

# ANNUAL REPORT 2013/14



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### FILM VICTORIA

ABN 30214 952 770  
Published by Film Victoria  
Melbourne Victoria Australia  
September 2014

Also published on  
[www.film.vic.gov.au](http://www.film.vic.gov.au)  
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## FILM VICTORIA

Film Victoria is the state government agency that provides strategic leadership and assistance to the film, television and digital media sectors of Victoria.

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

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

Initially constituted as the Victorian Film Corporation in 1976 under an Act of Parliament, the Corporation became Film Victoria in 1982 by virtue of the *Film Victoria Act 1981*. In 1997, the functions of Film Victoria were amalgamated with those of the State Film Centre of Victoria to form Cinemedia Corporation, under the *Cinemedia Act 1997*.

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

The *Film Act 2001* requires Film Victoria to provide:

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

# OUR VISION OUR MISSION

## OUR VISION

is for Victoria to have a world leading screen economy and culture.

## OUR MISSION

is to lead an innovative screen industry which enriches our cultural life and generates jobs, prosperity and creative opportunities.

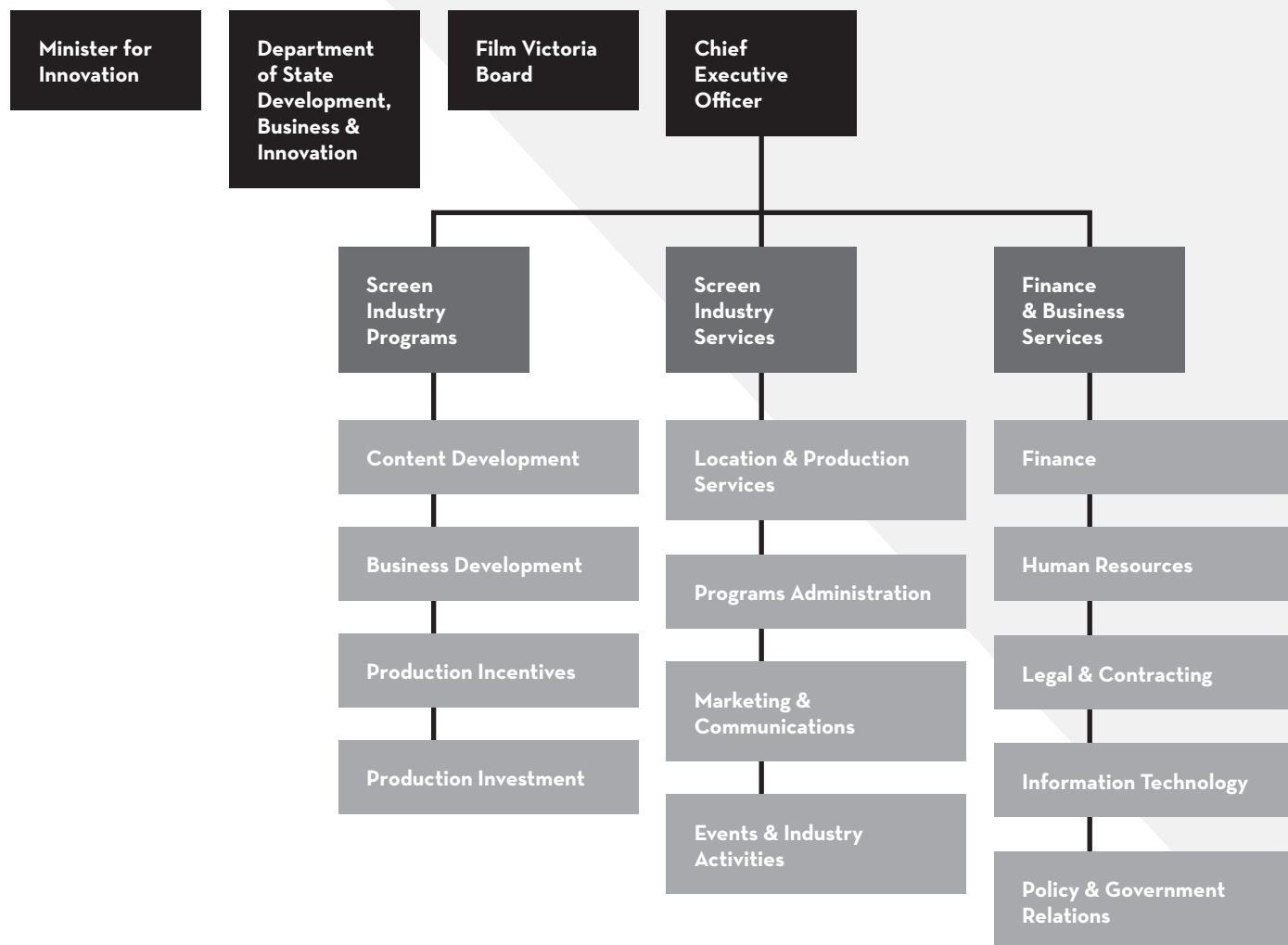
## OUR STAFF

- > Support the creation and production of original screen content, encourage audience engagement, provide 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, the Hon. Louise Asher MP and work closely with the Department of State Development, Business and Innovation (DSDBI).

## ORGANISATIONAL CHART



# OUR BOARD



**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, and has over 20 years 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 to market the VUI online platform, which creates and curates online video from multiple sources. Debra is also a Director of the creative services and intellectual property 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 the Victorian College of the Arts, and has worked as a creator, executive producer and producer across feature films, documentaries, long-form television and multi-platform content. Ann has won national and international awards including two AFI's, 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.



**LYN MADDOCK AM, PSM**  
Since October 2011

Lyn Maddock has more than 25 years' 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 as 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.



**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 International – 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, marketing and business development roles for both the 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 a 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. Amongst Jan's current projects is an adaptation of THE SECRET RIVER by Kate Grenville as a mini-series for the ABC and Ruby Entertainment. Jan is President of the Australian Writers' Guild.



**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 the boards of several arts and cultural organisations. He commenced producing film and television projects in 1997 and is a Director of Matchbox Pictures.



**JOHN RUNDELL**  
Since January 2014

John Rundell is the Managing Director of Stratica, a risk consulting firm and qualified security assessor with offices in Melbourne, Sydney and Hong Kong, and the Practice Leader for Stratica's IT Strategy services. He is a former partner of KPMG, working globally, particularly in Asia. John has over 30 years' experience in accounting across both the public and private sectors. John has degrees in engineering, economics and law, and is a chartered accountant, registered tax agent and holds a public practice certificate. He is also a graded arbitrator and accredited mediator specialising in technology disputes.



**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 BOND 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.



**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 at the Australian Film Commission after an early career as one of Australia's foremost movie stills photographers.

## RETIRED MEMBER:

### JO DAWSON

November 2004 – August 2013

# OUR STRATEGIC OBJECTIVES

OUR CORPORATE PLAN OUTLINES OUR STRATEGIC OBJECTIVES AND PRIORITY AREAS FOR 2010-13

## OBJECTIVE 1

Drive industry growth that attracts investments, exports and jobs

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

## OBJECTIVE 2

Increase and broaden audience engagement with Victorian and Australian screen content

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

## OBJECTIVE 3

Shape policies and practice to achieve industry growth

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

## OBJECTIVE 4

Enhance organisational capability to deliver the organisation's Corporate Plan

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



# A MESSAGE FROM OUR BOARD PRESIDENT



In 2013/14, the Victorian screen industry continued to be a significant contributor to the state's economy, with notable local and international production activity supported, developed and produced in the state.

A total of 64 film, television and digital media projects commenced production in Victoria, generating an estimated \$214.5 million in production expenditure in the state in 2013/14 – a 14 per cent increase on last year.

I'm pleased to report that Film Victoria's support of 52 film, television and digital media projects that went into production in 2013/14 leveraged \$183.0 million in production expenditure.

The direct benefits of this increase in expenditure can be seen, in particular, in a substantial increase in employment opportunities, with Film Victoria supported projects generating 8,339 jobs.

This level of production expenditure and employment highlights the important contribution of the film, television and digital media sectors to the economy and cultural fabric of Victoria.

This year the Board and Film Victoria staff have continued to give priority to improving our organisational processes and reducing operational costs to maximise the funding available to support the screen industry.

The result has been a fundamental shift in our approach to program delivery, including significant changes to production investment, development, and games programs and an overhaul of Film Victoria's Terms of Trade.

These improvements give producers access to more efficient and more effective support as well as a greater share in production returns.

We also developed and launched Film Victoria's Corporate Plan 2014-17 which outlines our strategic priorities for the next three years.

Along with the conclusion of our organisational restructure and refinement process, these improvements and milestones mark a new chapter for Film Victoria and the screen businesses and practitioners we support.

We thank the State Government, and in particular the Premier, the Hon. Dr Denis Naphthine MP and the Minister for Innovation, the Hon. Louise Asher MP, for their continued support of Film Victoria and the Victorian screen industry.

I also thank my fellow Board members for their hard work and valuable contribution and welcome our new Board member, John Rundell, who brings a depth of knowledge and experience to the Board.

I would also like to acknowledge Film Victoria's CEO Jenni Tosi for her conscientious leadership and the passion and energy she brings to the role.

Finally, I thank Film Victoria's staff, along with the industry practitioners who serve on our various committees, for their energy and efforts to ensure the continued success of Film Victoria and the Victorian screen industry.

A handwritten signature in dark ink, reading "Ian Robertson".

**IAN ROBERTSON**

*President*  
Film Victoria

# A MESSAGE FROM OUR CEO



2013/14 was an incredibly successful and active year for the Victorian screen industry, with local practitioners and businesses producing diverse, engaging and high quality content across the film, television and digital media sectors, showcasing the depth of creativity and talent in our state.

It's highly rewarding to be able to acknowledge that Film Victoria's programs leveraged a total spend of \$179.6 million through our support of 39 film and television projects that began production in 2013/14. Our support of 13 games projects achieved a further \$3.4 million expenditure in Victoria.

Importantly, our support delivered a significant increase in the number of employment opportunities for Victorian screen practitioners, with 8,339 jobs created in 2013/14 – an increase of more than 40 per cent on last year's figures.

This combination of high activity and employment is an extraordinary outcome for the industry and the state, particularly given how difficult and competitive it is to secure marketplace support.

Victorian screen practitioners and companies consistently produce high quality content that enables local and international viewers to access unique Australian stories. Audience engagement with Victorian stories remains robust, with Film Victoria supported film and television projects receiving 141.9 million Australian audience views nationally in 2013/14.

A total of 24 feature films and feature documentaries commenced production in Victoria in 2013/14, including CUT SNAKE, THE EARTH WINS, NOW ADD HONEY, SUCKER, ODDBALL and FELL. Pleasingly, of these 24 productions we supported 15, leveraging \$81.6 million for Victoria. We look forward to seeing many of these features on our screens in the coming year.

Television production continues to go from strength to strength, with a total of 27 projects commencing production in 2013/14. We supported 24 of these projects, leveraging \$98 million for the state. Exceptionally popular productions such as THE DOCTOR BLAKE MYSTERIES SERIES TWO, HOUSE HUSBANDS SERIES THREE and WENTWORTH SERIES TWO made impressive returns, proving that audiences can't get enough of locally made television on their screens. Notable television documentaries commencing production include HEAD FIRST, PUTUPARRI and CODE OF SILENCE.

The games sector continues to build on its success, with several projects including FRAMED, CRAWL and ARX commencing production, which are sure to delight game enthusiasts around the world.

Victoria's visual effects expertise was on display for the world to see, with talented local VFX artists making their mark on big name franchises such as CAPTAIN AMERICA: THE WINTER SOLDIER and THOR: THE DARK WORLD, secured through our *Production Incentive Attraction Fund*.

Congratulations should be extended to all practitioners who received financing for their projects, as demand and competition for funding exceeded expectations this year. Through our *Screen Production – Investment* program we were able to assist this activity with a commitment of nearly \$7.4 million to 32 local projects – a fantastic result.

We were pleased to launch two new fiction development programs in 2013/14, *Fiction Development on Demand* and *High End Television Concept Initiative*. We were also delighted to introduce the new *Animation – Proof of Concept Initiative*, targeted at our talented animators seeking to make their mark.

We continued our support of the Indian Film Festival of Melbourne, bringing delightful colour, dance and of course great films to our city, as well as a dash of international stardom with Indian cinema legend Amitabh Bachchan attending the festival as an honoured guest; and Festival Ambassador, actress Vidya Balan, returning to Melbourne to launch the festival program.

Other international stars also visited our shores – including Pierce Brosnan and William Hurt, here to film the fantasy adventure film *THE MOON AND THE SUN* at locations around Melbourne and regional Victoria, including Docklands Studios Melbourne.

This year it was a real pleasure to acknowledge the achievements and leadership of two of Victoria's most well-known post production practitioners at the 2014 *Victorian Screen Leader Awards*, which honoured editor Jill Billcock with the Jill Robb Award and founder and CEO of Soundfirm, Roger Savage, with the John Howie Award. Producer Joanna Werner and games developer Alexander Bruce also received the 2014 Greg Tepper and Tim Richards Awards respectively in recognition of their recent success in their fields.

I wish to thank Board President Ian Robertson for his continued and valuable support and all our Board members for their commitment and assistance throughout the year.

I especially wish to thank the marvellous and hard-working Film Victoria staff, without whom we would not be able to deliver our industry programs and activities so successfully. It is a significant achievement to deliver a comprehensive overhaul of our Terms of Trade, programs and services, and to support the Board in developing a new Corporate Plan, while continuing the day-to-day business of supporting the industry.

I am immensely proud of their commitment, energy and enthusiasm to deliver these outcomes, which will give Victorian screen businesses a leading edge. They're a great team and it is a pleasure to work alongside each and every one of them. It's also incredibly pleasing to report that these improvements have been welcomed by all sectors of the industry, and we look forward to rolling out these changes in 2014/15.

I'd particularly like to acknowledge long-serving and departing staff members Neil McCart, Sam Lloyd, Nathalie Pelissero, Fiona Hulton, Janelle Murphy, Christine Wood, Jana Jones and Maria Toscano for their contribution to Film Victoria and wish them all the best for the future.

I'd like to acknowledge the Hon. Louise Asher MP, Minister for Innovation and the Victorian Government for their continued support of the Victorian screen industry. This has been essential to the success achieved over the past year.

Lastly, I'd like to thank and congratulate all of our screen practitioners for another successful and productive year. Your talents and achievements deserve to be celebrated and praised. We look forward to continuing to support, serve and promote the Victorian industry as it excels in making great screen content.



**JENNI TOSI**  
*Chief Executive Officer*  
Film Victoria

# OUR YEAR IN REVIEW

## THE BIG PICTURE

A total of **64** film, television and digital media projects commenced production in Victoria in 2013/14, spending an estimated **\$214.5 million**, of which Film Victoria leveraged **\$183 million** through our production funding programs.

## FILM

- > Number of feature films, including feature documentaries, beginning production in Victoria in 2013/14: **24**.
- > Total production expenditure in Victoria: **\$86.8 million**.
- > Of the films that commenced production in 2013/14, we supported **15** of these through our funding programs, leveraging **\$81.6 million** in production expenditure in Victoria.

## TV

- > Number of television drama, comedy, documentary and children's projects beginning production in Victoria in 2013/14: **27**.
- > Total production expenditure in Victoria: **\$124.3 million**.
- > Of the television projects that commenced production in 2013/14, we supported **24** of these projects through our funding programs, which leveraged **\$98 million** for the state.

## GAMES/DIGITAL

- > We supported **13** games projects that moved into production in 2013/14, leveraging **\$3.4 million** in Victoria.

## OUR FUNDING PROGRAMS IN 2013/14

Each year we commit support to feature films, television and games projects and to Victorian practitioners and businesses through our various funding programs.

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

- > **8** fiction feature films, with a total commitment of **\$2,262,691**
- > **13** fiction television projects, with a total commitment of **\$4,286,252**
- > **11** documentary feature or television projects, with a total commitment of **\$820,000**.

That's a total production investment commitment of **\$7,368,943** to **32** projects.

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

- > **14** fiction projects (9 features and 5 television), with a total commitment of **\$269,079**
- > **11** documentary projects (6 features and 5 television), with a total commitment of **\$118,450**
- > **14** games projects, with a total commitment of **\$635,180**
- > **1** Victoria India co-production project, with a total commitment of **\$55,000**.

That's a total development investment commitment of **\$1,077,709** to **40** local projects in 2013/14.

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

- > **16** producers through our Global Connections loans program to undertake international business travel
- > **14** practitioners to attend international festivals where their projects were in competition or screening

For a total commitment of **\$122,000**.

**Through our Screen Marketing – Games Release program we provided funding support to**

- > **8** projects, with a total commitment of **\$173,300** in 2013/14.

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

- > **3** practitioners who secured International Fellowships in Toronto and California
- > **6** companies through Games – Professional Industry Placements

For a total commitment of **\$187,250**.

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## ATTRACTING PRODUCTIONS TO MELBOURNE

We attracted **11** projects to Victoria through our **Production Investment Attraction Fund (PIAF)** and **PIAF Post, Digital and Visual Effects (PIAF PDV)** programs. Combined, they generated an estimated **\$80.4 million** in Victoria in 2013/14.

We supported **5** projects that undertook production in regional Victoria in 2013/14 through our **Regional Locations Assistance Fund (RLAF)**. Combined, these projects spent an estimated **\$1.8 million** in Victorian regional communities.

## CONNECTING WITH AN AUDIENCE

Film and television projects we supported received **141.9 million** Australian views in 2013/14.

## INDUSTRY EVENTS AND ACTIVITIES

Each year Film Victoria supports a variety of cultural events delivered by industry organisations with the aim of connecting audiences with local and international screen content and culture.

More than **2.8 million** people engaged in screen culture activities we supported or hosted in 2013/14.

These include:

- > Indian Film Festival of Melbourne
- > TV Week Logie Awards
- > Melbourne International Film Festival
- > St Kilda Film Festival.

Film Victoria facilitated a range of events and activities for the screen industry in 2013/14, including:

- > Film Victoria industry information session announcing significant improvement to our programs and Terms of Trade, June 2014

- > Reconnect with Foxtel event, September 2013
- > Screen Leader Awards, October 2013
- > Seen & Screened, including Greg Tepper and Tim Richards awards presentation, March 2014
- > Logies Industry Networking Event, April 2014
- > Fiction information session, May 2014
- > Film Victoria and Screen Australia Fiction Development, September 2013
- > Screen Producers Australia legal masterclass, February 2014
- > Screen Producers Australia Roadshow, March 2014
- > Epiphany's Pixar Finding Animation masterclasses, May 2014
- > ABC showcase and broadcaster event, December 2013
- > Berlin Film Festival's Maryanne Redpath, October 2013
- > DCD Rights producer meetings, March 2014.

# REPORT OF OPERATIONS 2013/14

## 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 2014.



**JENNI TOSI**  
Chief Executive Officer  
Film Victoria

21 August 2014

## 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 2013/14 reporting period are:

		TARGET	ACTUAL
Value of film, television and digital media production supported by Film Victoria production	\$ million	\$75.00	\$183.0
Actual employment opportunities created by leveraged productions	actual job opportunities (p/time, f/time or contract)	2,100	8,339

## MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

In 2013/14 Victorian producers had another successful year attracting finance for a greater number of projects than anticipated, including returning television series such as OFFSPRING, WENTWORTH, UPPER MIDDLE BOGAN, MISS FISHER'S MURDER MYSTERIES, PLEASE LIKE ME, HOUSE HUSBANDS, IT'S A DATE and THE DOCTOR BLAKE MYSTERIES. Film Victoria was able to support increased production through specific funding for television, animation and digital media projects.

Film Victoria also received additional funding from the Victorian Government's Investment Support Program to attract major international production.

Expenditure leveraged through this and several other large-scale productions generated expenditure in Victoria significantly above the 2013/14 target and previous year's performance.

## FIVE YEAR FINANCIAL SUMMARY

	30-JUN-2014	30-JUN-2013	30-JUN-12	30-JUN-11	30-JUN-10
	\$	\$	\$	\$	\$
Revenue from Government	21,939,134	15,317,163	17,541,463	22,416,426	20,809,000
Other revenue	2,122,469	2,607,103	2,919,970	3,050,564	3,094,923
Total revenue	24,061,603	17,924,266	20,461,433	25,466,990	23,903,923
Total project costs	20,361,611	15,701,961	15,547,946	17,903,124	15,522,408
Net operating result	(2,706,398)	(4,983,655)	(2,083,022)	(253,275)	1,290,956
Net cash flow	(2,082,374)	(6,173,057)	1,289,711	4,486,077	(606,426)
<b>Total assets</b>	<b>25,458,102</b>	<b>28,483,624</b>	<b>32,552,887</b>	<b>34,567,501</b>	<b>34,624,312</b>
<b>Total liabilities</b>	<b>1,646,711</b>	<b>1,965,836</b>	<b>1,051,445</b>	<b>983,035</b>	<b>786,572</b>
<b>ALLOCATION OF CASH ASSETS:</b>					
Outstanding commitments (1)	16,463,175	17,692,606	20,298,110	20,579,849	18,595,276
Commitment to program expenditure	(4,256,253)	(4,903,309)	(2,830,757)	(932,804)	978,023
Cash Flow Facility funds	11,388,277	12,888,277	14,383,277	10,913,873	6,501,542
<b>Total cash assets</b>	<b>23,595,200</b>	<b>25,677,574</b>	<b>31,850,630</b>	<b>30,560,918</b>	<b>26,074,841</b>
Receivables – including Producer Loans	235,639	1,121,166	499,356	3,549,970	8,040,846
Property, Plant and Equipment	1,456,784	1,617,939	202,901	456,613	508,625
<b>Total non-cash assets</b>	<b>1,862,902</b>	<b>2,806,049</b>	<b>702,257</b>	<b>4,006,583</b>	<b>8,549,471</b>
<b>TOTAL ASSETS</b>	<b>25,458,102</b>	<b>28,483,624</b>	<b>32,552,887</b>	<b>34,567,501</b>	<b>34,624,312</b>

### Notes

(1) Commitments for 2013/14, 2012/13 and 2011/12 include GST. 2009/10 and 2010/11 exclude GST.

# OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2013/14

## REVENUE FROM GOVERNMENT

The total funding package from government to Film Victoria was \$21.9 million in 2013/14.

Total government funding in 2013/14 was higher than the previous year as a result of specific funding for television, animation and digital media projects and Investment Support Program funding to attract a major international production.

## OTHER REVENUE

Other revenue in 2013/14 is lower than previous years as a result of a decrease in interest revenue on cash investments due to low interest rates, and lower recoupment of program investments. This was offset by an increase in program repayments. These repayments, as with previous years, are directed back into various programs during the financial year.

## NET OPERATING RESULT

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

Film Victoria is required to recognise all government funding as well as other income it receives as revenue within the financial year that it is received.

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

During a financial year there may be additional program expenditure commitments made, and partly or wholly disbursed using funds received in previous years.

The reduction in the net operating result in 2013/14 is primarily due to increased program payments related to prior years, and a transfer from the Cash Flow Facility to Film Victoria. As a result, there is an accounting deficit of \$2.71 million for 2013/14.

## NET CASH FLOW

The major factors affecting the variability of net cash flows are program payments and cash flow loans. During 2013/14 there was a decrease in net cash flows, due to increased program payments related to prior years and a transfer from the Cash Flow Facility to Film Victoria. This was partially offset by the repayment of outstanding Cash Flow Facility loans. 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 2013/14 is predominantly due to the decrease in cash assets outlined above.

## OUTSTANDING COMMITMENTS

The value of outstanding commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2014. Disbursement is dependent on the achievement of contracted milestones and deliverables due in the future. The decrease in outstanding commitments for 2013/14 results in an accounting deficit and reduction of cash reserves.

## COMMITMENT TO PROGRAM EXPENDITURE

This is the aggregate amount of cash held and committed to fund projects or activities supported through industry programs and initiatives and outstanding balance sheet liabilities as at 30 June 2014. 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 2013/14 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 2014.

## SUBSEQUENT EVENTS

There have been no events subsequent to the 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 five minor incidents were reported.

## 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 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*, which can be found at [www.film.vic.gov.au](http://www.film.vic.gov.au).

# COMPARATIVE WORKFORCE DATA<sup>(iii)(iv)</sup>

TABLE 1: FULL TIME EQUIVALENT (FTE)<sup>(i)</sup> STAFFING TRENDS FROM 2010 TO 2014

2014	2013	2012	2011	2010
35.8	40.8	44.2	49.3	45.5

TABLE 2: EMPLOYMENT STATUS OF EMPLOYEES

ONGOING EMPLOYEES <sup>(ii)</sup>					FIXED TERM AND CASUAL EMPLOYEES
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE <sup>(iii)</sup>	FTE <sup>(iii)</sup>
Jun-14	25	23	2	24.6	11.2
Jun-13	24	23	1	23.2	12.6

TABLE 3: GENDER

2014				2013		
	ONGOING <sup>(ii)</sup>		FIXED TERM AND CASUAL EMPLOYEES	ONGOING <sup>(ii)</sup>		FIXED TERM AND CASUAL EMPLOYEES
	EMPLOYEES (HEADCOUNT)	EMPLOYEES (FTE)	EMPLOYEES (FTE)	EMPLOYEES (HEADCOUNT)	FTE <sup>(iii)</sup>	FTE <sup>(iii)</sup>
<b>GENDER</b>						
Male	7	7	2.6	6	6	3
Female	18	17.6	8.6	18	17.2	9.6
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>	<b>24</b>	<b>23.2</b>	<b>12.6</b>
<b>AGE</b>						
Under 25	0	0	0	-	-	-
25-34	8	7.8	4.4	6	6	1.6
35-44	10	9.8	2.2	13	12.2	3
45-54	5	5	1.6	1	1	4
55-64	2	2	3	3	3	4
Over 64	0	0		1	1	-
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>	<b>24</b>	<b>23.2</b>	<b>12.6</b>
<b>CLASSIFICATION</b>						
VPS 1	0	0	0	-	-	-
VPS 2	0	0	0	4	3.2	2
VPS 3	6	6	3.8	6	6	0
VPS 4	7	7	1	5	5	2
VPS 5	5	4.8	6.3	5	5	4.6
VPS 6	4	3.8	0	2	2	4
STS	0	0	0	0	0	0
Exec Officer	3	3	0	2	2	0
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>	<b>24</b>	<b>23.2</b>	<b>12.6</b>

## Notes

- (i) 2013 FTE includes 5 vacant positions not included in employee analysis tables
- (ii) 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
- (iii) FTE means full time staff equivalent
- (iv) All figures reflect employment levels during the last full pay period in June of each year
- (v) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the Public Administration Act 2004.

## EXECUTIVE OFFICER DATA

TABLE 1: BREAKDOWN OF EXECUTIVE OFFICERS CLASSIFIED INTO 'ONGOING' AND 'SPECIAL PROJECTS' AT 30 JUNE 2014

### ALL ONGOING

	ALL		ONGOING		SPECIAL PROJECTS	
CLASS	NO.	VAR	NO.	VAR	NO.	VAR
EO1	-	-	-	-	-	-
EO2	1	-	1	-	-	-
EO3	2	1	2	1	-	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>

#### Notes

Film Victoria has no 'special projects' executives

The position of Head of Screen Industry Programs (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 2014

	ONGOING					SPECIAL PROJECTS				
	MALE		FEMALE		VACANCIES	MALE		FEMALE		VACANCIES
CLASS	NO.	VAR	NO.	VAR	NO.	NO.	VAR	NO.	VAR	NO.
EO1	0	0	0	0	0	-	-	-	-	-
EO2	0	0	1	0	0	-	-	-	-	-
EO3	2	1	0	0	0	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Notes

Film Victoria has no 'special projects' executives.

TABLE 3: RECONCILIATION OF EXECUTIVE NUMBERS

		2014	2013
	Executives with remuneration over \$100 000 (Financial Statement Note 18)	3	2
Add	Vacancies (Table 2)	-	-
	Executives employed with total remuneration below \$100 000	-	-
	Accountable Officer (Secretary)		-
Less	Separations	-	
	<b>Total executive numbers at 30 June</b>	<b>3</b>	<b>2</b>

## 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 (VIPPP). Departments and public bodies are required to apply VIPPP 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 VIPPP applied during the reporting period.

## DETAILS OF CONSULTANCIES OVER \$10,000

In 2013/14, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2013/14 in relation to these consultancies is \$65,000 (excluding GST).

## DETAILS OF CONSULTANCIES UNDER \$10,000

In 2013/14 Film Victoria engaged two consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$11,967 (excluding GST).

## DISCLOSURE OF MAJOR CONTRACTS

Film Victoria did not enter into any contracts greater than \$10 million in 2013/14.

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2013/14 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
				\$	\$	
Kim Dalton	Review Film Victoria's Investment programs	23-Dec-13	21-Mar-14	36,000	36,000	Nil
Symplicit Pty Ltd	Review Film Victoria's funding application process	15-Mar-13	31-Jul-14	29,000	29,000	Nil

## 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 2013/14. The application was from an individual for documents relating to the individual's funding applications to, and correspondence with, Film Victoria, as well as Film Victoria's records management policies and processes and procedures pertaining to conflicts of interest. A decision was not provided in 2013/14 as the decision date fell outside this period and into the following financial year (2014/15).

### Making a request

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in section 17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

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

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

### Freedom of Information Manager

Film Victoria  
Level 3, 55 Collins Street  
Melbourne VIC 3000

Requests can also be lodged online at [www.foi.vic.gov.au](http://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](http://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

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.

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

### Legal Manager

Film Victoria  
Level 3, 55 Collins Street  
Melbourne VIC 3000

Telephone (03) 9660 3200  
Email [michelle.rubin@film.vic.gov.au](mailto:michelle.rubin@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](mailto: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 3001  
Internet [www.ibac.vic.gov.au](http://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

THE NUMBER OF ASSESSABLE DISCLOSURES MADE TO FILM VICTORIA AND NOTIFIED TO IBAC:	2013/14 NUMBER	2012/13 NUMBER
Assessable disclosures	0	0

## 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.
- l. Details of all consultancies and contractors including:
  - > consultants/contractors engaged;
  - > services provided; and
  - > expenditure committed to for each engagement.

This information is available on request from:

### Head of Finance and 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 management and the internal and external audit function with a view to achieving strategic objectives efficiently and effectively. It guides the Board, the Chief Executive Officer and the Head of Finance and 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 2013/14. All five members are independent.

- > Lyn Maddock, Board member (Chair)
- > Debra Allanson, Board member
- > John Rundell, Board member (from January 2014)
- > Jeremy King, external member
- > Jo Dawson, external member (from September 2013, Board Member from July to August 2013)
- > Siu Ling Hui, external member (until December 2013)

## FILM VICTORIA EVALUATION AND ADVISORY COMMITTEE

This committee consists of suitably qualified and experienced practitioners across film and television to consider applications for the *Screen Production - Investment* program, providing recommendations to the Board. A minimum of five members must be convened from the following:

- > CEO, Film Victoria (Chair)
- > David Parker, Board member
- > Jan Sardi, Board member
- > Head of Screen Industry Programs, internal member
- > Anna McLeish, external member (from July 2013)
- > Alan Hardy, external member (from August 2013)
- > Andrew Wiseman, external member (from July 2013)
- > Kelly Lefever, external member (from July 2013)
- > Fiona Eagger, external member (from July 2013)
- > Daryl Dellora, external member (from July 2013)
- > Craig Monohan, external member (from July 2013)
- > Richard Lowenstein, external member (from July 2013)
- > Sonya Pemberton, external member (from August 2013)
- > Anna Grieve, external member (from July 2013)
- > Dee McLachlan, external member (from August 2013)

In the 2013/14 financial year, former EAC members were engaged to consider applications where current serving members were yet to be empanelled. The former members included:

- > Ewan Burnett
- > Steve Jodrell

The committee met on four occasions and assessed 54 applications, of which 32 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 a minimum of two and maximum of three of the following:

- > CEO, Film Victoria
- > 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:

- > Daniel Visser
- > Megan Summers
- > Nick Hagger
- > Harry Ravenswood
- > Ben Britten-Smith
- > Dan Fill (Board member)
- > Matthew Hall
- > Matt Ditton
- > Simon Joslin
- > David Surman
- > Liam Routt

The panel met on nine occasions and assessed 48 applications, of which 22 were recommended to the CEO or Board for final approval.

## 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 a minimum of three of the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager - Script Development
- > Development and Investment Manager(s)
- > External assessors (as required)

External assessors engaged in the 2013/14 financial year included the following:

- > Stuart Page (until November 2013)
- > Mira Robertson (until November 2013)

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

## FICTION FEATURE DEVELOPMENT ASSESSMENT PANEL

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

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Script Development
- > Manager – Production Incentives and Business Support
- > Development and Investment Manager(s)

The panel also includes a minimum of two and maximum of four external script development assessors. External script development assessors engaged in the 2013/14 financial year included:

- > Stuart Page (until December 2013)
- > Mira Robertson (until November 2013)
- > Tony McDonald (January 2014 only)

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

In May 2014, a new Fiction Development Assessment Panel was formed. This panel will assess application to the *Fiction Feature Film, On Demand Features, On Demand Television, Animation – Proof of Concept, and High End Television Concept* programs for the coming financial year. The following external members were empanelled:

- > Ranald Allen
- > Andy Cox
- > Elizabeth Coleman
- > Alison Nisselle
- > Alan Hardy
- > Jan Sardi

This panel met on two occasions and assessed three applications, of which one was approved.

## DOCUMENTARY DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Screen Development Documentary* funding strands. We may commission the external assessment of any project seeking funding to assist the panel in its consideration of an application. The panel must comprise a minimum of three of the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Script Development
- > Development and Investment Manager(s)
- > Manager, Production Incentives and Business Support
- > External assessors (as required)

External assessors engaged in the 2013/14 financial year included:

- > Richard Lowenstein (May 2014 only)

The panel met on three occasions and assessed 15 applications, of which eleven 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. The panel must comprise a minimum of three of the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Production Incentives and Business Support
- > Development and Investment Manager(s)
- > Manager – Script Development
- > Manager – Games, Digital Content and Animation
- > Industry Programs Coordinator

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

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Production Incentives and Business Support
- > Development and Investment Manager(s)
- > Manager – Script Development
- > Manager – Games, Digital Content and Animation
- > Industry Programs Coordinator

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 staff from the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Production Incentives and Business Support
- > Development and Investment Manager(s)
- > Manager – Script Development
- > Manager – Games, Digital Content and Animation
- > Industry Programs Coordinator

When considering applications for the *Victoria India Co-Production Development Initiative*, the Panel must comprise both internal staff and an external assessor from the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Manager – Production Incentives and Business Support
- > Development and Investment Manager(s)
- > Manager – Script Development
- > Industry Programs Coordinator

External assessors engaged in the 2013/14 financial year included:

- > Ewan Burnett (November 2013 – June 2014, *Victoria India Co-Production Development Initiative*)

The panel met on 21 occasions and assessed 47 applications, of which 42 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 a minimum of three of the following:

- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Development and Investment Manager(s)
- > Manager – Games, Digital Content and Animation
- > Manager – Script Development
- > Manager – Production Incentives and Business Support
- > Industry Programs Coordinator

In addition, the panel may engage external assessors as required. Where an external assessor is engaged a minimum of two internal staff from the above list are required.

When considering applications for both the Tim Richards Award and Greg Tepper Award, a minimum of two senior managers must sit on the Assessment Panel. While one of those two managers must be the Head of Screen Industry Programs, the other Senior Manager may include:

- > Manager – Games, Digital Content and Animation
- > Development and Investment Manager(s)
- > Manager – Script Development

The panel met on six occasions and assessed 13 applications, of which 13 were approved.

## PRODUCTION INCENTIVE ATTRACTION FUND (PIAF) COMMITTEE

The committee meets as required to assess applications for the *Production Incentive Attraction Fund* programs (PIAF and PIAF PDV) and the *Regional Locations Assistance Fund* (RLAF). When considering applications, there must be four voting members from the following:

- > Jo Dawson, Board member (Chair – until August 2013)
- > Ian Robertson, Board President (Chair – from September 2013)
- > Lyn Maddock, Board member
- > Debra Allanson, Board member
- > CEO, Film Victoria
- > Head of Screen Industry Programs
- > Head of Finance and Business Services
- > A Film Victoria Legal Representative (voting member in the absence of CEO, Head of Screen Industry Programs, or Head of Finance and Business Services)
- > Manager – Production Incentives and Business Support (non-voting)
- > David Hanna, external member

The Committee met on nine occasions and approved a total of 14 projects, six for *PIAF*, three for *PIAF PDV* 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 the Department's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
<b>MINISTERIAL DIRECTIONS</b>		
<b>REPORT OF OPERATIONS - FINANCIAL REPORTING DIRECTIONS GUIDANCE</b>		
<b>Charter and purpose</b>		
FRD 22E	Manner of establishment and the relevant Ministers	1 & 2
FRD 22E	Objectives, functions, powers and duties	1, 2 & 6
FRD 22E	Nature and range of services provided	1 & 2
<b>Management and structure</b>		
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FRD 22E, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	12
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FRD 22E	Summary of the financial results for the year	14
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<b>Other disclosures as required by Financial Reporting Directions in notes to the financial statements</b>		
FRD 9A	Departmental disclosure of administered assets and liabilities by activity	N/A
FRD 11A	Disclosure of ex-gratia expenses	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	44
FRD 102	Inventories	N/A
FRD 103D	Non-current physical assets	34
FRD 104	Foreign currency	N/A
FRD 106	Impairment of assets	34
FRD 109	Intangible assets	N/A
FRD 107	Investment properties	N/A
FRD 110	Cash flow statements	44
FRD 112D	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	42
FRD 119A	Transfers through contributed capital	N/A
<b>LEGISLATION</b>		
<i>Freedom of Information Act 1982</i>		19
<i>Building Act 1983</i>		19
<i>Protected Disclosure Act 2001</i>		19
<i>Victorian Industry Participation Policy Act 2003</i>		18
<i>Financial Management Act 1994</i>		12

# AUDITOR-GENERAL'S REPORT

VAGO

Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Film Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 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.

## 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 2014 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 2014 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  
25 August 2014

  
for John Doyle  
Auditor-General

Comprehensive Operating Statement for the financial year ended 30 June 2014

		Note	2014	2013 restated <sup>(i) (ii)</sup>
			\$	\$
<b>Continuing Operations</b>				
<b>Income from transactions</b>				
Victorian Government funding		2(a)	21,939,134	15,317,163
Other income		2(b)	2,122,469	2,607,103
<b>Total income from transactions</b>			<b>24,061,603</b>	<b>17,924,266</b>
<b>Expenses from transactions</b>				
Program costs		2(c)	20,361,611	15,701,961
Employee expenses		2(d)	4,366,928	4,578,885
Depreciation and amortisation		2(e)	215,958	233,232
Other operating expenses		2(f)	1,823,151	1,984,096
<b>Total expenses from transactions</b>			<b>26,767,648</b>	<b>22,498,174</b>
<b>Net results from transactions (net operating balance)</b>			<b>(2,706,045)</b>	<b>(4,573,908)</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non financial assets		3(a)	229	(28,528)
Net loss on financial instruments		3(b)	-	(386,279)
Net gain / (loss) from other economic flows		3(c)	(583)	5,059
<b>Total other economic flows included in net result</b>			<b>(354)</b>	<b>(409,748)</b>
<b>Comprehensive result</b>			<b>(2,706,398)</b>	<b>(4,983,655)</b>

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and and other operating expenses as at 30 June 2013.

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013.

The comprehensive loss of \$2,706,398 includes disbursement of program costs of \$20,361,611.

Revenue is allocated to various programs which results in financial commitments to successful applicants. These commitments may remain undisbursed at the end of the financial year due to contracted milestones or deliverables being outstanding after contracts are executed. As a result, during one financial year Film Victoria may make disbursements that arise from financial commitments outstanding from prior years.

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance Sheet as at 30 June 2014

		Note	2014	2013 restated <sup>(i) (ii)</sup>
			\$	\$
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash deposits		13(a)	23,595,200	25,677,574
Receivables		5	235,639	1,121,166
<b>Total financial assets</b>			<b>23,830,839</b>	<b>26,798,741</b>
<b>Non-financial assets</b>				
Prepayments			170,479	66,944
Property, plant and equipment		6	1,456,784	1,617,939
<b>Total non-financial assets</b>			<b>1,627,263</b>	<b>1,684,883</b>
<b>Total assets</b>			<b>25,458,102</b>	<b>28,483,624</b>
<b>Liabilities</b>				
Payables		7	94,903	132,400
Provisions		8	1,551,808	1,833,436
<b>Total liabilities</b>			<b>1,646,711</b>	<b>1,965,836</b>
<b>Net Assets</b>			<b>23,811,391</b>	<b>26,517,788</b>
<b>Equity</b>				
Accumulated surplus / (deficit)			(3,936,583)	(1,230,186)
Contributed capital			27,747,974	27,747,974
<b>Net worth</b>			<b>23,811,391</b>	<b>26,517,788</b>

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and and other operating expenses as at 30 June 2013.

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013.

Commitments on program costs undisbursed at 30 June 2014 totalled \$16,463,175 and are detailed in Note 10.

The balance sheet should be read in conjunction with the notes to the financial statements.

Statement of changes in equity for the financial year ended 30 June 2014

	Note	Accumulated Deficit	Contributions by Owner	Total
		restated @ (b)		
		\$	\$	\$
Balance at 1 July 2012		3,753,469	27,747,974	31,501,443
Net result for the year		(4,983,655)	-	(4,983,655)
Other comprehensive income for the year		o	o	o
Balance at 30 June 2013		(1,230,186)	27,747,974	26,517,788
Net result for the year		(2,706,397)	-	(2,706,397)
Other comprehensive income for the year		o	o	o
Balance at 30 June 2014		(3,936,583)	27,747,974	23,811,391

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and and other operating expenses as at 30 June 2013.

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013.

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2014

	Note	2014	2013
			restated @ (b)
		\$	\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		22,701,056	15,563,090
Receipts from other entities		2,186,300	703,039
Interest received		804,162	1,043,414
Goods and Services Tax recovered from the ATO		1,114,257	1,537,767
<b>Total receipts</b>		<b>26,805,775</b>	<b>18,847,309</b>
<b>Payments</b>			
Payments to suppliers and employees		(6,463,663)	(5,921,019)
Payments to industry applicants		(14,279,049)	(8,371,290)
Equity Investment in new projects		(8,109,762)	(8,837,658)
Producer Package Investment in new projects		(76,100)	(123,600)
<b>Total payments</b>		<b>(28,928,574)</b>	<b>(23,253,567)</b>
<b>Net cash from / (used in) operating activities</b>	13	<b>(2,122,800)</b>	<b>(4,406,258)</b>
<b>Cash flows from investing activities</b>			
Cash Flow Facility - producer loans repayments		102,588	5,000
Payments for property, plant, and equipment	6(b)	(56,254)	(1,676,798)
Cash Flow Facility - producer loans advances		(7,588)	(95,000)
Receipts on sale of property, plant, and equipment		1,680	
<b>Net cash from (used in) investing activities</b>		<b>40,426</b>	<b>(1,766,798)</b>
<b>Cash flows from financing activities</b>			
Capital Contributions by Government		o	o
<b>Net cash from financing activities</b>		<b>o</b>	<b>o</b>
<b>Net increase / (decrease) in cash held</b>		<b>(2,082,374)</b>	<b>(6,173,057)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>25,677,574</b>	<b>31,850,630</b>
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>23,595,200</b>	<b>25,677,574</b>

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and and other operating expenses as at 30 June 2013.

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013.

The cash flow statement should be read in conjunction with the notes to the financial statements.

## Notes to the financial statements for the financial year ended 30 June 2014

### Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Film Victoria for the period ended 30 June 2014. 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 21 August 2014.

#### (b) Basis of accounting preparation and measurement

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:

- impairment of receivables
- assumptions for employee benefit provisions, based on the likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(i)).

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

Consistent with AASB 13 *Fair Value Measurement*, Film Victoria determines the policies and procedures for both recurring fair value measurements such as plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Film Victoria has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Film Victoria determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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

### (d) Scope and presentation of financial statements

#### Comprehensive operating statement

The comprehensive operating statement comprises three components being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', and 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

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

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

#### 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 more than 12 months after the reporting period) 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) Changes in accounting policies and prior period error

Subsequent to the 2012-13 reporting period, the following new and revised Australian Accounting Standards (AASBs) have been adopted in the current period with their financial impact detailed as below.

#### AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when Film Victoria is required to use fair value, but rather provides guidance on how to measure fair value under AASBs when fair value is required or permitted. Film Victoria has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, Film Victoria has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

The primary impact of AASB 13 has been on the disclosures by Film Victoria. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

#### AASB 119 Employee benefits

In 2013-14, Film Victoria has applied AASB 119 *Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on Film Victoria.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Film Victoria as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

During the 2012-13 financial year, Film Victoria did not recognise all prepayments in its balance sheet. This error had the effect of understating prepayments and overstating other operating expenses for the year ended 30 June 2013 by \$62,752.

The error has been corrected by restating each of the affected financial statement line items for the year in which the error occurred, as described above.

Comparative amounts for 2012-13 has been restated in accordance with the relevant transitional provisions set out in AASB 119. The impact is as follows:

#### Impact on comprehensive result

	2012-13
Decrease in employee expense	\$63,430

#### Impacts on liabilities and equity

	As at 30 Jun 2012 as previously reported	Adjustments	As at 30 Jun 2012 (restated)
	\$	\$	\$
Current Employee Benefit Provision - Annual Leave	308,877	1,441	310,318
Accumulated surplus / (deficit)	3,753,469	(1,441)	3,752,028

	As at 30 Jun 2013 as previously reported	Adjustments	As at 30 Jun 2013 (restated)
	\$	\$	\$
Current Employee Benefit Provision - Annual Leave	288,407	(678)	287,729
Prepayments not recorded in 2012-13	4,192	62,752	66,944
Accumulated surplus / (deficit)	(1,293,616)	\$63,430	(1,230,186)

## (f) 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 at fair value.

### *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, allows for the reassignment of Film Victoria's copyright interest in the project to the funding recipient.

### *Administration fees*

Administration fees are charged by Film Victoria for production investment 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.

## (g) 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(l) 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*

The amount recognised in the comprehensive operating statement is the employer contributions for member's defined contribution plans that are paid or payable during the reporting period.

### *Depreciation and amortisation*

All plant and equipment and other non-financial physical assets (excluding items under operating leases) 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.

Refer to Note 1(k) for the depreciation policy for leasehold improvements.

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 are typical estimated useful lives for the different asset classes, which are used in the calculation of depreciation and amortisation:

Asset	Useful life 2013/14	Useful life 2012/13
Audio Visual Equipment	4 years	4 years
Computer Equipment	3 years	3 years
Furniture and Fittings	5 years	5 years
Office Equipment	5 years	5 years
Leasehold Improvements	10 years	10 years

### *Other operating expenses*

Other operating expenses generally represent the day to day running costs incurred in normal operations.

Refer to the section in Note 1(m) 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 to Note 1(j) *Financial assets - Impairment of financial assets*.

## (h) 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:

#### *Revaluation gains / (losses) on non-financial physical assets*

Refer to Note 1(k) *Revaluations of non-financial physical assets*

#### *Net gain/(loss) on 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 the difference between the proceeds of the disposal and the carrying value of the asset at that time.

#### *Impairment of non-financial assets*

All assets are assessed annually for indications of impairment, and whenever there is an indication that an asset may be impaired.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

Refer to Note 1(k) in relation to the recognition and measurement of non-financial assets.

#### **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:

- the 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.

### **(i) 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 in note disclosures, 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 with maturity greater than three months, loans and other receivables, but not statutory receivables.

### **(j) Financial Assets**

#### *Cash and cash deposits*

Cash and deposits recognised on the balance sheet 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 Goods and Services Tax (GST) input credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(i) *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.

For the measurement principle of receivables, refer to Note 1(h).

#### *Investments, loans and other financial assets*

Film Victoria classifies its financial assets in the following categories:

- financial assets at fair value through profit and loss.
- loans and receivables.
- held to maturity investments.

The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

#### *Cash Flow Facility (CFF) - Producer Loans*

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

Cash Flow Facility advances to producers are 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 (j) *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*.

#### **(k) Non-financial assets**

##### *Property, plant and equipment*

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. More details about the valuation techniques and inputs used in determining the fair value of non financial physical assets are discussed in Note 5 *Property, plant and equipment*.

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.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(h) *Impairment of non-financial assets*.

##### *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*

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows - other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

The net revaluation decreases are recognised in 'other economic flows - other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows - other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment are offset against one another in that class but are not offset in respect of assets in different classes. The asset revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

##### *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.

#### **(l) Liabilities**

##### *Payables*

Payables consist of:

- contractual payables, 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 (j)). 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 provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a 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.

#### *Employee benefits*

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

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because Film Victoria does not have unconditional rights to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value - if Film Victoria expects to wholly settle within 12 months.
- present value - if Film Victoria does not expect to wholly settle within 12 months.

##### *(ii) 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:

- undiscounted value - if Film Victoria expects to wholly settle within 12 months.
- present value - if Film Victoria does not expect to wholly 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' (refer to Note 1(h)).

##### *(iii) Termination benefits*

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

##### *(iv) Employee benefits on-costs*

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

#### **(m) 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.

#### **(n) 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.

#### **(o) Commitments**

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed by way of note (refer Note 10 *Commitments for expenditure*) at their nominal value and are inclusive of the 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.

(p) Contingent liabilities

Contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 11 *Contingent liabilities*) and, if quantifiable, are measured at nominal value. Contingent liabilities are presented inclusive of GST receivable or payable respectively.

(q) 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 and contingent liabilities are stated inclusive of GST (refer notes 1(o) and 1(p))

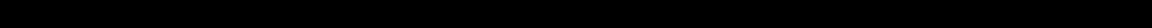
(r) Australian Accounting Standards issued that are not yet effective

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 2013.

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 2014.

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 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to profit and loss.  While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.



**Note 2. Net result from operations**

			2014	2013
			\$	restated (i)(ii) \$
<b>Income from transactions</b>				
<b>(a) Income from Government</b>				
Government funding				
Government funding for continuing operations			21,939,134	15,317,163
<b>Total government funding</b>			<b>21,939,134</b>	<b>15,317,163</b>
<b>(b) Other income</b>				
Program revenue				
Development buyout			509,091	295,230
Administration fees			207,660	203,577
Investment and grants repayments			604,859	1,078,302
<b>Total program revenue</b>			<b>1,321,610</b>	<b>1,577,109</b>
Interest revenue				
Interest / Financial institutions			705,076	955,424
Interest / Production advances			7,620	351
Interest and Premiums on development and production			88,163	74,219
<b>Total interest revenue</b>			<b>800,859</b>	<b>1,029,994</b>
<b>Total other income</b>			<b>2,122,469</b>	<b>2,607,103</b>
<b>Expenses from transactions</b>				
<b>(c) Program Costs</b>				
Program payments			20,361,611	15,701,961
<b>Total program costs</b>			<b>20,361,611</b>	<b>15,701,961</b>
<b>(d) Employee expenses</b>				
Employment benefits:				
Superannuation			388,455	367,379
Salary costs			3,978,473	4,211,506
<b>Total employee expenses</b>			<b>4,366,928</b>	<b>4,578,885</b>
<b>(e) Depreciation and amortisation</b>				
Depreciation of non-current assets			65,527	61,645
Amortisation of non-current assets			150,430	171,587
<b>Total depreciation and amortisation</b>			<b>215,957</b>	<b>233,232</b>
<b>(f) Other operating expenses</b>				
Operating leases			401,472	423,944
Supplies and services			1,421,679	1,560,351
<b>Total operating expenses</b>			<b>1,823,151</b>	<b>1,984,096</b>

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and other operating expenses as at 30 June 2013

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013

**Note 3: Other economic flows included in net result**

			2014	2013
			\$	\$
<b>(a) Net gain/(loss) on non-financial assets</b>				
Net gain/(loss) on disposal of non-financial assets			229	(28,528)
<b>Total net gain/(loss) on non-financial assets</b>			<b>229</b>	<b>(28,528)</b>
<b>(b) Net gain/(loss) on financial instruments</b>				
Impairment on financial instruments (See Note 12(f))			0	(386,279)
<b>Total net gain/(loss) on financial instruments</b>			<b>0</b>	<b>(386,279)</b>
<b>(c) Other gain/(loss) from other economic flows</b>				
Net gain/(loss) arising from revaluation of long service leave liability			(583)	5,059
<b>Net gain/(loss) arising from revaluation of long service leave liability</b>			<b>(583)</b>	<b>5,059</b>

**Note 4. Correction of error**

During the 2012-13 financial year, Film Victoria did not recognise all prepayments in its balance sheet. This error had the effect of understating prepayments and overstating other operating expenses for the year ended 30 June 2013 by \$62,752.

The error has been corrected by restating each of the affected financial statement line items for the year in which the error occurred, as described above.

**Note 5. Receivables**

			2014	2013
			\$	\$
<b>Current receivables</b>				
<b>Contractual</b>				
Cash Flow Facility - Producer Loans			0	95,000
Other receivables			45,705	997,190
Interest receivable			25,674	28,977
<b>Total current contractual receivables</b>			<b>71,379</b>	<b>1,121,167</b>
<b>Statutory</b>				
GST receivable			164,260	0
<b>Total current statutory receivables</b>			<b>164,260</b>	<b>0</b>
<b>Total current receivables</b>			<b>235,639</b>	<b>1,121,167</b>
<b>Non-current receivables</b>				
<b>Contractual</b>				
Cash Flow Facility - Producer Loans			509,135	509,135
Cash Flow Facility - Impairment allowance		12(d)	(509,135)	(509,135)
<b>Total non-current receivables</b>			<b>0</b>	<b>0</b>
<b>Total receivables</b>			<b>235,639</b>	<b>1,121,167</b>

The average credit period on sales of goods and services is 30 days. A provision 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.

	2014	2013
	\$	\$
<b>Cash Flow Facility (CFF) - Producer Loans at cost</b>		
Opening balance	604,135	514,135
Add: Further loan advances	7,588	95,000
	<b>611,723</b>	<b>609,135</b>
Less: Loan principal repayments	(102,588)	(5,000)
<b>Closing balance (before impairment allowance)</b>	<b>509,135</b>	<b>604,135</b>
Current CFF Producer Loans due within 12 months	0	95,000
Non-current CFF Producer Loans due after 12 months	509,135	509,135
<b>Total CFF Producer Loans (before impairment allowance)</b>	<b>509,135</b>	<b>604,135</b>

	2014	2013
	\$	\$
<b>Movement in the allowance account for impairment of CFF Producer Loans</b>		
Balance at beginning of year	509,135	122,856
Movement in impairment provision for CFF Producer Loans	0	386,279
<b>Balance at end of year</b>	<b>509,135</b>	<b>509,135</b>

Details of the impairment in producers loans are included in Note 12 Financial Instruments.

## Note 6. Property, plant and equipment

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

	2014	2013
	\$	\$
<b>Leasehold Improvements</b>		
At fair value	1,507,535	1,473,335
Less: Accumulated depreciation	(201,296)	(50,865)
<b>Total Leasehold Improvements</b>	<b>1,306,239</b>	<b>1,422,470</b>
<b>Audio Visual Equipment</b>		
At fair value	37,492	37,493
Less: Accumulated depreciation	(23,654)	(16,348)
<b>Total Audio Visual Equipment</b>	<b>13,838</b>	<b>21,145</b>
<b>Computer Equipment</b>		
At fair value	126,274	111,328
Less: Accumulated depreciation	(71,427)	(41,593)
<b>Total Computer Equipment</b>	<b>54,847</b>	<b>69,735</b>
<b>Furniture and Fittings</b>		
At fair value	110,261	110,261
Less: Accumulated depreciation	(39,179)	(19,842)
<b>Total Furniture and Fittings</b>	<b>71,083</b>	<b>90,420</b>
<b>Office Equipment</b>		
At fair value	26,771	26,771
Less: Accumulated depreciation	(15,993)	(12,601)
<b>Total Office Equipment</b>	<b>10,779</b>	<b>14,171</b>
<b>Total Property, Plant and Equipment</b>	<b>1,456,785</b>	<b>1,617,939</b>

(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
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2013</b>	1,422,470	21,145	69,734	90,420	14,170	1,617,939
Additions	34,200	-	22,054	-	-	56,254
Disposals	-	-	(7,107)	-	-	(7,107)
Accumulated Depreciation on Disposals	-	-	5,657	-	-	5,657
Depreciation expense	(150,430)	(7,307)	(35,490)	(19,338)	(3,392)	(215,958)
Asset impairment	-	-	-	-	-	-
<b>Balance 30 June 2014</b>	<b>1,306,239</b>	<b>13,838</b>	<b>54,848</b>	<b>71,082</b>	<b>10,778</b>	<b>1,456,785</b>

	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
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2012</b>	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)	(1,864,622)
Accumulated Depreciation on Disposals	1,211,530	33,943	366,411	199,567	24,644	1,836,095
Depreciation expense	(171,587)	(5,084)	(32,990)	(21,780)	(1,792)	(233,233)
Asset impairment	-	-	-	-	-	-
<b>Balance 30 June 2013</b>	<b>1,422,470</b>	<b>21,145</b>	<b>69,734</b>	<b>90,420</b>	<b>14,170</b>	<b>1,617,939</b>

The useful lives of assets as stated in Policy Note 1(g) are used in the calculation of depreciation.



c) Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30-June-2014	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
	\$	\$	\$	\$
Leasehold improvements at fair value (ii)				
Leasehold improvements	1,306,239			1,306,239
<b>Total of leasehold improvements at fair value</b>	<b>1,306,239</b>	-	-	<b>1,306,239</b>
Property, plant and equipment at fair value (iii)				
Plant and equipment	150,546			150,546
<b>Total of property, plant and equipment at fair value</b>	<b>150,546</b>	-	-	<b>150,546</b>

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).

(ii) Leasehold improvements are held at fair value. As they are specialised in use and would not be sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

(iii) Property, plant and equipment is held at fair value. When property, plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

d) Reconciliation of Level 3 fair value

2014	Leasehold improvements	Plant and Equipment
	\$	\$
<b>Opening balance</b>	<b>1,422,470</b>	<b>195,469</b>
Purchases (sales)	34,200	22,054
Transfers in/(out) of Level 3		(1,450)
Gains/(losses) recognised in net result		
Depreciations	(150,430)	(65,528)
Impairment loss		
<b>Subtotal</b>	<b>1,306,239</b>	<b>150,546</b>
Gains/(losses) recognised in other economic flows - other comprehensive income		
Revaluation	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>1,306,239</b>	<b>150,546</b>
Unrealised gains/ (losses) on non-financial assets	-	-

e) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Audio visual equipment, computer equipment, furniture and fittings and office equipment	Original cost as a proxy of fair value	Cost per unit	\$500 - \$20,000	A significant increase or decrease in the cost per unit would result in a significantly higher or lower valuation.
	Straight line method	Depreciation rate	20% - 33.33%	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower depreciation rate.
	Depreciated replacement cost	Useful life of plant and equipment	3 to 5 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold improvements	Original cost as a proxy of fair value	Cost of improvements	\$1,000,000 - \$1,500,000	A significant increase or decrease in the cost would result in a significantly higher or lower valuation.
	Depreciated replacement cost	Useful life of the improvements	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note 7. Payables

	2014	2013
	\$	\$
<b>Current payables</b>		
<b>Contractual</b>		
Supplies and services	94,903	60,312
<b>Total contractual payables</b>	<b>94,903</b>	<b>60,312</b>
<b>Statutory</b>		
GST payable	0	72,088
<b>Total statutory payables</b>	<b>0</b>	<b>72,088</b>
<b>Total current payables</b>	<b>94,903</b>	<b>132,400</b>
<b>Total payables</b>	<b>94,903</b>	<b>132,400</b>

The average credit period is 7 days.

## Note 8. Provisions

			2014	2013
			\$	restated <sup>(i)</sup>
<b>Current provisions</b>				
Employee benefits (Note 8(a))				
Annual leave: (Note 8(a))				
- Unconditional and expected to be settled within 12 months			181,108	204,936
- Unconditional and expected to be settled after 12 months			58,288	65,817
Long service leave: (Note 8(a))				
- Unconditional and expected to be settled within 12 months			108,637	143,430
Provision for Voluntary Departure Package			0	65,692
			<b>348,033</b>	<b>479,875</b>
<b>Provision for on-costs: (Note 8(a))</b>				
- Unconditional and expected to be settled within 12 months			18,167	19,882
- Unconditional and expected to be settled after 12 months			11,201	6,087
			<b>29,367</b>	<b>25,969</b>
<b>Total current provisions</b>			<b>377,400</b>	<b>505,844</b>
<b>Non-current provisions</b>				
Employee benefits and on-costs (Note 8(a))			120,353	184,111
Leasehold dismantling costs (Note 8(b))			280,000	280,000
Building incentive (Note 8(c))			774,055	863,482
<b>Total non-current provisions</b>			<b>1,174,408</b>	<b>1,327,593</b>
<b>Total provisions</b>			<b>1,551,808</b>	<b>1,833,437</b>

(i) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013

Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(a) Employee benefits and related on-costs			2014	2013
			\$	restated <sup>(i)</sup>
<b>Current employee benefits</b>				
Annual leave			239,396	270,753
Long Service Leave entitlements			108,637	143,430
<b>Non-current employee benefits</b>				
Long Service Leave entitlements			120,353	178,024
<b>Total employee benefits</b>			<b>468,386</b>	<b>592,207</b>
<b>Current on-costs</b>				
- Annual leave			15,010	16,976
- Long service leave			6,811	8,993
Voluntary Departure Package			0	65,692
<b>Non-current on-costs</b>				
- Long service leave			7,546	6,087
<b>Total on-costs</b>			<b>29,367</b>	<b>97,748</b>
<b>Total employee benefits and related on-costs</b>			<b>497,753</b>	<b>689,955</b>

(i) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013

Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(b) Movement in provision for leasehold dismantling costs			2014	2013
			\$	\$
<b>Opening balance</b>			<b>280,000</b>	<b>279,967</b>
Additional provisions recognised			0	280,000
Provisions derecognised			0	(279,967)
<b>Closing balance</b>			<b>280,000</b>	<b>280,000</b>

Provision recognised for new leasehold property at 55 Collins Street Melbourne. In accordance with the lease agreement for this property, Film Victoria must remove any leasehold improvements from the leased property and restore the premises to its original condition at the end of the lease term.

(c) Movement in the provision for the building incentive			2014	2013
			\$	\$
<b>Opening balance</b>			<b>863,482</b>	<b>0</b>
Additional provisions recognised			0	894,271
Provision written back for lease period year to date			(89,427)	(30,789)
<b>Closing balance</b>			<b>774,055</b>	<b>863,482</b>

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

## Note 9. Superannuation

Employees of Film Victoria are entitled to receive superannuation benefits. Film Victoria contributes to defined contribution plans only.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of Film Victoria.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by Film Victoria are as follows:

### VicSuper

Employer contributions paid to the Vic Super scheme in 2013/14 amount to \$211,494 (2012/13 \$230,247). Contributions outstanding as at 30 June 2014 were nil (2013 - nil)

### Other

Employer contributions paid to other various schemes in 2013/14 amount to \$176,961 (2012/13 \$137,132). Contributions outstanding as at 30 June 2014 were nil. (2013 - nil)

## Note 10. 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 \$16,463,175 (2012/13: \$17,692,606).

These commitments become payable when contracts are executed and upon contractees satisfying certain conditions. Payments of these commitments are expected to be made within 5 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 2013/14

			Cash as at 30-Jun-14	Outstanding Commitments as at 30-Jun-14	Balance as at 30-Jun-14
			\$	\$	\$
Cash Flow Facility Available			11,388,277	0	11,388,277
Film Victoria Programs (including Digital Media)			12,206,923	16,463,175	(4,256,253)
<b>Total cash assets</b>			<b>23,595,200</b>	<b>16,463,175</b>	<b>7,132,025</b>

#### Cash analysed by funding and usage 2012/13

			Cash as at 30-Jun-13	Outstanding Commitments as at 30-Jun-13	Balance as at 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)
<b>Total cash assets</b>			<b>25,677,574</b>	<b>17,692,606</b>	<b>7,984,968</b>

#### Cash Flow Facility - Producer Loans

			2014 \$	2013 \$
Total Funding for Cash Flow Facility			12,888,277	15,000,000
Less: Total Loans outstanding (before impairment allowance)			0	(604,135)
<b>Cash Flow Facility cash held</b>			<b>12,888,277</b>	<b>14,395,865</b>
Less: Cash Flow Facility Committed not yet paid			0	(7,588)
Less: Transfer to Film Victoria programs			(1,500,000)	(1,500,000)
<b>Cash Flow Facility Available</b>			<b>11,388,277</b>	<b>12,888,277</b>

#### Commitments payable - nominal values

			2014 \$	2013 \$
<b>Programs and Cash Flow facility (producer loans)</b>				
Less than 1 year			15,338,175	17,142,606
Longer than 1 year but not longer than 5 years			1,125,000	550,000
5 years or more			-	-
<b>Total Program and Cash Flow facility (producer loans)</b>			<b>16,463,175</b>	<b>17,692,606</b>
<b>Operating and lease commitments payable</b>				
Less than 1 year			535,025	523,291
Longer than 1 year but not longer than 5 years			2,362,841	1,670,133
5 years or more			2,520,117	3,747,851
<b>Total Operating and lease commitments payable</b>			<b>5,417,984</b>	<b>5,941,275</b>
<b>Total Commitments (inclusive of GST)</b>			<b>21,881,159</b>	<b>23,633,881</b>
Less GST recoverable from the Australian Tax Office			1,983,651	2,136,720
<b>Total Commitments (exclusive of GST)</b>			<b>19,897,508</b>	<b>21,497,160</b>

Operating leases are with respect to office space at 55 Collins Street, Melbourne.

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 2014 is committed to film industry initiatives, programs and expenditure carried forward into future periods.

## Note 11. Contingent liabilities and contingent assets

### Contingent liabilities

	2014 \$	2013 \$
Legal proceedings and disputes	15,000	-
	<b>15,000</b>	<b>-</b>

Claims for damages were lodged during the year in relation to alleged copyright infringement. Film Victoria is a party to the claim. The matter is scheduled for mediation in November 2014.

## Note 12. 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 hold any interest-bearing financial instruments that are measured at fair value, and there fore has no exposure to fair value interest rate risk. 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	2014 \$	2013 \$
<b>Financial assets</b>	Contractual financial assets - loans and receivables at amortised cost or fair value through profit and loss		
Cash and deposits		23,595,200	25,677,574
Receivables		71,379	1,121,166
<b>Total financial assets</b>		<b>23,666,579</b>	<b>26,798,740</b>
<b>Financial liabilities</b>			
Payables	Contractual financial liabilities at amortised cost	94,903	60,312
<b>Total financial liabilities</b>		<b>94,903</b>	<b>60,312</b>

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

	2014 \$	2013 \$
<b>Financial assets</b>		
Cash and deposits - Interest	705,076	955,424
Trade and other receivables	0	0
Cash Flow Facility Producer Loans - Interest	7,620	351
Cash Flow Facility Producer Loans - Admin fees	2,825	10,512
Cash Flow Facility Producer Loans - Impairment	0	(509,135)
<b>Total financial assets</b>	<b>715,521</b>	<b>457,152</b>
<b>Financial liabilities</b>		
Other payables	0	0
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>

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 12 (d).

### (b) Significant accounting policies

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

### (c) Interest Rate Risk

Film Victoria's exposure to interest rate risks and the effective interest rate risks of financial assets and financial liabilities recognised at balance date, are as follows:

#### The following table details Film Victoria's exposure to interest rate risks as at 30 June 2014

	Weighted average effective interest rate	Variable interest rate	Fixed interest rate	Non-interest bearing	Carrying Amount
		\$	\$	\$	\$
<b>Financial Assets</b>					
<b>Cash and deposits</b>					
Cash on hand and cash at bank	1.76%	1,029,400	0	800	1,030,200
Short term / at call deposits	2.65%	0	22,565,000	0	22,565,000
<b>Receivables</b>					
Cash Flow Facility - Producer Loans	N/A	0	0	0	-
Other receivables (excluding prepayments)	N/A	0	0	71,379	71,379
<b>Total financial assets</b>		<b>1,029,400</b>	<b>22,565,000</b>	<b>72,179</b>	<b>23,666,579</b>
<b>Financial Liabilities</b>					
<b>Payables</b>					
Other payables	N/A	0	0	94,903	94,903
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>94,903</b>	<b>94,903</b>

#### 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
		\$	\$	\$	\$
<b>Financial Assets</b>					
<b>Cash and deposits</b>					
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
<b>Receivables</b>					
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
<b>Total financial assets</b>		<b>632,774</b>	<b>25,139,000</b>	<b>1,026,966</b>	<b>26,798,740</b>
<b>Financial Liabilities</b>					
<b>Payables</b>					
Other payables	N/A	0	0	132,400	132,400
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>132,400</b>	<b>132,400</b>

**(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:

	Carrying Amount	Not past due and not impaired	Past due but not impaired		Impaired
			Less than 30 days	30-365 days	
	\$	\$	\$	\$	\$
<b>2014</b>					
<b>Financial assets</b>					
Cash on hand and cash at bank	1,030,200	1,030,200	o	o	o
Short term / at call deposits	22,565,000	22,565,000	o	o	o
Cash Flow Facility - Producer Loans	509,135	o	o	o	509,135
Other receivables (excluding prepayments)	71,379	71,379	o	o	o
<b>Total financial assets</b>	<b>24,175,714</b>	<b>23,666,579</b>	<b>o</b>	<b>o</b>	<b>509,135</b>

	Carrying Amount	Not past due and not impaired	Past due but not impaired		Impaired
			Less than 30 days	30-365 days	
	\$	\$	\$	\$	\$
<b>2013</b>					
<b>Financial assets</b>					
Cash on hand and cash at bank	633,574	633,574	o	o	o
Short term / at call deposits	25,044,000	25,044,000	o	o	o
Cash Flow Facility - Producer Loans	604,135	95,000	o	o	509,135
Other receivables (excluding prepayments)	1,026,166	1,026,166	o	o	o
<b>Total financial assets</b>	<b>27,307,875</b>	<b>26,798,740</b>	<b>o</b>	<b>o</b>	<b>509,135</b>

The impaired Cash Flow Facility Producer Loans are after an impairment allowance of \$509,135 (see note 12 (a)). In relation to this Film Victoria holds the following security:

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

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

**(e) Interest rate sensitivity analysis**

Interest rate sensitivity analysis is based on balances of financial assets not exceeding one year, which are at fixed or floating rates. Minimum and maximum exposures are calculated at shifts of plus or minus 2% 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 2014 and 30 June 2013.

**Market risk exposure - Interest rate**

2014	Carrying Amount	Interest Rate			
		-1%		+1%	
		Net Result	Accumulated surplus	Net result	Accumulated surplus
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	23,595,200	(235,952)	(235,952)	235,952	235,952
<b>Total Impact</b>		<b>(235,952)</b>	<b>(235,952)</b>	<b>235,952</b>	<b>235,952</b>

2013	Carrying Amount	Interest Rate			
		-1%		+1%	
		Net Result	Accumulated surplus	Net result	Accumulated surplus
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	25,677,574	(256,776)	(256,776)	256,776	256,776
<b>Total Impact</b>		<b>(256,776)</b>	<b>(256,776)</b>	<b>256,776</b>	<b>256,776</b>

**(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
	2014	2014	2013	2013
	\$	\$	\$	\$
<b>Financial assets</b>				
Fair value measurement at end of reporting period using:				
Level 1				
Short term / at call deposits	22,565,000	22,565,000	25,044,000	25,044,000
Level 3				
Cash Flow Facility - Producer Loans	o	o	95,000	95,000
<b>Total financial assets</b>	<b>22,565,000</b>	<b>22,565,000</b>	<b>25,139,000</b>	<b>25,139,000</b>

**Level 3 Movement Reconciliation****Cash Flow Facility - Producer Loans**

	2014	2013
	\$	\$
<b>Opening balance</b>	<b>95,000</b>	<b>391,279</b>
Loan advances	7,588	95,000
Loan principal repayments	(102,588)	(5,000)
Impairments (recognised in Comprehensive Operating Statement)	o	(386,279)
<b>Closing balance</b>	<b>(o)</b>	<b>95,000</b>

### Note 13. 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

			2014	2013
			\$	\$
Cash on hand			800	800
Cash at bank			1,029,400	632,774
Short term / at call deposits - programs and operating activities			11,176,723	12,148,135
Short term / at call deposits - Cashflow facility fund			11,388,277	12,895,865
<b>Total cash assets</b>			<b>23,595,200</b>	<b>25,677,574</b>

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

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

			2014	2013
			\$	restated \$ (000)
<b>Net result</b>			<b>(2,706,396)</b>	<b>(4,983,654)</b>
Depreciation and amortisation of non-current assets			215,958	233,232
(Gain)/loss on sale of non-financial assets			(229)	28,528
Impairment allowance			0	386,279
<b>Changes in net assets and liabilities</b>				
<b>(Increase) / decrease in assets:</b>				
Current receivables			718,439	(887,628)
Other current assets			(103,535)	(25,317)
<b>Increase / (decrease) in liabilities:</b>				
Current payables			34,591	(20,541)
Current provisions			(136,018)	7,268
Non-current provisions			(145,610)	855,576
<b>Net cash from/(used in) operating activities</b>			<b>(2,122,800)</b>	<b>(4,406,258)</b>

(i) Film Victoria has a correction of error that, as outlined in Note 4, required a restatement of prepayments and other operating expenses as at 30 June 2013.

(ii) Film Victoria has adopted AASB 119 as outlined in Note 1(b), which required a restatement of provisions and employee expenses as at 30 June 2013.

### Note 14. Ex-gratia expenses

			2014	2013
			\$	\$
<b>Payments to former employees as part of redundancy packages</b>			<b>22,754</b>	<b>-</b>

The amount above includes ex-gratia payments recognised in the comprehensive operating statement under "Employee expenses".

### 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*  
The Hon. Louise Asher MP

*Governing Board*  
Ian Robertson, President  
Debra Allanson  
Ann Darrouzet  
Joanne Dawson (term expired 31 August 2013)  
Dan Fill  
Lyn Maddock  
Michael McMahon  
David Parker  
Caroline Pitcher  
John Rundell (appointed 1 January 2014)  
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*.

Total remuneration was based on the following bands: \$30,000-\$39,999 - (one member), \$10,000-\$19,999 (nine members) and \$0-\$9,999 (two members). Remuneration for 2012-13 was based on the following bands: \$30,000-\$39,999 - (one member) and \$10,000-\$19,999 (11 members).  
The remuneration of the Ministers 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 \$230,000 - \$239,999 (\$220,000 - \$229,999 in 2012-2013).

## Note 16. Related Party Transactions

Other transactions during the financial year with responsible persons and responsible person-related entities are set out in the table below.

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

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

Entity	Transaction Type	2014 \$	2013 \$
Tosi Westside Pty Ltd / Ann Darrouzet and Jenni Tosi	Payments	0	0
	Receipts	0	(486)
Chocolate Liberation Front Pty Ltd / Dan Fill	Payments	369,325	72,342
	Receipts	(37,758)	(5,500)
Cut Snake Productions Pty Ltd / Michael McMahon	Payments	471,900	0
	Receipts	(43,065)	0
Lost Boys Productions Pty Ltd / Michael McMahon	Payments	80,300	320,000
	Receipts	0	(36,250)
Matchbox Pictures Pty Ltd / Michael McMahon	Payments	0	8,000
	Receipts	0	0
Anatomy Productions Pty Ltd / Michael McMahon	Payments	0	28,000
	Receipts	0	0
Underground Productions Pty Ltd / Michael McMahon	Payments	0	9,838
	Receipts	0	0
Big and Little Films Pty Ltd / Michael McMahon	Payments	0	0
	Receipts	0	(3,285)
Cascade Film Pty Ltd / David Parker	Payments	6,621	5,255
	Receipts	0	0
Breakaway Scripts Pty Ltd / Jan Sardi	Payments	1,705	0
	Receipts	0	0
The Australian Writers Guild Pty Ltd / Jan Sardi	Payments	17,600	0
	Receipts	0	0
The Film Company Pty Ltd / Daryl Talbot	Payments	346,500	0
	Receipts	0	0
WTFN Entertainment Pty Ltd / Daryl Talbot	Payments	47,000	0
	Receipts	0	0

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

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

## Note 17. Remuneration of executives and payments to other personnel (i.e. contractors with significant management responsibilities)

### a) Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Several factors affected total remuneration payable to executives over the year. One new executive contract was established during the year, another executive first met this reporting threshold, and one executive received a bonus payment during the year. This bonus payment depended on the terms of the individual employment contract, which provides for an annual bonus payment.

Income band	Total remunerations		Base remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
\$100,000 - 109,999				
\$110,000 - 119,999				
\$120,000 - 129,999				
\$130,000 - 139,999				
\$140,000 - 149,999				
\$150,000 - 159,999	2		2	
\$160,000 - 169,999				
\$170,000 - 179,999				
\$180,000 - 189,999				
\$190,000 - 199,999				
\$200,000 - 209,999				
\$210,000 - 219,999				
\$220,000 - 229,999				
\$230,000 - 239,999				1
\$240,000 - 249,999		1		
\$250,000 - 259,999			1	
\$260,000 - 269,999	1			
<b>Total number of executives</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total annualised employee equivalents<sup>(i)</sup></b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total amount</b>	<b>\$574,652</b>	<b>\$247,961</b>	<b>\$565,474</b>	<b>\$236,768</b>

Note:

(i) annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

### b) Payments to other personnel (i.e. contractors with significant management responsibilities)

There were no payments made to other personnel (i.e. contractors with significant management responsibility) in 2013-14 (2012-13 - nil)

## Note 18. Remuneration of auditors

	2014 \$	2013 \$
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	20,700	19,510
	<b>20,700</b>	<b>19,510</b>

## Note 19. Subsequent events

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 Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and financial position of Film Victoria at 30 June 2014.

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 21 August 2014.



I. Robertson  
President  
Film Victoria

Melbourne

Date



J. Tosi  
Chief Executive Officer  
Film Victoria

Melbourne

Date



G. Reeves  
Chief Financial Officer  
Film Victoria

Melbourne

Date







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#### COVER IMAGES

Patrick

FG Film Productions

The Time Of Our Lives

JAHM Pictures

Toy Mania

The Voxel Agents

