Digital Media)	20,240,603	21,173,407	(932,804)
Total cash assets	32,386,250	22,405,181	9,981,069

CASH FLOW FACILITY (CFF) – PRODUCER LOANS

	2012	2011
	\$	\$
Total Funding for Cash Flow Facility	15,000,000	15,000,000
Less: Total Loans outstanding (before impairment allowance)	(514,135)	(2,854,353)
Cash Flow Facility cash held	14,485,865	12,145,647
Less: Cash Flow Facility Committed not yet paid	(102,588)	(1,231,774)
Less: Impairment allowance on CFF Producer Loans (See Note 4.)	(122,856)	(137,655)
Cash Flow Facility Available	14,260,421	10,776,218

The *Cash Flow Facility* represents a revolving loan facility. Film Victoria has a stringent credit process to ensure that all loans are prudently managed.

Film Victoria Programs comprise grants provided for Industry Investment and Support. It also includes repayments and recoupments from prior year projects. The balance at 30 June 2012 is committed to film industry initiatives, programs and expenditure carried forward into future periods.

NOTE 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 13. FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT OBJECTIVES

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

Film Victoria does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

CATEGORISATION OF FINANCIAL INSTRUMENTS

CATEGORY		2012	2011
		\$	\$
FINANCIAL ASSETS	Contractual financial assets-loans and receivables at amortised cost or fair value through profit and loss		
Cash and deposits		31,850,630	30,560,918
Receivables		433,676	3,430,676
Total financial assets		32,284,306	33,991,594
FINANCIAL LIABILITIES			
Payables	Contractual financial liabilities at amortised cost	80,853	56,368
Total financial liabilities		80,853	56,368

NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash and deposits	1,345,897	1,315,153
Trade and other receivables	0	0
Cash Flow Facility Producer Loans – Interest	93,794	298,727
Cash Flow Facility Producer Loans – Administration	35,855	165,517
Cash Flow Facility Producer Loans – Impairment	(122,856)	(137,655)
Total financial assets	1,352,690	1,641,742
FINANCIAL LIABILITIES		
Other payables	0	0
Total financial liabilities	0	0

In determining the amount of an impairment allowance, Film Victoria takes into account the likelihood of the timing and amounts of payments by a producer and, where relevant, by any producer associated distribution company. See also Note 13 (d).

(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 2012

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	FIXED INTEREST RATE	NON-INTEREST BEARING	CARRYING AMOUNT
		\$	\$	\$	\$
FINANCIAL ASSETS					
CASH AND DEPOSITS					
Cash on hand and cash at bank	3.42%	476,830	0	800	477,630
Short term/at call deposits	3.58%		31,373,000	0	31,373,000
RECEIVABLES					
Cash Flow Facility – Producer Loans	3.56% – 9.75%	0	391,279	0	391,279
Other receivables (excluding prepayments)	N/A	0	0	42,397	42,397
Total financial assets		476,830	31,764,279	43,197	32,284,306
FINANCIAL LIABILITIES					
PAYABLES					
Other payables	N/A	0	0	80,853	80,853
Total financial liabilities		0	0	80,853	80,853

THE FOLLOWING TABLE DETAILS FILM VICTORIA'S EXPOSURE TO INTEREST RATE RISKS AS AT 30 JUNE 2011

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	FIXED INTEREST RATE	NON-INTEREST BEARING	CARRYING AMOUNT
		\$	\$	\$	\$
FINANCIAL ASSETS					
CASH AND DEPOSITS					
Cash on hand and cash at bank	4.65%	160,118	0	800	160,918
Short term/at call deposits	4.85%		30,400,000	0	30,400,000
RECEIVABLES					
Cash Flow Facility – Producer Loans	3.56% – 9.75%	0	2,716,698	0	2,716,698
Other receivables (excluding prepayments)	N/A	0	0	713,978	713,978
Total financial assets		160,118	33,116,698	714,778	33,991,594
FINANCIAL LIABILITIES					
PAYABLES					
Other payables	N/A	0	0	56,368	56,368
Total financial liabilities		0	0	56,368	56,368

(D) CREDIT RISK

Film Victoria's maximum exposure to credit risk at the balance sheet 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; and
- \ 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; and
- \ Debt collection policies and procedures.

THE FOLLOWING TABLE DISCLOSES THE AGEING OF FINANCIAL ASSETS

	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			IMPAIRED
			LESS THAN 30 DAYS	30-90 DAYS	90-365 DAYS	
	\$	\$	\$	\$	\$	\$
2012 FINANCIAL ASSETS						
Cash on hand and cash at bank	477,630	477,630	0	0	0	0
Short term/at call deposits	31,373,000	31,373,000	0	0	0	0
Cash Flow Facility – Producer Loans	514,135	391,279	0	0	0	122,856
Other receivables (excluding prepayments)	42,397	42,397	0	0	0	0
Total 2012 financial assets	32,407,162	32,284,306	0	0	0	122,856

	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			IMPAIRED
			LESS THAN 30 DAYS	30-90 DAYS	90-365 DAYS	
	\$	\$	\$	\$	\$	\$
2011 FINANCIAL ASSETS						
Cash on hand and cash at bank	160,918	160,918	0	0	0	0
Short term/at call deposits	30,400,000	30,400,000	0	0	0	0
Cash Flow Facility – Producer Loans	2,716,698	2,579,043	0	0	0	137,655
Other receivables (excluding prepayments)	713,978	713,978	0	0	0	0
Total 2011 financial assets	33,991,594	33,853,939	0	0	0	137,655

The impaired Cash Flow Facility Producer Loans are after an impairment allowance of \$122,856 (see Note 13 (a)). In relation to this Film Victoria holds the following security:

- \ Loan agreement with the Producer;
- \ Deed of charge on certain Producer's rights to income and subsequent Deed of Variation extending the property charged;
- \ Direction to pay by the Distributor Company in Film Victoria's benefit; and
- \ Deed of Assignment of the Producer's Stipulated Judgement on the Distributor Company.

This is subject to on-going negotiations. Until those negotiations are concluded, there is uncertainty in the assessment of the impairment allowance. Consequently, the realised value of the impaired *Cash Flow Facility – Producer Loans* may differ from the carrying value.

(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 per cent respectively.

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 2012 and 30 June 2011.

MARKET RISK EXPOSURE - INTEREST RATE

	CARRYING AMOUNT	INTEREST RATE			
		-2%		+2%	
		NET RESULT	AVAILABLE- FOR-SALE REVALUATION SURPLUS	NET RESULT	AVAILABLE- FOR-SALE REVALUATION SURPLUS
	\$	\$	\$	\$	\$
2012 FINANCIAL ASSETS					
Cash and deposits	31,850,630	(637,013)	-	637,013	
Total impact		(637,013)	-	637,013	-

	CARRYING AMOUNT	INTEREST RATE			
		-2%		+2%	
		NET RESULT	AVAILABLE- FOR-SALE REVALUATION SURPLUS	NET RESULT	AVAILABLE- FOR-SALE REVALUATION SURPLUS
	\$	\$	\$	\$	\$
2011 FINANCIAL ASSETS					
Cash and deposits	30,560,918	(611,218)	-	611,218	
Total impact		(611,218)	-	611,218	-

(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 except where an impairment allowance has been made.

THE FOLLOWING TABLE SHOWS THAT THE FAIR VALUES OF THE FINANCIAL ASSETS ARE THE SAME AS THE CARRYING AMOUNTS.

	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	2012	2012	2011	2011
	\$	\$	\$	\$
FINANCIAL ASSETS				
Fair value measurement at end of reporting period using:				
Level 2				
Short term/at call deposits	31,373,000	31,373,000	30,400,000	30,400,000
Level 3				
Cash Flow Facility – Producer Loans	391,279	391,279	2,716,698	2,716,698
Total financial assets	31,764,279	31,764,279	33,116,698	33,116,698

CASH FLOW FACILITY – PRODUCER LOANS

	2012	2011
	\$	\$
Opening balance	2,716,698	7,836,304
Loan advances	45,445	1,330,771
Loan principal repayments	(2,385,663)	(6,312,722)
Impairments (recognised in Comprehensive Operating Statement)	14,799	(137,655)
Closing balance	391,279	2,716,698

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:

(A) RECONCILIATION OF CASH AND CASH DEPOSITS

	2012	2011
	\$	\$
Cash on hand	800	800
Cash at bank	476,830	160,118
Short term/at call deposits – programs and operating activities	16,887,135	18,254,353
Short term/at call deposits – Cashflow facility fund	14,485,865	12,145,647
Total cash assets	31,850,630	30,560,918

The *Cash Flow Facility* is a revolving loan facility. Short term/at call deposits – cashflow facility fund may only be used to advance loans.

(B) RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES:

	2012	2011
	\$	\$
Net result for the period	(2,083,022)	(253,275)
Depreciation and amortisation of non-current assets	256,098	311,334
Gain/(loss) on sale of non-financial assets	1,904	0
Impairment allowance	(14,799)	137,655

CHANGES IN NET ASSETS AND LIABILITIES**(INCREASE)/DECREASE IN ASSETS:**

Current receivables	702,794	(630,859)
Other current assets	22,399	2,131

INCREASE/(DECREASE) IN LIABILITIES:

Current payables	24,485	(50,292)
Current provisions	25,296	44,890
Non-current provisions	18,630	210,146
Net cash from/(used in) operating activities	(1,046,216)	(228,270)

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,
SERVICES AND SMALL BUSINESS**

The Hon. Louise Asher MP

GOVERNING BOARD

Ian Robertson

President

(appointed 22 September 2011)

John Howie

President

(term expired 31 August 2011)

Debra Allanson

Ann Darrouzet

Joanne Dawson

Dan Fill

Ana Kokkinos

(term expired 31 August 2011)

Lyn Maddock

(appointed 18 October 2011)

Kim McGrath

Michael McMahon

David Parker

Jan Sardi

Daryl Talbot

(appointed 22 September 2011)

CHIEF EXECUTIVE OFFICER AND ACCOUNTABLE OFFICER

Jenni Tosi

(Acting CEO 1 July to 1 November
and appointed 2 November 2011)

Members of the Governing Board were remunerated. Remuneration was based on the Premier's Appointment and Remuneration Guidelines for Victorian Government Boards Statutory Bodies and Advisory Committees.

Remuneration was based on the following bands: \$20,000–\$30,000 – (1 member) and \$10,000–\$20,000 (10 members). 2011 \$20,000–\$30,000 – (1 member) and \$10,000–\$20,000 (10 members).

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 business and skills development as well as participation in 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	2012	2011
		\$	\$
Executive Wealth Strategies Pty Ltd/Jo Dawson	Payments	0	3,500
	Receipts	0	0
Chocolate Liberation Front Pty Ltd/Dan Fill	Payments	48,860	153,000
	Receipts	(25,750)	(10,400)
SLH Consulting & Communications/Siu Ling Hui	Payments	0	500
	Receipts	0	0
Zizani Films Pty Ltd/Ana Kokkinos	Payments	13,000	1,000
	Receipts	0	0
City Films Worldwide Pty Ltd/Michael Lynch	Payments	0	0
	Receipts	0	(4,766)
Big and Little Films Pty Ltd/Michael McMahon	Payments	0	20,000
	Receipts	0	(16,750)
Anatomy 2 Pty Ltd/Michael McMahon	Payments	0	8,000
	Receipts	0	0
Anatomy Productions Pty Ltd/Michael McMahon	Payments	96,675	45,000
	Receipts	(11,555)	(13,256)
Matchbox Pictures Pty Ltd/Michael McMahon	Payments	0	11,039
	Receipts	0	0
The Slap Productions Pty Ltd/Michael McMahon	Payments	27,500	482,815
	Receipts	0	(72,500)
MSSA Productions Pty Ltd/Michael McMahon	Payments	2,000	40,000
	Receipts	0	(6,340)
Underground Productions Pty Ltd/Michael McMahon	Payments	167,250	0
	Receipts	(25,500)	0
Aussies in LA Productions Pty Ltd/Michael McMahon	Payments	0	0
	Receipts	(20,625)	0
December Films Pty Ltd/Bryce Menzies	Payments	0	72,388
	Receipts	0	0
Love and Mortar Productions Pty Ltd/David Parker	Payments	0	20,000
	Receipts	0	(1,249,708)
Cascade Film Pty Ltd/David Parker	Payments	655	21,310
	Receipts	0	0
Breakaway Scripts Pty Ltd/Jan Sardi	Payments	1,810	2,310
	Receipts	0	0
Day for Night Productions/Jenni Tosi	Payments	0	20,230
	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.

INCOME BAND	TOTAL REMUNERATION		BASE REMUNERATION	
	2012 NO.	2011 NO.	2012 NO.	2011 NO.
\$100,000–\$119,999				
\$120,000–\$129,999	1		1	
\$150,000–\$159,999				1
\$180,000–\$189,999		1		
\$190,000–\$199,999	1		1	
\$200,000–\$209,999				
\$210,000–\$219,999				
\$220,000–\$229,999				1
\$310,000–\$319,999		1		
Total number of executives	2	2	2	2
Total annualised employee equivalent (AEE)	2	2	2	2
Total amount	\$324,588	\$499,832	\$315,455	\$377,107

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

NOTE 18. REMUNERATION OF AUDITORS

	2012	2011
	\$	\$
Victorian Auditor General's Office		
Audit of the financial statements	20,250	18,200
	20,250	18,200

NOTE 19. EVENTS AFTER BALANCE SHEET DATE

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

ACCOUNTABLE OFFICERS AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

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.

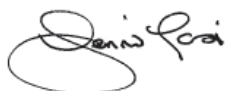
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of Film Victoria at 30 June 2012.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 23 August 2012.



I. Robertson
President
Film Victoria
Melbourne
23 August 2012



J. Tosi
Chief Executive Officer
Film Victoria
Melbourne
23 August 2012



N. Bottriell
Chief Financial Officer
Film Victoria
Melbourne
23 August 2012





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