

FILM VICTORIA ANNUAL REPORT

2012/13



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FILM VICTORIA

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FILM VICTORIA IS THE STATE GOVERNMENT AGENCY THAT PROVIDES STRATEGIC LEADERSHIP AND ASSISTANCE TO THE FILM, TELEVISION AND GAMES 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.'

CONSPIRACY 365

Circa Entertainment
Supported through Production
Incentive Attraction Fund

DANGEROUS REMEDY

Eclipse Films
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.

GALORE
Film Camp

Supported through Script Development
and Production Investment

OUR VISION / OUR MISSION

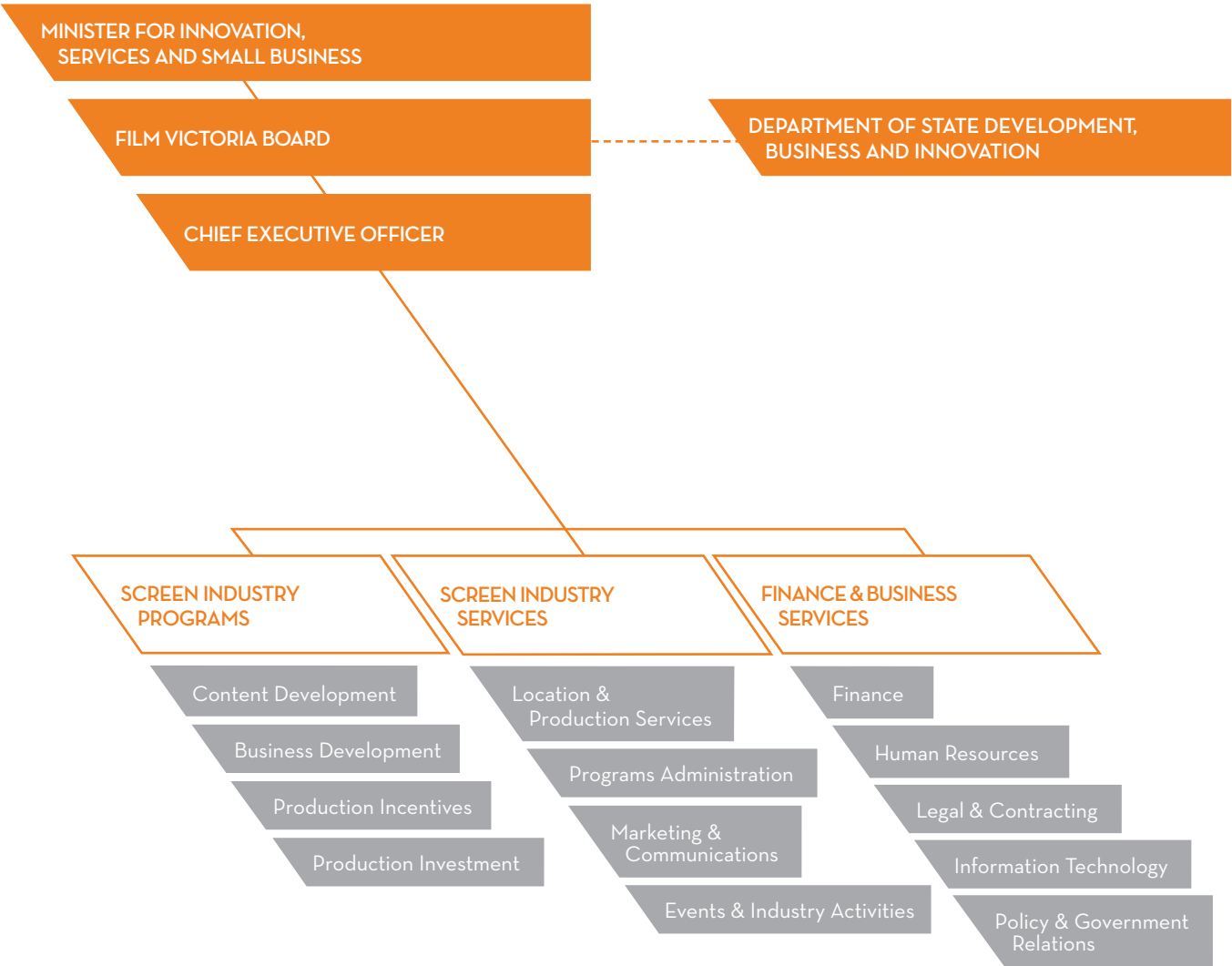
OUR STAFF

- / Support the creation and production of original screen content, encourage audience engagement, provide professional 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 State Development, Business and Innovation (DSDBI).

ORGANISATIONAL CHART



INFLUX
Impromptu Games
Supported through Games Investment



THE MYSTERY OF A HANSON CAB
Burberry Entertainment
Supported through Production Investment


Ian Robertson - President

Since September 2011

Ian Robertson is a corporate and media lawyer who heads the media, entertainment and communications practice of national 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 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 a director of the ASX-listed production and distribution company, Beyond International Limited. Ian's former appointments include Deputy Chair of the Australian Government screen agency Screen Australia, Board member 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 Allanson is an online media specialist and entrepreneur with a background in film and television production and financing in Australia and the United Kingdom. She has over 20 years experience at CEO and Board level. She leads the business strategy, product development and capital raising efforts of ventures working in convergent areas of technology, content and innovation. Debra is currently Executive Director of VUI, a company bringing a platform for creating and curating online video to market and launching a video sharing service designed for children. Debra is also a Director of the creative services and IP development company Ish Media, which provides executive producer services to creative teams on film, television and transmedia projects.


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 across 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.


Dan Fill

Since September 2010

Dan is the co-founder of Chocolate Liberation Front, an entertainment company focused on quality and innovation for all platforms. He produced THE ADVENTURES OF FIGARO PHO for ABC3, MTV's OSCURA for touchscreen, as well as the interactive documentaries and simulations to support SBS' IMMIGRATION NATION, GO BACK TO WHERE YOU CAME FROM and CBC's KIDS IN THE HALL'S DEATH COMES TO TOWN. Previously 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 numerous awards including a 2013 AACTA Award, three 2013 Kidscreen Awards, Canadian New Media Producer of the Year 2002 and Australian Digital Media Producer of 2009.


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 brings a strong corporate governance background to the Board through experience developed in a range of roles, including as 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 Insurance Limited and listed investment company Templeton Global Growth Fund Ltd.


Lyn Maddock AM, PSM

Since October 2011

Lyn Maddock 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 2005-2009 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.

OUR BOARD


Michael McMahon
Since February 2010

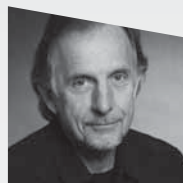
Michael, a former lawyer with extensive experience in arts and entertainment law, has been Director of the Arts Law Centre of Australia and the National Indigenous Arts Advocacy Association and has served on boards of several arts and cultural organisations. He commenced producing film and television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


David Parker
Since September 2010

David's first film MALCOLM, directed by Nadia Tass, was a critical and box office success winning eight AFI awards and was released in 22 countries. His role as producer, writer and cinematographer continues on in varying forms with features and television 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, Cascade Films, owned and operated the successful Melbourne Film Studio for 25 years. David was a Commissioner on the Australian Film Commission after an early career as one of Australia's foremost movie stills photographers.


Caroline Pitcher
Since February 2013

Caroline Pitcher is Director of Marketing and Enterprise Solutions for Deluxe Australia, the leading provider of digital and entertainment services to the film, television and advertising industries worldwide. She is a Board member of Ausfilm, the public/private partnership organisation that connects international filmmakers with the Australian screen industry, and is also the immediate past President of the Screen Services Association of Victoria. Caroline has over ten years experience working in the filmed entertainment industry in general management and marketing and business development roles for both government and private sectors including with Omnilab Media as Marketing and Business Development Director, CEO at Ausfilm and General Manager of Film Victoria's Melbourne Film Office.


Jan Sardi
Since September 2007

Jan Sardi is one of Australia's eminent screenwriters. In 1997 he received an Academy Award Nomination for his screenplay for SHINE, as well as nominations for BAFTA, the Writers Guild of America, and the Golden Globes. 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 as a mini-series for the ABC, REMARKABLE CREATURES by Tracy Chevalier, and MULAN, a Chinese/Australian co-production for producer Emile Sherman. Jan is President of the Australian Writers' Guild.


Daryl Talbot
Since September 2011

Daryl Talbot is CEO 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. Daryl is now focused on growing WTFN internationally by creating a new range of programs with broad appeal to global audiences.

RETIRED MEMBER

Kim McGrath
February 2010-January 2013
MR & MRS MURDER

Fremantle Media Australia

Supported through Production Investment



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

OUR STRATEGIC OBJECTIVES

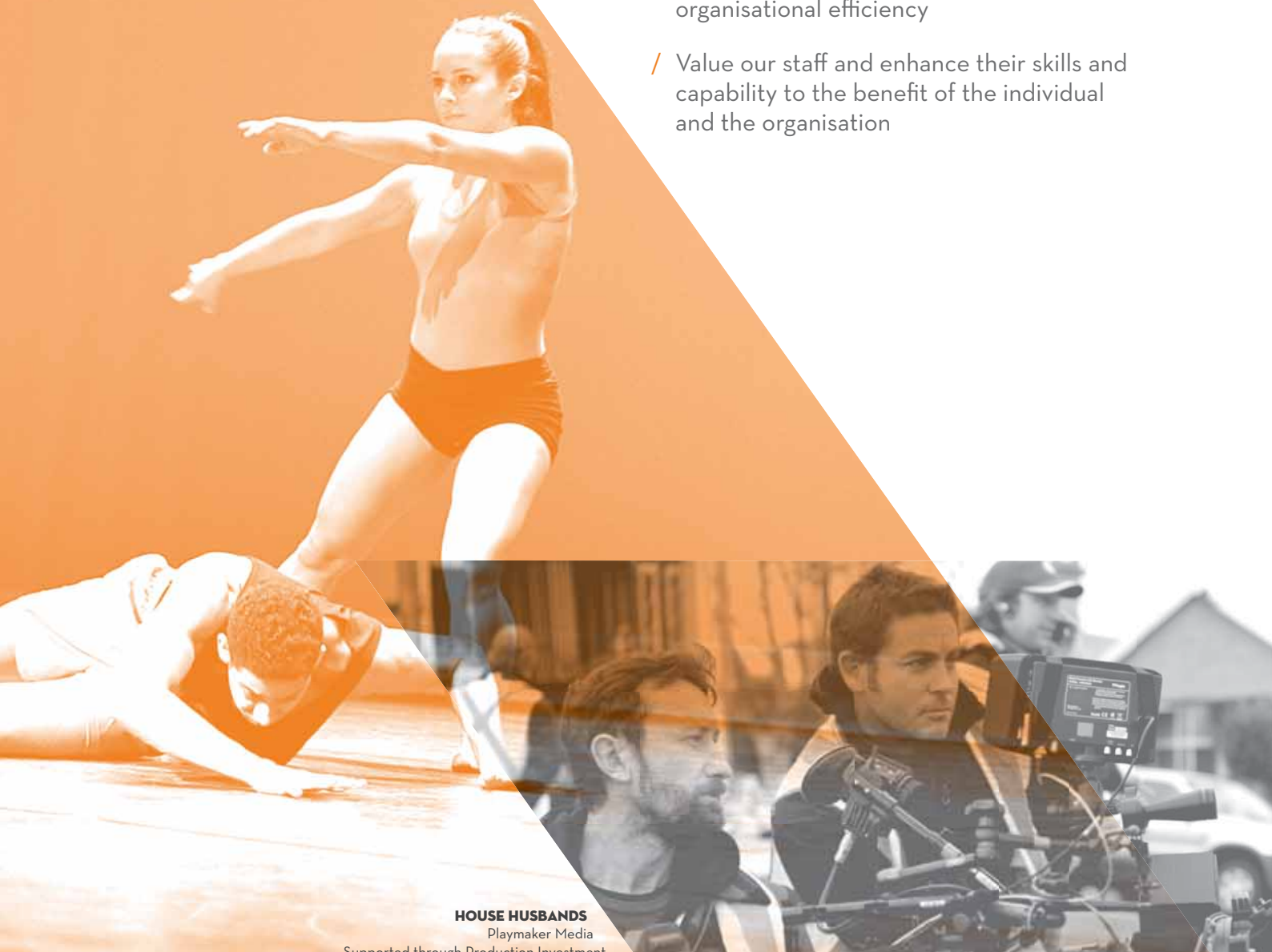
DANCE ACADEMY - SERIES 3

Werner Film Productions
Supported through Production Investment

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



HOUSE HUSBANDS

Playmaker Media
Supported through Production Investment



I AM PLEASED TO PRESENT THE 2012/13 FILM VICTORIA ANNUAL REPORT.

2012/13 has been a productive year for the Victorian screen industry, marked by a strong mix of notable local, interstate and international production activity.

This year, Victoria further cemented its reputation as a competitive centre for screen production, with a total of 58 film and television and projects commencing production.

This substantial level of production has been supported by the Victorian Government, through Film Victoria. Of the estimated total \$185.5 million spent on feature film and television production in Victoria this year, Film Victoria enabled \$139.2 million of production expenditure. Together with the expenditure from 13 games which went into production, this generated a total of \$141.6 million in production expenditure and 5,810 jobs in the Victorian screen industry.

The 2013/14 Victorian State Budget provided additional funding of \$8.5 million to Film Victoria over the next four years, directly targeted to boost development and production in the television, animation and games sectors ensuring we can continue to deliver effective programs and services to industry.

This significant financial commitment reflects the important contribution of the screen industry to the economy, as well as the social and cultural fabric of Victoria. It demonstrates the Victorian Government's confidence in the Victorian screen industry's talent, innovation and ability to deliver projects of economic and cultural merit.

The Victorian Government also committed \$5.3 million in funding to support the Melbourne International Film Festival over the next four years, providing financial certainty for Australia's most significant screen event.

A MESSAGE FROM OUR PRESIDENT

Film Victoria's Board and senior management have continued to focus on ensuring that Film Victoria operates as efficiently as possible so as to deliver the maximum benefit to the Victorian industry. This is a continuing process which involves a careful assessment of all of Film Victoria's programs to ensure that they effectively deliver appropriate levels of support.

I thank the Premier, the Hon. Dr Denis Napthine MP, his predecessor, the Hon. Ted Baillieu MP, and the Minister for Innovation, Services and Small Business, the Hon. Louise Asher MP for their support of Film Victoria as we continue to deliver on the Victorian Government's priorities for the film, television and games sectors.

I wish to recognise the contribution of my fellow Board members and thank them for their service, and I welcome new member Caroline Pitcher, who brings valuable experience to the Board.

Sincere thanks to Kim McGrath for the public policy and governance expertise she provided as a Board member over the past three years. I would also like to particularly thank Jo Dawson for her nine years of service as a Film Victoria Board member. Her insight and experience of financial and risk management has been of great assistance to the Board and to Film Victoria.

I also thank and acknowledge Film Victoria's CEO, Jenni Tosi, for her leadership. She has brought great commitment, enthusiasm and experience to the role.

I thank Film Victoria's staff and the industry practitioners who serve on our various committees, for their considerable efforts to ensure the Victorian screen industry continues its success.



Ian Robertson
President
Film Victoria

“VICTORIA HAS FURTHER CEMENTED ITS REPUTATION AS A COMPETITIVE CENTRE FOR SCREEN PRODUCTION. FILM VICTORIA PROGRAMS GENERATED \$141.6 MILLION OF PRODUCTION EXPENDITURE IN THE STATE AND 5,810 JOBS FOR VICTORIANS.”



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

In my second year as CEO it has been a stimulating and satisfying experience to see the contribution the dedicated staff at Film Victoria have made to support screen practitioners to develop, produce and distribute great content to audiences in Australia and around the world.

The growing appetite for Australian content, both in Australia and overseas, has resulted in impressive audience viewership of content created by Victorian companies in 2012/13.

Significantly, we saw and heard more Victorian stories on screen, with film and television projects we supported receiving 94 million Australian views in 2012/13 – an increase of more than 30 million views over the previous year.

These productions have also achieved significant sales into foreign territories, which is immensely rewarding for all those practitioners who contributed to the success of these projects.

“VICTORIA'S SCREEN PRODUCERS ARE TO BE CONGRATULATED ON THEIR SUCCESSES. THEIR ENERGY TALENT AND COMMITMENT TO THEIR CRAFT KEEP THEM AT THE FOREFRONT OF AUSTRALIA'S SCREEN INDUSTRY.”

A MESSAGE FROM OUR CEO

The \$141.6 million of production expenditure achieved through Film Victoria's support of 54 feature film, television and games projects created significant opportunities for Victorian businesses and 5,810 jobs for Victorian screen practitioners. This is a strong outcome for Victoria.

Local production remained strong despite the competitive nature of the screen industry, and congratulations should be extended to all practitioners who received financing and commissions for their projects in this environment. Film Victoria was able to assist producers through a commitment of more than \$5.8 million to 27 local projects in 2012/13 through our *Screen Production - Investment* program.

Television production continues to underpin activity in the industry, with a total of 34 projects beginning production in 2012/13. We supported 27 of these projects, generating spend of \$107.8 million – an increase of more than \$17 million on the previous year.

Noticeably, this year saw an increase in high calibre telemovies making their mark on the broadcasting landscape, including *UNDERGROUND: THE JULIAN ASSANGE STORY*, *THE MYSTERY OF A HANSOM CAB*, *CLIFFY* and *DANGEROUS REMEDIES* all enjoying great audience approval, alongside some excellent television series such as *THE DOCTOR BLAKE MURDER MYSTERIES*, *JACK IRISH - DEAD POINT*, *MISS FISHER'S MURDER MYSTERIES* and *HOUSE HUSBANDS*.

This year we supported 14 of the 24 Victorian feature film projects commencing production, generating \$31.4 million in expenditure. We anticipate a bumper crop of feature films being screened in the coming year from these commitments.

The games sector continued to move from strength to strength, and we were pleased to launch two new games programs in 2012/13, developed in consultation with the games sector. Through *Screen Development - Games* and *Screen Marketing - Games Release* we committed more than \$550,000 across 16 games projects, including *FIGARO PHO*, *VIGALANTE* and *ARMELLO*.

This year we recognised the importance of leadership to the overall fabric of our local screen industry by establishing the *Victorian Screen Leader Awards*, named in honour of former Board member and producer Jill Robb and former Film Victoria President John Howie. The awards acknowledge leadership, achievement and service to the Victorian screen industry. The inaugural winners were producer Sue Maslin and Lema Film and Digital (helmed by Sue Greenshields and the late John Bowring), all of whom have made a significant contribution to the Victorian screen industry over many years.

Another highlight was our industry event, *Connect with Subscription TV*, a forum for local practitioners to engage with Australia's cable subscription television executives, which was a sell-out.

I wish to thank the Board for their support and guidance throughout the year. I also thank the wonderful staff at Film Victoria who have maintained their commitment and enthusiasm through a challenging year. In particular, I'd like to thank Steve Warne, Kate Marks, Emma Cornall, Nesreen Botriell, Shae Quabba and Charlie Carman for their contribution to the organisation and the industry. These long-serving staff members moved on to new opportunities during 2012/13. I would like to express my particular thanks to the Hon. Louise Asher, the Minister for Innovation, Services and Small Business, who continues to be a strong advocate for the Victorian screen industry.

To all our screen practitioners, congratulations on your successes. Your energy, talent and commitment to your craft keep Victoria at the forefront of Australia's screen industry.

We look forward to continuing to support you in the coming year to drive production activity and bring more of your stories and ideas to the screen.



Jenni Tosi
Chief Executive Officer
Film Victoria

THE BIG PICTURE

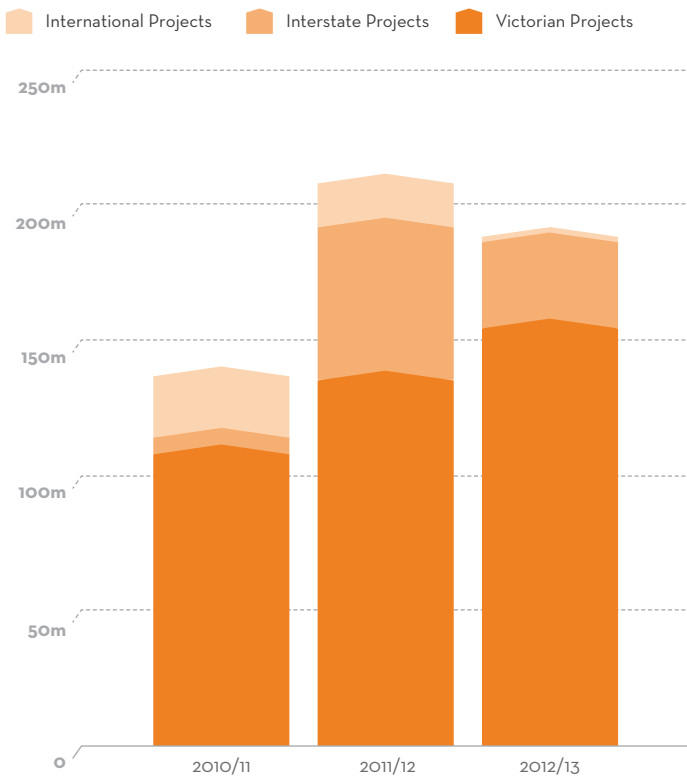
The Victorian screen industry is generating new and high value projects in challenging economic times.

A total of 58 film and television projects commenced production in Victoria in 2012/13, spending an estimated \$185.5 million in the state.

The total value to our economy of projects by Victorian screen practitioners has increased from \$104 million in 2010/11 to \$151 million in 2012/13.

The average value per Victorian project has also increased from just below \$2.4 million in 2010/11 to just over \$2.8 million this year.

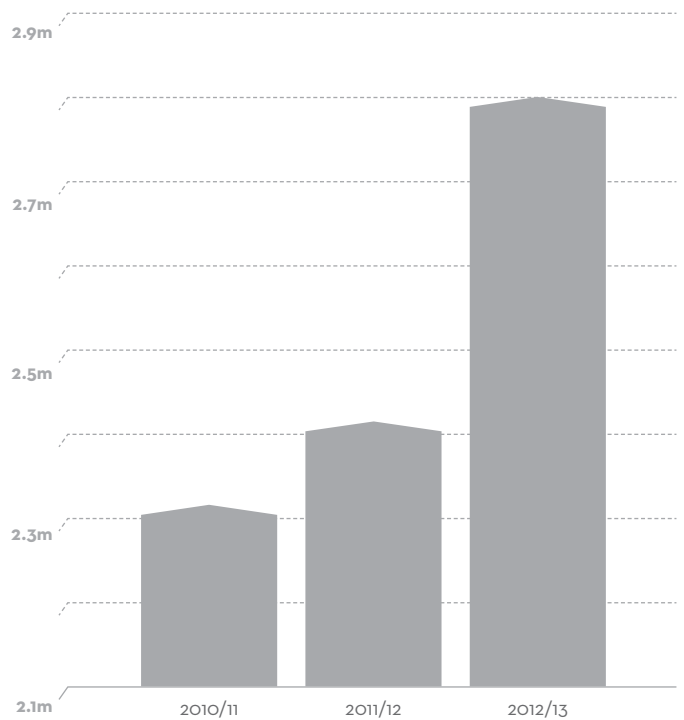
The value of Victorian film and television projects is growing each year



In 2012/13, Film Victoria's screen funding programs for film and television generated \$139.2 million in production expenditure. Our games programs generated \$2.4 million, making a total in production expenditure of \$141.6 million in Victoria this year.

The projects we supported created 5,810 jobs for Victorians.

The average value per Victorian project has increased by almost \$400k since 2010/11



YEAR IN REVIEW



FILM

24

Number of films beginning production in 2012/13.

\$35.0m

Total production expenditure in Victoria.

\$31.4m

We provided funding support to 14 of these films, stimulating \$31.4 million production expenditure.



TV

34

Number of television projects beginning production in 2012/13.

\$150.5m

Total production expenditure in Victoria.

\$107.8m

We provided funding support to 27 of these projects, which generated expenditure of \$107.8 million in Victoria, an increase of \$17.8 million on 2011/12.



GAMES

13

Number of games beginning production supported by Film Victoria in 2012/13.

10

Number of businesses supported through Screen Marketing - Games Release.

\$2.4m

We provided funding support to 13 games that moved into production generating expenditure of \$2.4 million.

MISS FISHER'S MURDER MYSTERIES

Every Cloud Productions
Supported through Fiction Television Co-funding,
Production Investment and Regional Location Assistance Fund

GAME MASTERS: THE FORUM

Australian Centre for
the Moving Image (ACMI)



OUR PROGRAMS IN 2012/13

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

- / Seven fiction feature films, for a total commitment of \$1.5 million
- / 12 fiction television projects, for a total commitment of \$3.5 million
- / Eight documentary feature and television projects, for a total commitment of \$650,704.

That's a total investment commitment of \$5.8 million to 27 local projects.

Through our *Screen Development* program and initiatives we committed funding to:

- / 24 fiction projects (22 features and two television), with a total commitment of \$598,750
- / 20 documentary projects (ten features and ten television), with a total commitment of \$161,700
- / Six games projects, with a total commitment of \$339,617.

That's a total development commitment of \$1.1 million to 50 local projects.

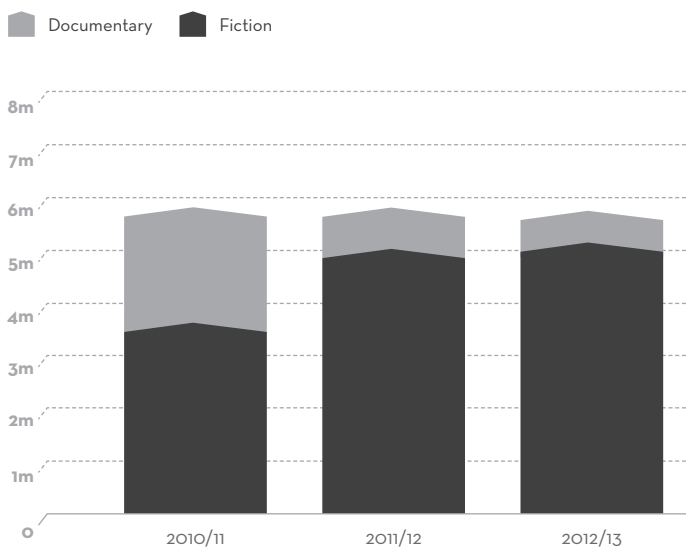
Through our *Screen Business* program we committed funding to:

- / Six producers to conduct international business
- / Eight producers whose projects were invited to screen at international festivals.

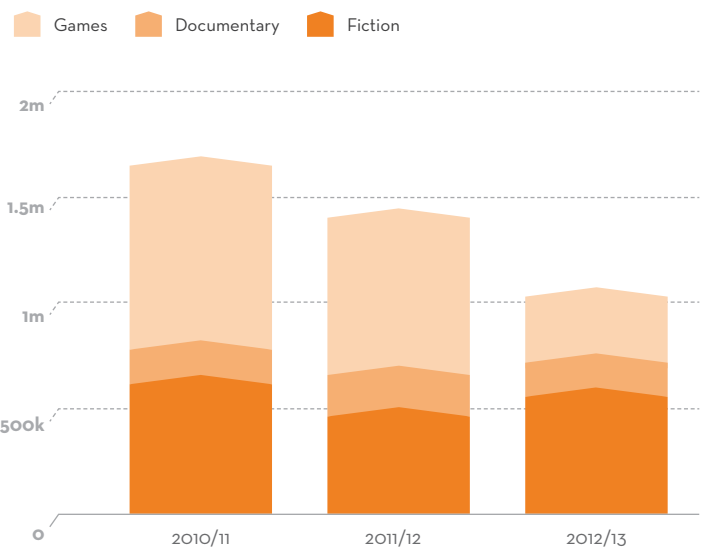
Through our *Screen Marketing – Games Release* program we committed funding to:

- / Ten projects, with a total commitment of \$215,187.

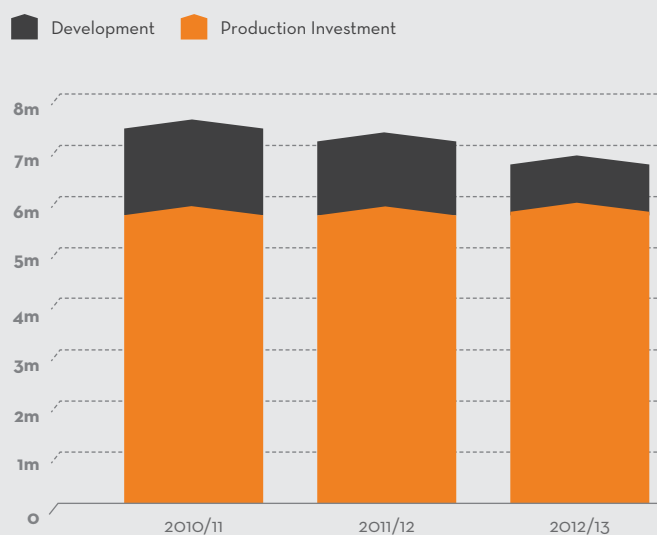
Screen Production – Investment total funding committed to projects



Screen Development total funding committed to projects



Total funding committed to projects through investment and development



ATTRACTING PRODUCTIONS TO MELBOURNE

We attracted ten projects (for production or post-production) to Victoria through our *Production Incentive Attraction Fund (PIAF)*.

Combined, they're expected to spend around \$35.8 million in Victoria.

We supported four projects that commenced production in regional Victoria in 2012/13 through our *Regional Locations Assistance Fund (RLAF)*. These projects spent an estimated \$1 million in Victorian regional communities.

CONNECTING WITH AN AUDIENCE

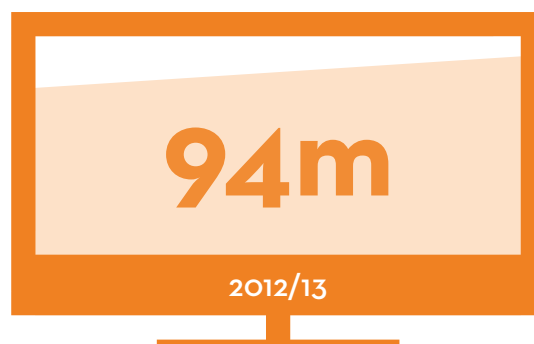
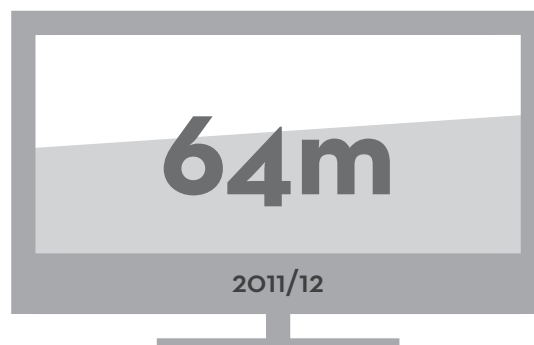
Film and television projects we supported received 94 million Australian views in 2012/13.

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

- / Melbourne International Film Festival
- / St Kilda Film Festival
- / The Indian Film Festival of Melbourne
- / The TV Week Logie Awards
- / Game Masters Symposium.

More than 4.5 million people engaged in screen culture activities we supported in 2012/13.

Australian views of Victorian content



OUR INDUSTRY EVENTS AND ACTIVITIES

We hosted and facilitated a range of events for industry in 2012/13, including:

1	Connect with Subscription Television (July 2012)
Major industry forum	
4	Screen Leader Awards (October 2012)
Networking, awards and recognition events	Seen & Screened (March 2013)
	Logies Industry Networking event (April 2013)
	International TV Emmy judging (September 2012)
9	SPAA, AWG and SSAV briefings (October 2012)
Professional development, industry briefing and consultation events	Two feature film-focussed industry discussion groups (February 2013)
	Business Planning seminar for games companies (April 2013)
	SPAA Roadshow (April 2013)
	NITV-SBS and Screen Agencies consultation day and industry briefing (May 2013)
	Principal partner of the annual SPAA Conference (November 2012)
2	ABC Kids and Animation (August 2012)
'Meet the Broadcasters' events	SBS (September 2012)
3	Berlin Film Festival's Mary Redpath (October 2012)
'Meet our Local Practitioners' for international festival selectors and producers	US Producer Jack Binder (November 2012)
	Venice Film Festival's Paolo Bertolin (June 2013)

REPORT OF OPERATIONS 2012/13

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 2013.



Jenni Tosi
Chief Executive Officer
Film Victoria

26 August 2013

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 2012/13 reporting period are:

		TARGET	ACTUAL
Value of film, television and digital media production supported by Film Victoria	\$ million	57.0	141.6
Additional employment from production supported by Film Victoria	actual job opportunities (p/time, f/time or contract)	1,800	5,810

MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

In 2012/13 Film Victoria was able to support additional television and digital media production through reprioritisation of funds. In addition, Film Victoria secured a number of large budget television series, including some repeat series including OFFSPRING Series 4, WENTWORTH, MR & MRS MURDER, HOUSE HUSBANDS, MISS FISHER'S MURDER MYSTERIES, THE WORST YEAR OF MY LIFE AGAIN and THE DOCTOR BLAKE MYSTERIES.

Some of these series have relatively higher leveraging returns and employment opportunities than might normally be expected from the historical mix of genres supported by Film Victoria, and build on Victoria's natural strength in television production.

In some instances, previous Film Victoria development and/or investment support has been provided to these series.

FIVE YEAR FINANCIAL SUMMARY

	30-JUN-13	30-JUN-12	30-JUN-11	30-JUN-10	30-JUN-09
	\$	\$	\$	\$	\$
Revenue from Government	15,317,163	17,541,463	22,416,426	20,809,000	20,730,000
Other revenue	2,607,103	2,919,970	3,050,564	3,094,923	3,894,517
Total revenue	17,924,266	20,461,433	25,466,990	23,903,923	24,624,517
Total project costs	15,701,961	15,547,946	17,903,124	15,522,408	19,489,258
Net operating result	(5,047,085)	(2,083,022)	(253,275)	1,290,956	(1,295,603)
Net cash flow	(6,173,056)	1,289,711	4,486,077	(606,426)	(2,346,777)
Total assets	28,420,872	32,552,887	34,567,501	34,624,312	33,306,060
Total liabilities	1,966,514	1,051,445	983,035	786,572	759,276
Allocation of cash assets					
Outstanding commitments (1)	17,692,606	20,298,110	20,579,849	18,595,276	16,627,595
Commitment to industry development	(4,903,309)	(2,830,757)	(932,804)	978,023	4,716,497
Cash Flow Facility funds	12,888,277	14,383,277	10,913,873	6,501,542	5,337,177
Total cash assets	25,677,574	31,850,630	30,560,918	26,074,841	26,681,269
Receivables - including Producer Loans	1,125,359	499,356	3,549,970	8,040,846	5,966,300
Property, Plant and Equipment	1,617,939	202,901	456,613	508,625	658,491
Total non-cash assets	2,743,298	702,257	4,006,583	8,549,471	6,624,791
Total assets	28,420,872	32,552,887	34,567,501	34,624,312	33,306,060

Note (1) Commitments for 2012/13 and 2011/12 include GST. Previous years are exclusive of GST.

OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2012/13

Revenue from Government

The total funding package from government to Film Victoria was \$15.3 million in 2012/13.

Total government funding in 2012/13 was lower than the previous year. This decrease was attributed to the completion of funding for specific initiatives and an increase in Sustainable Government Initiative targets.

Other Revenue

Other revenue in 2012/13 was lower than previous years as a result of a decrease in interest revenue due to falling interest rates. This was offset by an increase in program recoupments. These recoupments, as in 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 previous 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 2012/13 is primarily due to a decrease in government funding, as well as increased program payments related to previous years. As a result, there is an accounting deficit of \$5 million for 2012/13.

Net Cash Flow

The major factors affecting the variability of net cash flows are program payments and cash flow loans. During 2012/13 there was a decrease in net cash flows, due to a decrease in government funding, a transfer from the *Cash Flow Facility* to Film Victoria, and an increase in program payments related to previous years.

This was partially offset by a significant reduction in advances made from the *Cash Flow Facility*. The net result was a decrease 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 2012/13 is predominantly due to the decrease in cash assets outlined above. Part of this is offset by an increase in non-cash assets due to leasehold improvements on Film Victoria's new premises.

Outstanding Commitments

The value of outstanding commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2013. Disbursement is dependent on the achievement of contracted milestones and deliverables.

Commitment to Industry Development

This is the aggregate amount of cash held and committed to fund industry development initiatives, programs carried forward into future periods and outstanding balance sheet liabilities as at 30 June 2013. Due to funding pressures and an ongoing high level of demand on available funding, the balance this year is negative and will be funded from future government appropriation.

Cash Available only for the Cash Flow Facility

This is the aggregate amount of cash available to meet future *Cash Flow Facility* loans. During 2012/13 a transfer from the *Cash Flow Facility* to Film Victoria was approved. These cash holdings are also represented in the total assets balance as at 30 June 2013.

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 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

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, Ian Robertson, certify that Film Victoria has complied with Ministerial Direction 4.5.5.1 – Insurance.



Ian Robertson
President
Film Victoria

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. During the reporting period four incidents were reported: two of which related to falls; one from the lift closing on a staff member; and one resulting in a finger laceration.

Employment and Conduct Principles

We abide by the principles outlined in the *Public Administration Act 2004*. These principles include:

- / Responsiveness
- / Integrity
- / Impartiality
- / Accountability
- / Respect
- / Leadership
- / Human rights.

The *Film Act 2001* also provides guidance for our executive and staff on conflict of interest issues.

We are an equal opportunity employer and are governed by the principles of the *Equal Opportunity Act 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 our organisation is outlined in our *Film Victoria Collective Agreement 2012*, which can be found at www.film.vic.gov.au.

COMPARATIVE WORKFORCE DATA^{(iv)(v)}

Table 1: Full Time Equivalent (FTE) Staffing Trends from 2009 to 2013^{(ii)(vi)}

2013	2012	2011	2010	2009
40.8	44.2	49.3	45.5	44.6

Table 2: Employment Status of Employees

	ONGOING EMPLOYEES ⁽ⁱ⁾				FIXED TERM AND CASUAL EMPLOYEES
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE ⁽ⁱⁱⁱ⁾	FTE ⁽ⁱⁱⁱ⁾
June 2013	24.0	23.0	1.0	23.2	12.6
June 2012	37.0	30.0	7.0	33.2	11.0

Table 3: Gender

	2013			2012		
	ONGOING ⁽ⁱ⁾		FIXED TERM AND CASUAL EMPLOYEES	ONGOING ⁽ⁱ⁾		FIXED TERM AND CASUAL EMPLOYEES
	EMPLOYEES (HEADCOUNT)	FTE		EMPLOYEES (HEADCOUNT)	FTE ⁽ⁱⁱⁱ⁾	FTE ⁽ⁱⁱⁱ⁾
Gender						
Male	6.0	6.0	3.0	7.0	6.0	3.0
Female	18.0	17.2	9.6	30.0	27.2	8.0
Total	24.0	23.2	12.6	37.0	33.2	11.0
Age						
Under 25	-	-	-	-	-	-
25-34	6.0	6.0	1.6	13.0	12.2	4.2
35-44	13.0	12.2	3.0	18.0	16.0	2.8
45-54	1.0	1.0	4.0	1.0	1.0	2.0
55-64	3.0	3.0	4.0	4.0	3.0	2.0
Over 64	1.0	1.0	-	1.0	1.0	-
Total	24.0	23.2	12.6	37.0	33.2	11.0
Classification						
VPS 1	-	-	-	-	-	-
VPS 2	4.0	3.2	2.0	6.0	5.4	1.2
VPS 3	6.0	6.0	-	10.0	9.4	2.0
VPS 4	5.0	5.0	2.0	7.0	6.5	1.8
VPS 5	5.0	5.0	4.6	4.0	4.0	2.0
VPS 6	2.0	2.0	4.0	9.0	6.9	4.0
STS	-	-	-	-	-	-
Exec Officer	2.0	2.0	-	1.0	1.0	-
Total	24.0	23.2	12.6	37.0	33.2	11.0

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 as at the last full pay period in June of each year. Five established vacant positions were vacant at 30 June 2013.

(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*.

(v) Excluded are those on paid maternity leave (FTE 2.2, Headcount 3.0).

(vi) Includes vacant positions.

EXECUTIVE OFFICER DATA

Table 1: Breakdown of Executive Officers Classified into ‘Ongoing’ and ‘Special Projects’ at 30 June 2013

All ongoing

	ALL		ONGOING		SPECIAL PROJECTS	
CLASS	NO.	VAR	NO.	VAR	NO.	VAR
EO1	-	-	-	-	-	-
EO2	1	-	1	-	-	-
EO3	1	1	1	1	-	-
Total	2	1	2	1	-	-

Notes

Film Victoria has no ‘special projects’ executives.

The position of Head of Finance and Business Services (EO-3) was filled during the financial year.

Table 2: Breakdown of Executive Officers Classified into Gender for ‘Ongoing’ and ‘Special Projects’ at 30 June 2013

	ONGOING					SPECIAL PROJECTS				
	MALE		FEMALE		VACANCIES	MALE		FEMALE		VACANCIES
CLASS	NO.	VAR	NO.	VAR	NO.	NO.	VAR	NO.	VAR	NO.
EO1	-	-	-	-	-	-	-	-	-	-
EO2	-	-	1	-	-	-	-	-	-	-
EO3	1	1	-	-	-	-	-	-	-	-
Total	1	1	1	-	-	-	-	-	-	-

Table 3: Reconciliation of Executive Numbers

		2013	2012
	Executives with remuneration over \$100 000 (Financial Statement Note 14)	2	1
Add	Vacancies (Table 2)	-	1
	Executives employed with total remuneration below \$100,000	-	-
	Accountable Officer (Secretary)		-
Less	Separations	-	1
	Total executive numbers at 30 June	2	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 *Film Victoria Collective Agreement 2012* was approved by Fair Work Australia and came into effect on 16 January 2013. 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

In 2012/13, there were four consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2012/13 in relation to these consultancies is \$227,495 (excl. GST).

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2012/13 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
Jones Lang LaSalle	Assist with reviewing accommodation due to lease expiring in February 2013	8-Apr-12	30-Sep-12	\$22,000	\$16,000	Nil
Godfrey Spowers (Victoria) Pty Ltd	Project and construction management to assist Film Victoria with design, fit-out and relocation to new premises	13-Aug-12	28-Feb-2013	\$98,500	\$86,870	\$11,630
Allegra Consulting Pty Ltd	Project coordination of organisation review	2-Jul-12	31-Oct-12	\$60,000	\$66,825	Nil
Symplicit Pty Ltd	Review of Film Victoria's funding application processes	15-Mar-13	29-May-13	\$86,800	\$57,800	\$29,000

Details of Consultancies under \$10,000

In 2012/13 Film Victoria engaged one consultancy where the total fees payable to the consultant was less than \$10,000, with total expenditure of \$8,443 (excluding GST).

Disclosure of Major Contracts

Film Victoria did not enter into any contracts greater than \$10 million in 2012/13.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Film Victoria.

Film Victoria received one valid application in 2012/13. The application was from a journalist, who was 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:

- It should be in writing
- It should identify as clearly as possible which document is being requested, and
- 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 3, 55 Collins Street
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).

Compliance with the *Protected Disclosure Act 2012* (formerly, the *Whistleblowers Protection Act 2001*)

The *Protected Disclosure Act 2012* encourages and assists people to make disclosures of improper conduct or detrimental action by public officers and public bodies. The Act provides protections to people who make disclosures in accordance with the legislation and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

The *Protected Disclosure Act 2012* commenced on 10 February 2013 when the *Whistleblowers Protection Act 2001* was repealed (transitional provisions provide for matters arising under the former legislation to continue to be managed in accordance with that legislation). As the change of legislation occurred during the financial year 2012/13, this report complies with the requirements of both Acts for the relevant time periods. Film Victoria staff have received guidance on implementation of new policies and procedures relating to the *Protected Disclosure Act 2012*.

Film Victoria does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. Film Victoria is committed to ensuring transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Film Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Reporting procedures

The key contact for making disclosures of improper conduct or detrimental action by Film Victoria or its employees is the Protected Disclosure Coordinator. This role is performed by Film Victoria's Legal Manager.

Disclosures may also be made to:

- / the Chief Executive Officer of Film Victoria
- / a manager or supervisor of a person who chooses to make a disclosure, or
- / a manager or supervisor of a person about whom a disclosure has been made.

Contact details for disclosure parties are:

Legal Manager

Film Victoria
Level 3
55 Collins Street
Melbourne VIC 3000

Telephone	(03) 9660 3200
Email	alison.bird@film.vic.gov.au

Chief Executive Officer

Film Victoria
Level 3
55 Collins Street
Melbourne VIC 3000

Telephone	(03) 9660 3200
Email	jenni.tosi@film.vic.gov.au

Alternatively, disclosures of improper conduct or detrimental action by Film Victoria or its employees may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC).

**The Independent Broad-based
Anti-corruption Commission (IBAC) Victoria**

Level 1
North Tower
459 Collins Street
Melbourne VIC 3001

Phone 1300 735 135
Mail IBAC, GPO Box 24234
Melbourne VIC 3000
Internet www.ibac.vic.gov.au
Email see the website above for the
secure email disclosure process,
which also provides for anonymous
disclosures

Further information

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by Film Victoria or its employees, are available on Film Victoria's website.

**Disclosures under the *Protected Disclosure Act 2012*
(those made from 10 February 2013)**

THE NUMBER OF ASSESSABLE DISCLOSURES MADE TO FILM VICTORIA AND NOTIFIED TO IBAC FROM 10 FEBRUARY-30 JUNE 2013	2012-13 NUMBER	2011-12 NUMBER
Assessable disclosures	0	N/A

Disclosures under the *Whistleblowers Protection Act 2001* (those made up to 9 February 2013)

The archived procedures established under the *Whistleblowers Protection Act 2001* are available upon request

THE NUMBER AND TYPES OF DISCLOSURES MADE TO PUBLIC BODIES FROM 1 JULY 2012-9 FEBRUARY 2013	2012-13 NUMBER	2011-12 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	N/A	N/A

Additional 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:

Head of Finance & Business Services

Film Victoria
Level 3, 55 Collins Street
Melbourne VIC 3000

FILM VICTORIA COMMITTEES AND ASSESSMENT PANELS

Audit and Risk Committee

This committee oversees and reviews the processes of Film Victoria 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 Head of Finance & Business Services 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 six occasions in 2012/13. 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
- / Jan Sardi
- / Kate Dennis
- / Richard Frankland
- / Jeni McMahon
- / Andy Walker.

In the 2012/13 financial year, former EAC members were engaged to consider applications where current serving members declared conflicts of interest or were unavailable. These former members included:

- / Ewan Burnett
- / Gillian Carr
- / Steve Jodrell
- / Sue Maslin
- / Daniel Scharf.

The committee met on four occasions and assessed 35 applications, of which 27 were recommended to the Board for final approval.

Digital Media Assessment Panel

This panel assesses applications in respect of the *Screen Marketing – Games Release* and *Screen Development – Games* funding strands, providing recommendations to the CEO or Board for final approval.

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

- / CEO, Film Victoria
- / Acting Head of Screen Industry Programs
- / Manager, Games, Digital Content and Animation
- / Development and Investment 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:

- / Ben Britten Smith
- / Matt Ditton (from November 2012)
- / Dan Fill (Board member)
- / Nick Hagger
- / Matthew Hall
- / Simon Joslin (from November 2012)
- / Cam Lee (until November 2012)
- / Moran Paldi (until November 2012)
- / Harry Ravenswood
- / David Surman (from November 2012).

The panel met on seven occasions and assessed 46 applications, of which 16 were recommended to the CEO or Board for final approval and one application was deferred.

Fiction Television Development Assessment Panel

This panel assesses applications to the *Co-Funded Television* funding strand. 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
- / Acting Head of Screen Industry Programs
- / Manager, Script Development
- / Development and Investment Manager(s)
- / External assessors (as required).

External assessors engaged to date in the 2012/13 financial year included the following:

- / Stuart Page.

The panel met on one occasion and assessed one application, which was approved.

Fiction Feature Development Assessment Panel

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

- / CEO, Film Victoria
- / Acting Head of Screen Industry Programs
- / 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 2012/13 financial year included:

- / Ranald Allan
- / Karin Altmann
- / Regina Lee
- / Stuart Page
- / Mira Robertson
- / Greg Woodland.

The panel met on seven occasions and assessed 27 applications, of which 13 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:

- / Andy Cox
- / Mira Robertson.

The panel met once and assessed ten shortlisted applications of which five were approved.

Documentary Development Assessment Panel

This panel assesses applications to the *Screen Development Documentary* funding strand. 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
- / Acting Head of Screen Industry Programs
- / Development and Investment Manager(s)
- / Manager, Script Development
- / External assessors (as required).

The panel met on seven occasions and assessed 26 applications, of which 20 were approved.

Business and Skills Development Assessment Panel

This panel assesses applications to the *International Festivals*, *Global Connections* and *International Fellowships* 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 (a minimum of three of the following):

- / CEO, Film Victoria
- / Acting Head of Screen Industry Programs
- / Development and Investment Manager(s)
- / Manager, Script Development
- / Manager, Games, Digital Content and Animation
- / Industry Programs Officer(s)
- / Indigenous Programs Officer.

When considering applications for *Global Connections* a minimum of one senior manager must be on the panel:

- / Acting Head of Screen Industry Programs
- / Development and Investment Manager(s)
- / Manager, Script Development
- / Manager, Games, Digital Content and Animation.

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

- / CEO, Film Victoria
- / Acting Head of Screen Industry Programs
- / General Manager, Incentives, Locations and Production Services (until March 2013)
- / Development and Investment Manager(s)
- / Manager, Script Development
- / Manager, Games, Digital Content and Animation.

The panel met on 27 occasions and assessed 49 applications, of which 45 were approved.

Industry and Audience Development Assessment Panel

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

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

- / CEO, Film Victoria
- / Acting Head of Screen Industry Programs
- / Development and Investment Manager(s)
- / Manager, Games, Digital Content and Animation
- / Industry Programs Officer.

The panel met on two occasions and assessed 11 applications, of which 11 were approved.

Production Investment Attraction Fund (PIAF)/Regional Location Attraction Fund (RLAF) committee

The committee meets as required.

Members:

- / Jo Dawson, Board member (Chair)
- / Lyn Maddock, Board member (from December 2012)
- / Debra Allanson, Board member (from March 2013)
- / Kim McGrath, Board member (until December 2012)
- / CEO, Film Victoria
- / General Manager, Incentives, Locations & Production Services (non-voting) (until March 2013)
- / Acting Head of Screen Industry Programs (from March 2013)
- / Head of Finance & Business Services (from December 2012)
- / General Manager, Business Affairs (until December 2012)
- / A Film Victoria legal representative (voting member in the absence of CEO, Head of Screen Industry Programs, Head of Screen Industry Services or Head of Finance and Business Services)
- / Incentives Coordinator (non-voting)
- / David Hanna, external member.

The Committee met on nine occasions and approved a total of 18 projects, 13 for *PIAF* and five for *RLAF*.

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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SD4.2(d)	Rounding of amounts	36
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SD4.2(f)	Compliance with Model Financial Report	56
Other disclosures as required by Financial Reporting Directions in notes to the financial statements		
FRD 9A	Departmental disclosure of administered assets and liability by activity	N/A
FRD 11	Disclosure of ex gratia payments	N/A
FRD 13	Disclosure of parliamentary appropriations	N/A
FRD 21B	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	54
FRD 102	Inventories	N/A
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FRD 104	Foreign currency	N/A
FRD 106	Impairment of assets	38
FRD 109	Intangible assets	N/A
FRD 107	Investment properties	N/A
FRD 110	Cash flow statements	53
FRD 112C	Defined benefit superannuation obligations	N/A
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial Instruments – General government entities and public non financial corporations	49
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LEGISLATION		
<i>Freedom of Information Act 1982</i>		23
<i>Building Act 1983</i>		23
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AUDITOR-GENERAL'S 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 2013 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 and fair presentation 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.

AUDITOR-GENERAL'S REPORT

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 2013 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 2013 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
26 August 2013


for John Doyle
Auditor-General

FINANCIAL STATEMENTS

Comprehensive Operating Statement for the financial year ended 30 June 2013

	NOTE	2013	2012
		\$	\$
Continuing Operations			
<u>Income from transactions</u>			
Victorian Government funding	2(a)	15,317,163	17,541,463
Other income	2(b)	2,607,103	2,919,970
Total income from transactions		17,924,266	20,461,433
<u>Expenses from transactions</u>			
Program costs	2(c)	15,701,961	15,547,946
Employee expenses	2(d)	4,579,563	4,609,852
Depreciation and amortisation	2(e)	233,232	256,098
Other operating expenses	2(f)	2,046,848	2,175,438
Total expenses from transactions		22,561,604	22,589,334
Net results from transactions (net operating balance)		(4,637,338)	(2,127,902)
Other economic flows included in net result			
Net loss on non financial assets	3(a)	(28,528)	(1,904)
Net loss on financial instruments	3(b)	(386,279)	14,799
Net gain/(loss) from other economic flows	3(c)	5,059	31,984
Total other economic flows included in net result		(409,748)	44,879
Comprehensive result		(5,047,085)	(2,083,022)

The comprehensive loss of \$5,047,085 includes disbursement of program costs of \$15,701,961. 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 previous years.

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 35 to 57.

Balance Sheet as at 30 June 2013

	NOTE	2013	2012
		\$	\$
Assets			
Financial assets			
Cash and cash deposits	14(a)	25,677,574	31,850,630
Receivables	4	1,121,166	457,729
Total financial assets		26,798,741	32,308,359
Non-financial assets			
Prepayments		4,192	41,627
Property, plant and equipment	5	1,617,939	202,901
Total non-financial assets		1,622,131	244,528
Total assets		28,420,872	32,552,887
Liabilities			
Payables	6	132,400	80,853
Provisions	7	1,834,114	970,592
Total liabilities		1,966,514	1,051,445
Net assets		26,454,358	31,501,443
Equity			
Accumulated surplus/(deficit)	9	(1,293,616)	3,753,469
Contributed capital		27,747,974	27,747,974
Net worth		26,454,358	31,501,443

Commitments on program costs undisbursed at 30 June 2013 total \$17,692,606 and are detailed in Note 11.

The balance sheet should be read in conjunction with the accompanying notes included on pages 35 to 57.

Statement of Changes in Equity for the financial year ended 30 June 2013

	NOTE	ACCUMULATED DEFICIT	CONTRIBUTIONS BY OWNERS	TOTAL
		\$	\$	\$
Balance at 1 July 2011		5,836,491	27,747,974	33,584,465
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		3,753,469	27,747,974	31,501,443
Net result for the year		(5,047,085)	0	(5,047,085)
Other comprehensive income for the year		0	0	0
Balance as at 30 June 2013	9	(1,293,616)	27,747,974	26,454,358

The statement of changes in equity should be read in conjunction with the accompanying notes included on pages 35 to 57.

Cash flow statement for the financial year ended 30 June 2013

	NOTE	2013	2012
		\$	\$
Cash flows from operating activities			
Receipts			
Receipts from government		15,563,090	17,757,363
Receipts from other entities		703,039	2,200,035
Interest received		1,043,414	1,528,000
Goods and Services Tax recovered from the ATO		1,537,767	1,384,101
Total receipts		18,847,309	22,869,499
Payments			
Payments to suppliers and employees		(5,921,019)	(6,871,729)
Payments to industry applicants		(8,371,290)	(9,549,539)
Equity investment in new projects		(8,837,658)	(6,906,902)
Producer package investment in new projects		(123,600)	(587,545)
Total payments		(23,253,567)	(23,915,715)
Net cash from/(used in) operating activities	14(b)	(4,406,258)	(1,046,216)
Cash flows from investing activities			
Cash Flow Facility - Producer Loans repayments		5,000	2,385,663
Payments for property, plant and equipment	5(b)	(1,676,798)	(4,289)
Cash Flow Facility - Producer Loans advances		(95,000)	(45,445)
Net cash from (used in) investing activities		(1,766,798)	2,335,929
Net increase/(decrease) in cash held		(6,173,056)	1,289,711
Cash and cash equivalents at the beginning of the financial year		31,850,630	30,560,918
Cash and cash equivalents at the end of the financial year	14(a)	25,677,574	31,850,630

The cash flow statement should be read in conjunction with the accompanying notes included on pages 35 to 57.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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 2013. 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* 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 26 August 2013.

(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
- / 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 3, 55 Collins Street
Melbourne VIC 3000

Objectives and Funding

Film Victoria is the state government body that provides strategic leadership and assistance to the film, television and games 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 in 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 in the volume or changes arising from market re-measurements. They include:

- / Gains and losses from disposals
- / Revaluations and impairments of non-financial physical and intangible assets
- / 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 after the reporting) 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, unless otherwise stated. Figures in the financial statements may not equate 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
- / 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, allow 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 funding 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 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 \$367,379 was contributed to a number of superannuation funds in 2012/13. Superannuation contributions in 2011/12 were \$451,161.

Depreciation and Amortisation

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	RATE 2013	RATE 2012
Audio visual equipment	25%	25%
Computer equipment	33.33%	33.33%
Furniture and fittings	20%	20%
Office equipment	20%	20%
Leasehold improvements	amortised over the life of the lease of ten years	amortised over the life of the lease of five years

Other Operating Expenses

Refer to the section in Note 1 (l) 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
- / Disposals of financial assets.

Other gains (losses) from other economic flows

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

- / Revaluation of the present value of the long service liability due to changes in the bond interest rates
- / 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
- / 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.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1 (h) Financial Instruments 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.

Investment 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
- / 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 - 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 (ATO) 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 a loan secured by executed distribution contracts, pre-sale agreements or the producer offset. Loans are secured by 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 five 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 concession notes. Accounts payable represent liabilities for goods and services provided to 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
- / 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
- / 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'.

(c) 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.

Commitments are stated inclusive of GST (refer Note 1 (n)).

(p) Australian Accounting Standards issued that are not yet effective

Film Victoria has adopted all the new and revised Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for reporting from 1 July 2012.

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.

The below table shows the new and revised accounting standards (including amending standards) that are mandatory for the full year ending 30 June 2013.

STANDARD	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON PUBLIC SECTOR AGENCY FINANCIAL STATEMENTS
AASB 9 – Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 January 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 – Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other Australian accounting standards. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required for assets measured using depreciated replacement cost.
AASB 1053 – Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian Public Sector.

Note 2: Net Result from Operations

	2013	2012
	\$	\$
INCOME FROM TRANSACTIONS		
(a) Income from Government		
Government funding		
Government funding for continuing operations	15,317,163	17,541,463
Total government funding	15,317,163	17,541,463
(b) Other income		
Program revenue		
Development buyout	295,230	682,156
Administration fees	203,577	157,353
Investment and grants repayments	1,078,302	558,442
Total program revenue	1,577,109	1,397,951
Interest revenue		
Interest/financial institutions	955,424	1,345,897
Interest/production advances	351	93,794
Interest and premiums on development and production	74,219	82,328
Total interest revenue	1,029,994	1,522,019
Total other income	2,607,103	2,919,970
EXPENSES FROM TRANSACTIONS		
(c) Program costs		
Program payments	15,701,961	15,547,946
Total program costs	15,701,961	15,547,946
(d) Employee expenses		
Post employment benefits		
Superannuation	367,379	451,161
Salary costs	4,212,184	4,158,692
Total employee expenses	4,579,563	4,609,853
(e) Depreciation and amortisation		
Depreciation of non-current assets	61,645	101,698
Amortisation of non-current assets	171,587	154,400
Total depreciation and amortisation	233,232	256,098
(f) Other operating expenses		
Operating leases	423,944	421,466
Supplies and services	1,622,903	1,753,972
Total operating expenses	2,046,848	2,175,439

Note 3: Other Economic Flows included in Net Result

	2013	2012
	\$	\$
(a) Net gain/(loss) on non-financial assets		
Net loss on disposal of non-financial assets	(28,528)	(1,904)
Total net gain/(loss) on non-financial assets	(28,528)	(1,904)
(b) Net gain/(loss) on financial instruments		
Impairment on financial instruments (See Note 13 (f))	(386,279)	14,799
Total net gain/(loss) on financial instruments	(386,279)	14,799
(c) Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	5,059	31,984
Net gain/(loss) arising from revaluation of long service leave liability	5,059	31,984

Note 4: Receivables

	NOTE	2013	2012
		\$	\$
CURRENT RECEIVABLES			
Contractual			
Cash Flow Facility – Producer Loans		95,000	0
Other receivables ⁽ⁱ⁾		997,190	0
Interest receivable		28,977	42,397
Total current contractual receivables		1,121,167	42,397
Statutory			
GST receivable		0	24,053
Total current statutory receivables		0	24,053
NON-CURRENT RECEIVABLES			
Contractual			
Cash Flow Facility – Producer Loans		509,135	514,135
Cash Flow Facility – impairment allowance	13(d)	(509,135)	(122,856)
Total non-current receivables		0	391,279
Total receivables		1,121,167	457,729

(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.

	2013	2012
	\$	\$
Cash Flow Facility - Producer Loans at cost		
Opening balance	514,135	2,854,353
Add: Further loan advances	95,000	45,445
	609,135	2,899,798
Less: Loan principal repayments	(5,000)	(2,385,663)
Closing balance (before impairment allowance)	604,135	514,135
Current <i>Cash Flow Facility</i> Producer Loans due within 12 months	95,000	0
Non-current <i>Cash Flow Facility</i> Producer Loans due after 12 months	509,135	514,135
Total Cash Flow Facility Producer Loans (before impairment allowance)	604,135	514,135

	2013	2012
	\$	\$
Movement in the allowance account for impairment of Cash Flow Facility Producer Loans		
Balance at beginning of year	122,856	137,655
Movement in impairment provision for <i>Cash Flow Facility</i> Producer Loans	386,279	(14,799)
Balance at end of year	509,135	122,856

Details of the impairment in Producer 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

	2013	2012
	\$	\$
Leasehold improvements		
At fair value	1,473,335	1,212,408
Less: Accumulated depreciation	(50,865)	(1,090,808)
Total leasehold improvements	1,422,470	121,600
Audio visual equipment		
At fair value	37,493	59,343
Less: Accumulated depreciation	(16,348)	(45,207)
Total audio visual equipment	21,145	14,136
Computer equipment		
At fair value	111,328	420,368
Less: Accumulated depreciation	(41,593)	(375,014)
Total computer equipment	69,735	45,354
Furniture and fittings		
At fair value	110,261	217,821
Less: Accumulated depreciation	(19,842)	(197,628)
Total furniture and fittings	90,420	20,193
Office equipment		
At fair value	26,771	37,070
Less: Accumulated depreciation	(12,601)	(35,452)
Total office equipment	14,171	1,618
Total property, plant and equipment	1,617,939	202,901

(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 2012	121,600	14,136	45,354	20,193	1,618	202,901
Additions	1,473,335	14,520	77,908	96,691	14,344	1,676,798
Disposals	(1,212,408)	(36,370)	(386,949)	(204,251)	(24,644)	(1,864,621)
Accumulated depreciation on disposals	1,211,530	33,943	366,411	199,567	24,644	1,836,093
Depreciation expense	(171,587)	(5,084)	(32,990)	(21,780)	(1,792)	(233,232)
Asset impairment	0	0	0	0	0	0
Balance at 30 June 2013	1,422,470	21,145	69,735	90,420	14,171	1,617,939

	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)	(256,098)
Asset impairment	0	0	0	0	0	0
Balance at 30 June 2012	121,600	14,136	45,354	20,193	1,618	202,901

Note 6: Payables

	2013	2012
	\$	\$
Current payables		
Contractual		
Supplies and services	60,312	80,853
Total contractual payables	60,312	80,853
Statutory		
GST payable	72,088	0
Total statutory payables	72,088	0
Total current payables	132,400	80,853
Total payables	132,400	80,853

Note 7: Provisions

	2013	2012
	\$	\$
Current provisions		
Employee benefits - annual leave		
Unconditional and expected to be settled within 12 months	288,407	308,877
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	49,247	56,523
Unconditional and expected to be settled after 12 months	103,176	133,175
Provision for Voluntary Departure Package	65,692	0
Total current provisions	506,522	498,575
Non-current provisions		
Employee benefits	184,111	192,050
Leasehold dismantling costs	280,000	279,967
Building incentive	863,482	0
Total non-current provisions	1,327,593	472,017
Total provisions	1,834,115	970,592

(a) Employee benefits and related on-costs

	2013	2012
	\$	\$
Current employee benefits		
Annual leave	272,339	291,668
Long service leave entitlements	143,430	178,506
Non-current employee benefits		
Long service leave entitlements	173,248	180,719
Total employee benefits	589,017	650,893
Current on-costs		
Annual leave	16,068	17,208
Long service leave	8,993	11,192
Non-current on-costs - long service leave	10,863	11,331
Voluntary Departure Package	65,692	0
Total on-costs	101,615	39,732
Total employee benefits and related on-costs	690,632	690,625

(b) Movement in provision for leasehold dismantling costs

	2013	2012
	\$	\$
Opening balance	279,967	279,967
Additional provisions recognised	280,000	0
Provisions derecognised	(279,967)	0
Closing balance	280,000	279,967

Additional provision recognised for new leasehold property at 55 Collins Street, Melbourne.

(c) Movement in the provision for the building incentive

	2013	2012
	\$	\$
Opening balance	0	0
Additional provisions recognised	894,271	0
Provision written back for lease period year to date	(30,789)	0
Closing balance	863,482	0

Building incentive provision for new leasehold property at 55 Collins Street Melbourne recognised in accordance with AASB Interpretation 115.

Note 8: Superannuation

Film Victoria has made employer contributions on behalf of its employees during 2012/13 to the following defined contribution plans:

VicSuper

Employer contributions paid to the VicSuper scheme in 2012/13 amount to \$230,247 (2011/12 \$276,548). Contributions outstanding as at 30 June 2013 were nil.

Other

Employer contributions paid to other various schemes in 2012/13 amount to \$137,132 (2011/12 \$174,612). Contributions outstanding as at 30 June 2013 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 Deficit

The accumulated deficit as at 30 June 2013 totals \$1,293,616. (2011/12 accumulated surplus of \$3,753,469).

Note 10: Leases

Operating leases are with respect to office space at Level 3, 55 Collins Street, Melbourne and minor related office equipment.

	2013	2012
	\$	\$
Non-cancellable operating leases payable		
Not later than one year	475,719	209,113
Longer than one year and not longer than five years	1,518,303	8,040
Longer than five years	3,407,137	0
Present value of minimum lease payments	5,401,159	217,153

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 \$17,692,606 (2012: \$20,298,110). 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 2012/13

	CASH AS AT	OUTSTANDING COMMITMENTS AS AT	BALANCE AS AT
	30-JUN-13	30-JUN-13	30-JUN-13
	\$	\$	\$
Cash Flow Facility available	12,895,865	7,588	12,888,277
Film Victoria programs (including digital media)	12,781,709	17,685,018	(4,903,309)
Total cash assets	25,677,574	17,692,606	7,984,968

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 Flow Facility - Producer Loans

	2013	2012
	\$	\$
Total funding for Cash Flow Facility	15,000,000	15,000,000
Less: Total loans outstanding (before impairment allowance)	(604,135)	(514,135)
Cash Flow Facility cash held	14,395,865	14,485,865
Less: Cash Flow Facility committed not yet paid	(7,588)	(102,588)
Less: transfer to Film Victoria programs	(1,500,000)	0
Cash Flow Facility available	12,888,277	14,383,277

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 2013 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 the 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		2013	2012
		\$	\$
Financial assets	Contractual financial assets – loans and receivables at amortised cost or fair value through profit and loss		
Cash and deposits		25,677,574	31,850,630
Receivables		1,121,166	433,676
Total financial assets		26,798,740	32,284,306
Financial liabilities			
Payables	Contractual financial liabilities at amortised cost	60,312	80,853
Total financial liabilities		60,312	80,853

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

		2013	2012
		\$	\$
Financial assets			
Cash and deposits		955,424	1,345,897
Trade and other receivables		0	0
Cash Flow Facility Producer Loans – interest		351	93,794
Cash Flow Facility Producer Loans – admin fees		10,512	35,855
Cash Flow Facility Producer Loans – impairment		(509,135)	(122,856)
Total financial assets		457,152	1,352,690
Financial liabilities			
Other payables		0	0
Total financial liabilities		0	0

At 30 June 2013 an impairment allowance of \$509,135 was made against Cash Flow Facility Producer Loans. 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 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 2013

	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	2.62%	632,774	0	800	633,574
Short term/at call deposits	2.81%	0	25,044,000	0	25,044,000
Receivables					
Cash Flow Facility - Producer Loans	3.56%-8.50%	0	95,000	0	95,000
Other receivables (excluding prepayments)	N/A	0	0	1,026,166	1,026,166
Total financial assets		632,774	25,139,000	1,026,966	26,798,740
Financial liabilities					
Payables					
Other payables	N/A	0	0	132,400	132,400
Total financial liabilities		0	0	132,400	132,400

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%	0	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

(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
- / Any one producer (producers are eligible to apply to Film Victoria for an equity investment for the same project).

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

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

The following table discloses the ageing of financial assets:

2013	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			IMPAIRED
			LESS THAN 30 DAYS	30-90 DAYS	90-365 DAYS	
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash on hand and cash at bank	633,574	633,574	0	0	0	0
Short term/at call deposits	25,044,000	25,044,000	0	0	0	0
<i>Cash Flow Facility</i> - Producer Loans	604,135	95,000	0	0	0	509,135
Other receivables (excluding prepayments)	1,026,166	1,026,166	0	0	0	0
Total 2013 financial assets	27,307,875	26,798,740	0	0	0	509,135

2012	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED			IMPAIRED
			LESS THAN 30 DAYS	30-90 DAYS	90-365 DAYS	
	\$	\$	\$	\$	\$	\$
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
<i>Cash Flow Facility</i> - 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

The impaired *Cash Flow Facility* Producer Loans are after an impairment allowance of \$509,135 (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 the Distributor Company in Film Victoria's benefit
- \ Deed of Assignment of the Producer's Stipulated Judgement on the Distributor Company.

This is subject to ongoing 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 balance 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 two 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 2013 and 30 June 2012.

Market risk exposure - interest rate

2013	CARRYING AMOUNT	INTEREST RATE			
		-2%		+2%	
		NET RESULT	ACCUMULATED SURPLUS	NET RESULT	ACCUMULATED SURPLUS
	\$	\$	\$	\$	\$
Financial assets					
Cash and deposits	25,677,574	(513,551)	(513,551)	513,551	513,551
Total impact		(513,551)	(513,551)	513,551	513,551

2012	CARRYING AMOUNT	INTEREST RATE			
		-2%		+2%	
		NET RESULT	ACCUMULATED SURPLUS	NET RESULT	ACCUMULATED SURPLUS
	\$	\$	\$	\$	\$
Financial assets					
Cash and deposits	31,850,630	(637,013)	(637,013)	637,013	637,013
Total impact		(637,013)	(637,013)	637,013	637,013

(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
	2013	2013	2012	2012
	\$	\$	\$	\$
Financial assets				
Fair value measurement at end of reporting period using:				
Level 1				
Short term/at call deposits	25,044,000	25,044,000	31,373,000	31,373,000
Level 3				
Cash Flow Facility - Producer Loans	95,000	95,000	391,279	391,279
Total financial assets	25,139,000	25,139,000	31,764,279	31,764,279

Level 3 Movement Reconciliation

	2013	2012
	\$	\$
Opening balance	391,279	2,716,698
Loan advances	95,000	45,445
Loan principal repayments	(5,000)	(2,385,663)
Impairments (recognised in Comprehensive Operating Statement)	(386,279)	14,799
Closing balance	95,000	391,279

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

	2013	2012
	\$	\$
Cash on hand	800	800
Cash at bank	632,774	476,830
Short term/at call deposits – programs and operating activities	12,148,135	16,887,135
Short term/at call deposits – <i>Cash Flow Facility</i> fund	12,895,865	14,485,865
Total cash assets	25,677,574	31,850,630

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

(b) Reconciliation of net result for the period to net cash flows from operating activities

	2013	2012
	\$	\$
Net result from transactions	(5,047,085)	(2,083,022)
Depreciation and amortisation of non-current assets	233,232	256,098
Gain/(loss) on sale of non-financial assets	28,528	1,904
Impairment allowance	386,279	(14,799)
Changes in net assets and liabilities		
(Increase)/decrease in assets		
Current receivables	(887,628)	702,794
Other current assets	37,435	22,399
Increase/(decrease) in liabilities		
Current payables	(20,541)	24,485
Current provisions	7,946	25,296
Non-current provisions	855,576	18,630
Net cash from/(used in) operating activities	(4,406,258)	(1,046,216)

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

Debra Allanson

Ann Darrouzet

Joanne Dawson

Dan Fill

Lyn Maddock

Kim McGrath (term expired January 2013)

Michael McMahon

David Parker

Caroline Pitcher (appointed February 2013)

Jan Sardi

Daryl Talbot

Chief Executive Officer and Accountable Officer

Jenni Tosi

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:

\$30,000-\$40,000 - (1 member) and \$10,000-\$20,000 (11 members).

In 2012, 1 member was in the \$20,000-\$30,000 band and remaining members were in the \$10,000-\$20,000 band.

The remuneration of the Minister is reported separately in the financial statements of the Department of Premier and Cabinet.

Remuneration received by the Accountable Officer in connection with management of Film Victoria during the period was in the range \$220,000-\$229,999 (\$190,000-\$199,999 in 2011/12).

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 Facility* funding and professional 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 applies to all applicants to the Film Victoria program.

ENTITY	TRANSACTION TYPE	2013	2012
		\$	\$
Tosi Westside/Jenni Tosi & Ann Darrouzet	Payments	0	0
	Receipts	(486)	0
Chocolate Liberation Front Pty Ltd/Dan Fill	Payments	72,342	48,860
	Receipts	(5,500)	(25,750)
Zizani Films Pty Ltd/Ana Kokkinos	Payments	0	13,000
	Receipts	0	0
Big and Little Films Pty Ltd/Michael McMahon	Payments	0	0
	Receipts	(3,285)	0
Anatomy Productions Pty Ltd/Michael McMahon	Payments	28,000	96,675
	Receipts	0	(11,555)
Matchbox Pictures Pty Ltd/Michael McMahon	Payments	8,000	0
	Receipts	0	0
The Slap Productions Pty Ltd/Michael McMahon	Payments	0	27,500
	Receipts	0	0
MSSA Productions Pty Ltd/Michael McMahon	Payments	0	2,000
	Receipts	0	0
Aussies in LA Productions Pty Ltd/Michael McMahon	Payments	0	0
	Receipts	0	(20,265)
Underground Productions Pty Ltd/Michael McMahon	Payments	9,838	167,250
	Receipts	0	(25,500)
Lost Boys Productions Pty Ltd/Michael McMahon	Payments	320,000	0
	Receipts	(36,250)	0
Cascade Film Pty Ltd/David Parker	Payments	5,255	655
	Receipts	0	0
Breakaway Scripts Pty Ltd/Jan Sardi	Payments	0	1,810
	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* (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

Remuneration for Film Victoria's executive officer was in the range of \$130,000-\$139,999, (\$120,000-\$129,999 in 2011/12).

Total annualised employee equivalent for Film Victoria was one, (one in 2011/12).

Note 18: Remuneration of auditors

	2013	2012
	\$	\$
Victorian Auditor General's Office		
Audit of the financial statements	19,510	20,250
Total	19,510	20,250

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 officer's and chief finance and accounting officer's declaration

The attached financial statements for Film Victoria have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including *Interpretations*, 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 2013 and financial position of Film Victoria at 30 June 2013.

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 26 August 2013.



I. Robertson

President

Film Victoria
Melbourne

26 August 2013



J. Tosi

Chief Executive Officer

Film Victoria
Melbourne

26 August 2013



G. Reeves

Chief Financial Officer

Film Victoria
Melbourne

26 August 2013



FRONT COVER

VIGILANTE: SPEAK FOR THE DEAD

Divisive Media
Supported through Games Investment

DANCE ACADEMY - SERIES 3

Werner Film Productions
Supported through
Production Investment

THE HUNTER

Brown Cab Productions
Supported through Special Initiatives -
Indigenous Production Grants

BACK COVER

PONY TRAILS

Tantalus
Supported through Games Investment

SAVE YOUR LEGS

Save Your Legs Pty Ltd
Supported through
Production Investment

POSSUM WARS

360 Degree Films
Supported through
Production Investment

INSIDE FRONT COVER

TED

Universal Pictures
Supported through Production
Incentive Attraction Fund (PDV)

THE OYSTERMAN

Brown Cab Productions
Supported through Special Initiatives -
Indigenous Production Grants

INSIDE BACK COVER

ANATOMY - SERIES 4

Matchbox Pictures
Supported through
Production Investment

PRANK PATROL - SERIES 3

ActiveTV
Supported through
Production Investment



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