

# ANNUAL REPORT

2014/15



## FILM VICTORIA

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## INSIDE COVER IMAGE

Cut Snake, Matchbox Pictures

## INSIDE BACK COVER IMAGE

Space Dust Racers,  
Space Dust Studios

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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.’

The Act prescribes eight functions for Film Victoria:

- a. provide financial and other assistance to the film, television and multimedia industry in Victoria
- b. promote, whether in Victoria or elsewhere, the use of locations or services in Victoria for the production of any film, television or multimedia project
- c. provide financial assistance, whether in Victoria or elsewhere, to organisations, events or activities including festivals, conferences, publications or exhibitions, where film or other screen-based programs are made, seen or discussed
- d. establish and facilitate, whether in Victoria or elsewhere, relationships for the development of film, television or multimedia programs
- e. provide leadership to the film, television and multimedia industry in Victoria
- f. develop strategic plans for the development and improvement of the film, television and multimedia industry in Victoria
- g. advise the Minister on matters relating to the film, television and multimedia industry in Victoria
- h. develop relationships or enter into partnerships with other organisations, including government bodies, whether in Victoria or elsewhere, to improve the film, television and multimedia industry in Victoria.





# A MESSAGE FROM OUR BOARD PRESIDENT



2014/15 has been an encouraging year for the Victorian screen industry with \$173.4 million spent on 54 film, television and games projects commencing production with financial support from Film Victoria. These productions provided over 6,500 jobs for Victorians, while also providing valuable business flow-through to a range of Victorian companies.

The screen industry contributes significantly to the State's overall economy providing valuable business activity and employment in addition to the cultural, social and creative benefits it delivers.

Film Victoria's role in supporting the industry to develop and produce diverse, high quality screen content told from an Australian perspective remains essential, particularly as finding domestic and international market support is becoming increasingly challenging due to the dramatic shift in viewing preferences across small, mobile and large screens.

After launching the 2014-17 Corporate Plan in June 2014 along with a suite of improvements to programs and our Terms of Trade, much of this year was spent implementing new systems and processes. The response from the Victorian screen industry has been very positive.

The Board and staff of Film Victoria remain focused on identifying further ways in which we can operate more efficiently while also delivering a range of initiatives to maximise growth opportunities in the Victorian screen industry.

The *Victorian Drama and Comedy Initiative* is one example. This strategic partnership brokered with the ABC saw seven television projects commence production this financial year delivering a total value of \$35.6 million in production activity, while also providing certainty of ongoing work for both businesses and crew.

The continued support of the Victorian Government is key to the ongoing success of our industry in Victoria. I'd like to thank the Premier, The Hon Daniel Andrews MP and the Minister for Creative Industries, Martin Foley MP who have both demonstrated their strong commitment to ensuring the Victorian screen industry has a strong and dynamic future.

I would also like to thank The Hon Louise Asher MP, who was our responsible Minister until 4 December 2014 when the new Government was sworn in, for her support of Film Victoria and our industry throughout her term as Minister.

Film Victoria is excited by the opportunities presented by the Victorian Government's Creative Industries Strategy. We look forward to contributing to the strategy and assisting the Victorian Government to deliver its vision for Victoria to be Australia's leading centre of creativity.

My thanks to the Film Victoria Board members whose skills and experience provide valuable guidance in setting the organisation's strategic direction, while also ensuring that our governance standards remain strong.

In addition, I would like to thank Film Victoria's CEO Jenni Tosi for her continued leadership of our organisation and her advocacy for the Victorian and national screen industry. My thanks also to the dedicated staff at Film Victoria for their efforts in another terrific year, and to the skilled industry practitioners who serve on Film Victoria's various committees. The contribution and commitment of all these individuals has helped to achieve the success of the Victorian screen industry in 2014/15.

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

**IAN ROBERTSON**  
President  
Film Victoria

# A MESSAGE FROM OUR CEO



The Victorian screen industry operated at close to capacity in 2014/15 with production in the feature film, television and games sectors all experiencing high levels of activity. It's encouraging to see that in a highly competitive global marketplace, Victorian practitioners continue to be able to create unique and engaging content that appeals to audiences worldwide.

This year's result of \$173.4 million in leveraged activity is an excellent outcome. The employment opportunities generated by this activity ensured that Victorian practitioners continued to create a diverse range of screen content across comedy, documentary, animation, drama and games.

Many of these opportunities enabled talented practitioners to use their creativity in production and costume design, make-up and hair design, set and prop construction, cinematography, editing, sound recording and design, music composition, stunt work, visual effects and animation along with the key disciplines of writing, producing and directing.

Feature films were a major beneficiary of these highly skilled practitioners with the production of nine projects including *THE DRESSMAKER*, *LION*, *HOLDING THE MAN*, *LOOKING FOR GRACE* and *DOWNRIVER*. These projects also saw international cast such as Kate Winslet, Caroline Goodall, Dev Patel and Rooney Mara working alongside talented Victorians including Liam Hemsworth, Ryan Corr and Radha Mitchell.

Six documentary features were supported this year including *NEON*, *OTHER EARTHS – LIFE IN SPACE* and *ECCO HOMO*. We look forward to the release of all these projects in the year ahead.

A highlight this year was the success of Victorian producer and director Robert Connolly's feature, *PAPER PLANES*, supported by Film Victoria in 2012. The film found huge popularity with families around Australia during its summer release, grossing over \$9.6 million at the box office.

Melbourne's VFX houses were hard at work on *TED 2*, *GODS OF EGYPT*, *ANT-MAN* and *AVENGERS: AGE OF ULTRON* among other projects. These four projects accounted for \$27.3 million of activity, signalling the global awareness of the talented VFX artists working here in Victoria.

Victoria's reputation as a centre for high quality television production enabled us to attract the NBCU six hour sci-fi drama *CHILDHOOD'S END* to shoot on location and at Docklands Studios in Melbourne, with a further NBCU 13 part television series *HUNTERS* also being secured and commencing pre production in June 2015.

Meanwhile domestic television production remained buoyant with 23 projects commencing production over the year. These included returning series of *THE DOCTOR BLAKE MYSTERIES*, *MISS FISHER'S MURDER MYSTERIES*, *HOUSE HUSBANDS*, *PLEASE LIKE ME*, *THE ADVENTURES OF FIGARO PHO* and *NOWHERE BOYS* along with new series *GLITCH*, *THE BEAUTIFUL LIE*, *EX-PM*, *LITTLE LUNCH*, *RICKETTS LANE*, *KUU KUU HARAJUKU* and *MOLLY*. Many of these projects were supported through the *Victorian Drama and Comedy Initiative*, a strategic partnership between Film Victoria and the ABC, which was announced in June 2014.

In the games sector this year, CROSSY ROAD by Melbourne based company Hipster Whale was downloaded more than 90 million times, taking over USD \$10 million in the first three months of release. Film Victoria funded a total of 12 games this year, all of which demonstrated original concepts with strong market potential, adding to Victoria's growing international reputation as a centre for games excellence. Film Victoria's lead in addressing accessibility in our game guidelines has been recognised internationally with other countries now introducing this practice.

A major piece of work undertaken during 2014/15 was the preparation of the *Film Friendly Guidelines* developed to support the *Filming Approval Act 2014* which came into effect on 1 March 2015. Film Victoria worked closely with other public agencies and local councils to ensure that compliance with the Act could be easily implemented to enhance Victoria's reputation as a film friendly destination.

Supporting industry activities and events remains a core activity of Film Victoria as they are an excellent means of bringing industry practitioners together to share knowledge, update their skills, and create new business opportunities and relationships. A major highlight this year was the Screen Producers Australia's Screen Forever Conference with renowned producer Gale Ann Hurd as the keynote guest. Other key events included The TV Week Logie Awards, ADG Awards, Melbourne International Film Festival, AACTA Awards, Indian Film Festival of Melbourne, St Kilda Film Festival, RENDER Animation Conference and the Penny Arcade Expo (PAX) conference, which saw over 48,000 gamers from around the world centre in on Melbourne for three days of intense game playing, technology updates and business networking.

Victorian practitioners were recognised for their achievements, with Bryce Menzies and Nadia Tass receiving the John Howie and Jill Robb Awards respectively. Anna McLeish and Sarah Shaw were acknowledged with the Greg Tepper Award, while the team at Loveshack Entertainment were acknowledged for their huge success with FRAMED receiving the Tim Richards Award.

The Victorian Government recognises the value of film, television and games production to the economy. We are excited by the prospect of contributing to the Creative Industries Strategy which will deliver new opportunities for collaboration and innovation within the screen sector and across other creative industries.

I'd like to thank Board President Ian Robertson for his continued guidance and support, along with all our Board members who each continue to contribute to the organisation's and industry's success with great passion and enthusiasm.

I'd also like to acknowledge the ongoing support of our Minister for Creative Industries, Martin Foley MP and the Victorian Government who are genuinely committed to seeing our industry flourish. The support of The Hon Louise Asher MP during her term as responsible Minister was also most appreciated.

I particularly want to acknowledge the wonderful team of Film Victoria staff, who continually find new and innovative ways to assist the industry through the delivery of our many programs and services. Their passion and commitment continues to inspire and deliver improved outcomes for the industry and the organisation and I feel most fortunate to work alongside each of them.

In closing, I wish to acknowledge the talented practitioners and businesses that underpin the Victorian screen industry. Without your drive, creativity and collaboration we wouldn't have the rich and diverse content that has been produced in the state this past year. We congratulate you on your achievements and look forward to assisting you to find continued success in the coming year.



**JENNI TOSI**  
Chief Executive Officer  
Film Victoria

# OUR VISION

## OUR VISION

A VICTORIAN  
SCREEN INDUSTRY  
THAT IS CREATIVELY  
AND FINANCIALLY  
SUCCESSFUL,  
PRODUCING  
HIGH QUALITY,  
DIVERSE AND  
ENGAGING  
CONTENT FOR  
AUSTRALIAN AND  
INTERNATIONAL  
AUDIENCES.

## OUR STRATEGIC OBJECTIVES

Our Corporate Plan outlines our strategic objectives and priority areas for 2014-17.

### OBJECTIVE 1

Position the Victorian screen industry to create diverse and engaging content

#### Support creativity, ideas and talent

- > Provide funding to develop strong ideas and talented practitioners
- > Provide funding for the production of a diverse range of projects
- > Provide funding and advice to industry guilds and organisations
- > Provide opportunities for skills development.

#### Build businesses, innovation and entrepreneurs

- > Facilitate introductions and opportunities
- > Encourage partnerships, co-production and networking
- > Source and share market intelligence
- > Encourage diversity and active engagement with new and existing markets and audiences.

#### Attract interstate and international production and businesses to Victoria

- > Provide incentives and support for production activity to locate in Victoria
- > Promote Victoria as a location and business destination for screen activity
- > Promote Victorian businesses and talent to new and existing markets.

### OBJECTIVE 2

Promote screen culture

#### Engage audiences

- > Provide support to film festivals, conferences and other screen related activities and events
- > Partner with linked organisations which promote, discuss and show screen content.

### OBJECTIVE 3

Provide effective and efficient services

#### Promote and encourage

- > Collaboration and responsiveness in our partnerships with industry, agencies and government
- > Strong governance and accountability
- > Simplified processes, which can be responsive and adaptable
- > Policies which advance the business of creating screen content
- > Staff to be helpful, proactive, solutions oriented and forward thinking.

## OUR CORPORATE GOVERNANCE

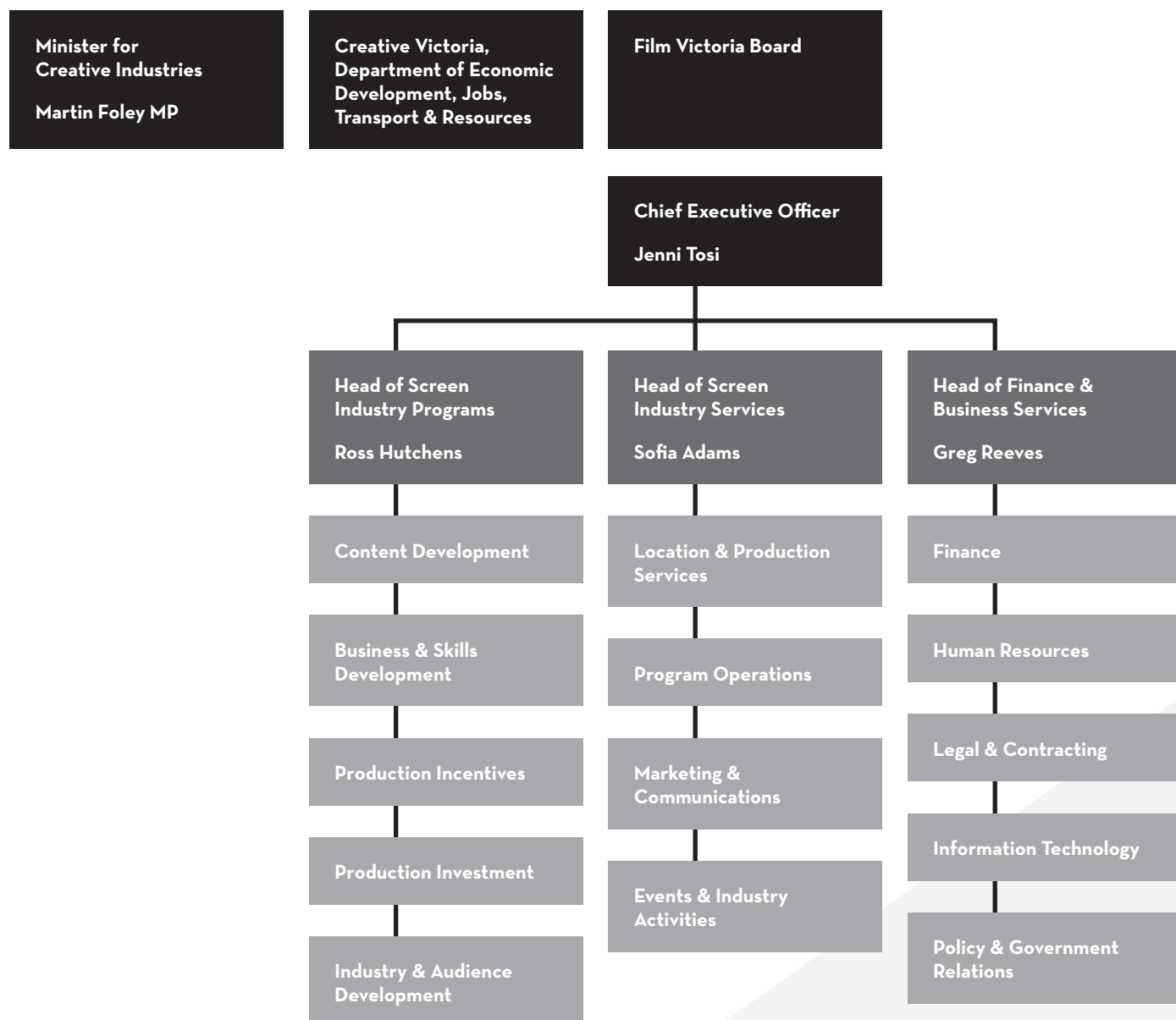
From 4 December 2014 to 30 June 2015, we reported to the Minister for Creative Industries, Martin Foley MP and worked closely with Creative Victoria in the Department of Economic Development, Jobs, Transport and Resources.

From 1 July 2014 to 3 December 2014, we reported to the Minister for Innovation, The Hon Louise Asher MP and the Department of State Development, Business and Innovation.



## ORGANISATIONAL CHART

(AS AT 30 JUNE 2015)



# OUR BOARD

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## IAN ROBERTSON

*President*

Since September 2011



Ian is a corporate, regulatory and media lawyer who heads the media, entertainment and technology practice of national law firm Holding Redlich. He is also the national managing partner of the firm. 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.

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## DEBRA ALLANSON

Since September 2010



Debra is an online media entrepreneur with a background in film, television and digital media including CEO, Board and leadership roles for private, public and government businesses in Australia and the UK. Debra is the CEO and co-founder of Vui, a web application for creating niche social video networks, channels and playlists, and Mopoke a safe video sharing platform for children. Debra is also a Director of Ish Media, where she advises start up ventures working in convergent areas of content, technology and innovation on their business and financing strategies, and provides executive producer services to transmedia projects.

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## ANN DARROUZET

Since September 2010



Ann has worked in the film and television industry for more than 30 years. She is a graduate of the NSW University of Technology and VCA, and has worked as a creator, executive producer and producer across feature films, documentaries, long-form television and multiplatform content. Ann has won national and international awards including two AFIs, an International Emmy, a Banff Rockie and two ATOM 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.

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## 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 releasing in 22 countries. His role as producer, writer, cinematographer and director continues in varying forms with features and television movies such as THE BIG STEAL, STARK, AMY, HERCULES RETURNS, PURE LUCK, KATH AND KIMDERELLA, FATAL HONEYMOON with Harvey Keitel, and THE MENKOFF METHOD. His 2010 film, MATCHING JACK, won Best Film, Best Director and Best Screenplay at the Milan International Film Festival in 2011. David's company with Nadia, Cascade Films, owned and operated the successful Melbourne Film Studio for 25 years. David was a commissioner on the Australian Film Commission after an early career as one of Australia's foremost movie stills photographers.

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## CAROLINE PITCHER

Since February 2013



Caroline is the General Manager for DDP Studios (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 twelve years' experience working in the film 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 at Film Victoria's Melbourne Film Office.

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**DAN FILL**

Since September 2010



Dan is the co-founder of Chocolate Liberation Front, an entertainment company focused on high quality and innovative projects. Dan is a producer of THE NEW ADVENTURES OF FIGARO PHO, 1001 NIGHTS and OSCURA LOST LIGHT as well as interactive documentaries and activities for PBS, ITV, SBS, ABC, Nickelodeon, CBC and Working Dog. Dan is also a passionate content creator of original intellectual properties as well as a screenwriter. As the former Head of Multi-platform for ABC TV, Dan is one of the innovators who commissioned and launched ABC iView. Prior to moving to Australia, Dan was Vice President of Toronto based Decode Entertainment (now DHX).

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**LYN MADDOCK AM, PSM**

Since October 2011



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

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**MICHAEL MCMAHON**

Since February 2010



A former lawyer with extensive experience in arts and entertainment law, Michael was Director of the Arts Law Centre of Australia and the National Indigenous Arts Advocacy Association, and has served on boards of several arts and cultural organisations. He commenced producing film and television projects in 1997. Michael is the Executive Chairman and Commercial Director of Matchbox Pictures. He is also Professor, Film and Television at Swinburne University of Technology.

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**JOHN RUNDELL**

Since January 2014



John is a chartered accountant, and Managing Director of Stratica, a risk consulting firm and qualified security assessor with offices in Melbourne, Sydney and Hong Kong. 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. He is an accredited mediator and arbitrator, listed on the panels of numerous international arbitration centres. He currently chairs the Risk and Audit Committee of the Victorian Department of Environment, Land, Water and Planning. John is the Chair of the ADR Committee of LawAsia and a former director of a major state owned water authority where he also chaired its Risk and Audit Committee.

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**JAN SARDI**

Since September 2007



Jan is one of Australia's eminent screenwriters. In 1997 he received an Academy Award Nomination for his screenplay for SHINE, as well as nominations for BAFTA, the Writers Guild of America, and the Golden Globes. He wrote and directed the award-winning film LOVE'S BROTHER released in 2004. He also adapted the hit films THE NOTEBOOK and MAO'S LAST DANCER for the screen. His most recent project is THE SECRET RIVER, a two part mini-series for the ABC, based on the novel by Kate Grenville. Jan is also President of the Australian Writers' Guild.

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**DARYL TALBOT**

Since September 2011



Daryl is CEO of WTFN Entertainment - an independent television production company based in Melbourne which produces shows such as BONDI VET and the award winning story of conjoined twins TRISHNA & KRISHNA: THE QUEST FOR SEPARATE LIVES. Daryl started at WTFN in 2001 after nearly 20 years working as a news reporter and producer for network television in Australia and the UK. This included 15 years at Australia's Nine Network producing news, documentaries and lifestyle shows. Under his leadership WTFN has grown to be one of Australia's most dynamic independent television production companies. Daryl is now focused on growing WTFN internationally by creating a new range of programs with broad appeal to global audiences.

# OUR YEAR IN REVIEW

## THE BIG PICTURE

Through Film Victoria's production funding and incentive programs we supported **54** film, television and games projects that commenced production in Victoria in 2014/15. These projects spent an estimated **\$173.4 million** in the state and generated **6,556** additional employment opportunities for Victorians.

### FILM

We supported **19** feature films, including feature documentaries, interstate and international projects, which commenced production or post production in Victoria in 2014/15, leveraging **\$74.4 million** in production expenditure.

### TV

We supported **23** television drama, comedy, documentary and animation projects that began production in Victoria in 2014/15, which leveraged **\$97 million** of expenditure in the state.

### GAMES

We supported **12** games projects that moved into production in 2014/15, leveraging **\$2 million** in Victoria.

## CONNECTING WITH AN AUDIENCE

Film and television projects we supported received **131.6 million** Australian views in 2014/15.

## OUR PROGRAMS AND INITIATIVES

Each year Film Victoria provides financial support to feature film, television and games projects and also to Victorian practitioners and businesses through our various funding programs or other initiatives. A list of funding decisions for these programs is available on Film Victoria's website.

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

### FILM & TV

#### PRODUCTION

Through our **Assigned Production Investment - Film and Television** program we committed funding support to **37** projects:

- > **12** fiction feature films, with a total commitment of **\$2.243 million**
- > **12** fiction television projects, with a total commitment of **\$3.055 million**
- > **13** documentary feature or television projects, with a total commitment of **\$876,000**.

In 2014/15 we partnered with the national broadcaster ABC to create the **Victorian Drama and Comedy Initiative** (VDCI), which will deliver **12** drama productions across 2015 and 2016. Through the VDCI we provided funding support to a further **9** fiction television projects with a total commitment of **\$3.455 million**.

The total investment commitment to film and television production this year was **\$9.629 million**.

#### ATTRACTION

We attracted **2** projects to Victoria through our **Production Investment Attraction Fund (PIAF)** program and **4** projects through our **PIAF Post, Digital and Visual Effects (PIAF PDV)** program. Combined, they will spend an estimated **\$52.539 million** in Victoria.

We supported **4** projects in 2014/15 through our **Regional Locations Assistance Fund (RLAF)** to undertake production in regional Victoria, injecting **\$930,000** into regional communities.

## DEVELOPMENT

Through our **Script Development** programs and initiatives we committed funding support to **52** local projects:

- > **38** fiction projects (24 features and 14 television projects), with a total commitment of **\$833,142**
- > **14** documentary projects (10 features and 4 television projects), with a total commitment of **\$150,000**.

The total investment commitment to script development was **\$983,142**.

## GAMES

Through our **Assigned Production Investment - Games** program we committed funding support to **12** games projects with a total commitment of **\$825,000**.

Through our **Games Release** program we provided market release funding to **3** projects with a total commitment of **\$75,000**.

## TRAVEL & SKILLS

Through our **International Travel** program we committed **\$99,537** in funding support to:

- > **24** producers and game developers through our Business program to attend international markets and undertake targeted business travel
- > **10** practitioners to attend International Festivals where their projects were in competition or screening.

Through our **Skills** programs we committed **\$380,120** in funding support to:

- > **5** practitioners to undertake International Fellowships
- > **4** games development companies to provide professional industry placements
- > **5** practitioners to undertake industry placement opportunities.

## INDUSTRY EVENTS & ACTIVITIES

More than **2.575 million** people engaged in screen culture activities we supported or hosted in 2014/15.

These include:

- > TV Week Logie Awards
- > Australian Academy of Cinema and Television Awards
- > Screen Forever - Screen Producers Australia Conference
- > Melbourne International Film Festival
- > St Kilda Film Festival
- > A range of other film festivals.

Film Victoria facilitated a range of events and activities for the screen industry in 2014/15, including:

- > Women in Games luncheon, August 2014
- > Film Victoria Screen Leader Awards, an industry networking event that includes the Jill Robb and John Howie Awards presentation, October 2014
- > Writers' masterclass with producer Gale Anne Hurd (USA) and a networking event for Victorian female producers, November 2014
- > Feature film script development information session, February 2015
- > Is your film viable in today's market? presentation by Stacey Parks (USA), March 2015
- > Stories Valued: 'Horses for Courses' in backing Australian films panel presentation in collaboration with Screen Australia, March 2015
- > Feature film marketing and audience workshop by Peter Buckingham (UK) in collaboration with Screen Australia, March 2015
- > Film Victoria Seen & Screened, an industry networking event celebrating projects screened in 2014 that includes the Greg Tepper and Tim Richards 2015 Awards presentation, March 2015
- > Entertainment One & Hopscotch information and networking event, March 2015
- > THE SECRET RIVER special screening, March 2015
- > Foxtel television drama information session, April 2015
- > ABC broadcaster roadshow event, May 2015
- > Logies industry networking event, May 2015
- > Unmanned aerial vehicles (UAV) information session, May 2015
- > Indigenous practitioners networking event, May 2015
- > Creative Industries Strategy information and discussion forum, June 2015
- > The Festival of Phryne Fisher special screening and panel session, June 2015
- > Animation masterclass with Matthew Darragh (Ireland), June 2015.



# REPORT OF OPERATIONS 2014/15

## 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 2015.



**IAN ROBERTSON**  
President  
Film Victoria

24 August 2015

## OPERATIONAL AND BUDGETARY OBJECTIVES AND PERFORMANCE AGAINST OBJECTIVES

Film Victoria reports to government on a series of budgetary and performance outputs with associated targets. Results for the 2014/15 reporting period are:

PERFORMANCE INDICATOR	UNIT OF MEASURE	2014/15 TARGET	2014/15 ACTUAL	VARIANCE (%)	RESULT <sup>(1)</sup>
Value of film, television and digital media production supported by Film Victoria production	\$ million	\$120.0	\$173.4	45	✓
Additional employment from production supported by Film Victoria	number	5,000	6,556	31	✓

### Note

(1) ✓ = performance target exceeded

## MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

Film Victoria achieved higher than expected outcomes in 2014/15 due to additional industry support from the Victorian Government. In June 2014, the Victorian Government announced the *Victorian Drama Comedy Initiative* and seven out of the 12 projects to be commissioned through this initiative commenced production in 2014/15.

Film Victoria also received additional funding from the Victorian Government to attract one international television production.

Expenditure leveraged through this and several other larger-scale productions generated expenditure in Victoria above the 2014/15 target but below the previous year's performance.

## FIVE YEAR FINANCIAL SUMMARY

	30-JUN-2015	30-JUN-2014	30-JUN-2013	30-JUN-2012	30-JUN-2011
	\$	\$	\$	\$	\$
Revenue from Government	19,871,230	21,939,134	15,317,163	17,541,463	22,416,426
Other revenue	1,435,684	2,122,469	2,607,103	2,919,970	3,050,564
Total revenue	21,306,914	24,061,603	17,924,266	20,461,433	25,466,990
Total project costs	15,852,665	20,361,611	15,701,961	15,547,946	17,903,124
Net operating result	(812,923)	(2,706,398)	(4,983,655)	(2,083,022)	(253,275)
Net cash flow	(1,266,879)	(2,082,374)	(6,173,057)	1,289,711	4,486,077
<b>Total assets</b>	<b>24,846,871</b>	<b>25,458,102</b>	<b>28,483,624</b>	<b>32,552,887</b>	<b>34,567,501</b>
<b>Total liabilities</b>	<b>1,848,403</b>	<b>1,646,711</b>	<b>1,965,836</b>	<b>1,051,445</b>	<b>983,035</b>
<b>ALLOCATION OF CASH ASSETS</b>					
Outstanding commitments (1)	12,952,191	16,463,175	17,692,606	20,298,110	20,579,849
Commitment to program expenditure	(614,736)	(4,256,253)	(4,903,309)	(2,830,757)	(932,804)
Cash Flow Facility funds	9,990,865	11,388,277	12,888,277	14,383,277	10,913,873
<b>Total cash assets</b>	<b>22,328,320</b>	<b>23,595,200</b>	<b>25,677,574</b>	<b>31,850,630</b>	<b>30,560,918</b>
Receivables – including Producer Loans	1,154,207	235,639	1,121,166	499,356	3,549,970
Property, plant and equipment	1,248,267	1,456,784	1,617,939	202,901	456,613
<b>Total non-cash assets</b>	<b>2,518,551</b>	<b>1,862,902</b>	<b>2,806,049</b>	<b>702,257</b>	<b>4,006,583</b>
<b>TOTAL ASSETS</b>	<b>24,846,871</b>	<b>25,458,102</b>	<b>28,483,624</b>	<b>32,552,887</b>	<b>34,567,501</b>

### Notes

(1) Commitments for 2014/15, 2013/14, 2012/13 and 2011/12 include GST. 2010/11 excludes GST.

# OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2014/15

## REVENUE FROM GOVERNMENT

The total funding package from government to Film Victoria was \$19.9 million in 2014/15, of which \$15.5 million is controlled by Film Victoria and \$4.4 million is administered by Film Victoria.

Total government funding in 2014/15 was lower than 2013/14 as a result of the previous year's one-off funding to attract a major international production.

## OTHER REVENUE

Other revenue in 2014/15 is lower than previous years as a result of a decrease in interest revenue on cash investments due to low interest rates, and lower program repayments. Film Victoria introduced new Terms of Trade from 1 July 2014, which assigned Film Victoria's recoupment rights to the producer for their benefit. We also established more cost-effective fees for applicants. Development repayment requirements remain and, as with previous years, are directed back into 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 improvement in the net operating result in 2014/15 is primarily due to increased program commitments (and reduced payments) related to prior years. As a result, there is an accounting deficit of \$0.8 million for 2014/15.

## SIGNIFICANT CHANGES IN FINANCIAL POSITION

There were no significant matters which changed our financial position during the reporting period.

## SIGNIFICANT CHANGES OR FACTORS AFFECTING PERFORMANCE

There were no significant changes or factors which affected our performance during the reporting period.

## NET CASH FLOW

The major factors affecting the variability of net cash flows are program payments and cash flow loans. During 2014/15 there was a decrease in net cash flows, due to a reprioritisation of funding from the Cash Flow Facility to Film Victoria, offset by reduced program payments related to prior years. 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 2014/15 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 2015. Disbursement is dependent on the achievement of contracted milestones and deliverables due in the future. The increase in outstanding commitments for 2014/15 reduces the accounting deficit and reduction of cash reserves arising from the transfer from the Cash Flow Facility to Film Victoria.

## 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 2015. 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 2014/15 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 2015.

## SUBSEQUENT EVENTS

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

## RISK MANAGEMENT COMPLIANCE ATTESTATION

I, **Ian Robertson** certify that **Film Victoria** has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. **Film Victoria**'s Audit Committee verifies this.



**IAN ROBERTSON**

President  
Film Victoria

24 August 2015

## OCCUPATIONAL HEALTH AND SAFETY

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.

	2014/15	2013/14	2012/13
Reported hazards/ incidents/near misses	1	5	4
Number of claims	0	0	0
'Lost time' standard claims	n/a	n/a	n/a
Average cost per claim	n/a	n/a	n/a

## 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.

All staff members are provided with 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 [film.vic.gov.au](http://film.vic.gov.au).

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 *Privacy and Data Protection Act 2014*. 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.

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

TABLE 1: FULL TIME EQUIVALENT (FTE)<sup>(i)</sup> STAFFING TRENDS FROM 2011 TO 2015

2015	2014	2013	2012	2011
33	35.8	40.8	44.2	49.3

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-15	25	23	2	24.6	8.4
Jun-14	25	23	2	24.6	11.2

TABLE 3: WORKFORCE COMPOSITION

JUNE 2015				JUNE 2014		
	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)	EMPLOYEES (FTE) <sup>(iii)</sup>	EMPLOYEES (FTE) <sup>(iii)</sup>
<b>GENDER</b>						
Male	7	7	1.6	7	7	2.6
Female	18	17.6	6.8	18	17.6	8.6
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>8.4</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>
<b>AGE</b>						
Under 25	0	0	0	0	0	0
25–34	9	9	2.2	8	7.8	4.4
35–44	9	8.6	2.6	10	9.8	2.2
45–54	5	5	2.6	5	5	1.6
55–64	2	2	1	2	2	3
Over 64	0	0	0	0	0	0
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>8.4</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>
<b>CLASSIFICATION</b>						
VPS 1	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0
VPS 3	6	6	1.6	6	6	3.8
VPS 4	7	7	1	7	7	1
VPS 5	5	4.8	5.8	5	4.8	6.4
VPS 6	4	3.8	0	4	3.8	0
STS	0	0	0	0	0	0
Exec Officer	3	3	0	3	3	0
<b>Total</b>	<b>25</b>	<b>24.6</b>	<b>8.4</b>	<b>25</b>	<b>24.6</b>	<b>11.2</b>

## Notes

- (i) 2015 FTE excludes two full-time, ongoing vacant positions
- (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*.



## 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 Workplace Determination 2012*.

## VICTORIAN INDUSTRY PARTICIPATION POLICY

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

## DETAILS OF CONSULTANCIES OVER \$10,000

In 2014/15, there were two consultancies where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2014/15 in relation to these consultancies is \$57,116 (excluding GST).

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2014/15 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
				\$	\$	
2026 LLC	Facilitate introductions to US based film and television businesses	Aug-14	Dec-14	20,447	20,447	Nil
Sapere Research Group	Evaluate Indian Film Festival of Melbourne	Sep-14	Jan-15	36,669	36,669	Nil

## DETAILS OF CONSULTANCIES UNDER \$10,000

In 2014/15 Film Victoria engaged no consultancies where the total fees payable to the consultants was less than \$10,000.

## GOVERNMENT ADVERTISING EXPENDITURE

Film Victoria's expenditure in the 2014/15 reporting period on government campaign expenditure did not exceed \$150,000.

## OFFICE BASED ENVIRONMENTAL IMPACTS

Film Victoria endeavours to reduce its environmental impact where possible, noting it has limited control over some impacts as a tenant of a shared office building. For instance, Film Victoria encourages recycling, uses recycled paper, and uses a timer to automatically switch off the lights and heating during the evenings and weekends. Film Victoria has recently implemented new business processes that are expected to reduce the level of paper and printing usage and 2014/15 will provide a baseline for future comparison.

INDICATOR	2014/15
Total units of copy paper used (reams)	223
Percentage of 75-100% recycled content copy paper purchased (%)	95.7
Average daily energy usage (kWh)	153.7
Average quarterly greenhouse gas emissions (tonnes)	16.26
Percentage of electricity purchased as green power (%)	100

## FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Film Victoria. Film Victoria had no applications in 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 must be in writing
- b. It must clearly identify which documents are being requested, and
- c. Include the 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 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

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. Film Victoria continues to implement and apply this principle in its business undertakings.

## COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* (Vic) 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 improper conduct. Film Victoria will take all necessary steps to best manage the welfare of individuals who make such disclosures.

### Reporting procedures

The responsible authority for receiving disclosures of improper conduct or detrimental action by Film Victoria or its employees is 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 3000

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.

Film Victoria has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Film Victoria or its employees. You can access Film Victoria's procedures directly from Film Victoria.

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by us and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

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 by Film Victoria
- 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
- j. A general statement on industrial relations within the organisation and details of time lost through industrial accidents and disputes
- 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 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

Film Victoria has a number of committees and panels that assist with and assess funding applications. These committees and panels comprise both internal staff members, members of the Film Victoria Board and screen industry practitioners with appropriate skills and experience for effective peer assessment.

Staff members who participated in assessment meetings in 2014/15 financial year were:

- > CEO, Jenni Tosi
- > Head of Screen Industry Programs, Ross Hutchens
- > Head of Finance and Business Services, Greg Reeves
- > Manager – Incentives and Business Support, Sue Edwards
- > Development and Investment Manager, Jeni McMahon
- > Development and Investment Manager, Franziska Wagenfeld (until 12 June 2015)
- > Development and Investment Manager, Cathy Rodda (from 19 May 2015)
- > Industry Project Manager, Jana Blair
- > Manager – Script Development, Clea Frost
- > Manager – Games, Digital Content and Animation, Clara Reeves (until 5 March 2015)
- > Manager – Games and Digital Content, Liam Routt (from 17 February 2015)
- > Industry Programs Coordinator, Madeline Getson
- > Legal Manager, Michelle Rubin
- > Lawyer, Alison Bird

## 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 their 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 and assesses applications to the program for recommendation to the Board for final approval. The Audit and Risk Committee met on six occasions in 2014/15. All four current members are independent.

- > Lyn Maddock, Board member (Chair)
- > Debra Allanson, Board member
- > John Rundell, Board member
- > Jo Dawson, external member (until 27 January 2015)
- > Jeremy King, external member

## EVALUATION AND ADVISORY COMMITTEE

This committee consists of suitably qualified and experienced practitioners across film and television to consider applications to the *Assigned Production Investment – Film and Television* 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
- > Daryl Dellora, external member
- > Fiona Eagger, external member
- > Anna Grieve, external member
- > Alan Hardy, external member
- > Kelly Lefever, external member
- > Richard Lowenstein, external member
- > Dee McLachlan, external member
- > Anna McLeish, external member
- > Craig Monahan, external member
- > Sonya Pemberton, external member
- > Andrew Wiseman, external member

The committee met on six occasions and assessed 54 applications, of which 37 were approved.

## PRODUCTION INCENTIVE ATTRACTION FUND (PIAF) COMMITTEE

The committee meets as required to assess and approve applications to the *Production Incentive Attraction Fund* programs (PIAF and PIAF PDV) and the *Regional Locations Assistance Fund* (RLAF). In 2014/15 the PIAF Committee also assessed applications to the *Victorian Drama and Comedy Initiative* (VDCI). When considering applications, there must be four voting members from the following:

- > Ian Robertson, Board President (Chair)
- > Debra Allanson, Board member
- > Lyn Maddock, 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 eight occasions and assessed 21 applications, of which 18 were approved.

## BUSINESS AND SKILLS DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *International Travel – Business*, *International Travel – Festivals*, *Games Professional Placements* and *International Fellowships* funding programs, providing recommendations to the CEO or Head of Screen Industry Programs. It also assesses Indigenous initiatives and other special initiative programs relevant to business and skills development. The panel must comprise a minimum of three of the following internal panel members:

- > CEO
- > 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 Projects Manager
- > Industry Programs Coordinator

In addition, the panel may engage external assessors as required.

The panel met on 26 occasions and assessed 123 applications, of which 48 were approved.

## DIGITAL MEDIA ASSESSMENT PANEL

This panel assesses applications to the *Assigned Production Investment – Games* and *Games Release* funding programs, providing recommendations to the CEO or Board for final approval. The panel must comprise a minimum of one and maximum of three of the following internal panel members:

- > CEO
- > Head of Screen Industry Programs
- > Manager – Games, Digital Content and Animation
- > Development and Investment Manager(s)

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

- > Ben Britten Smith (until 11 November 2014)
- > Matt Ditton
- > Dan Fill (Board member) (until 11 November 2014)
- > Nick Hagger (until 30 June 2015)
- > Matthew Hall (until 18 April 2015)
- > Simon Joslin
- > Cam Lee (until 11 November 2014)
- > Moran Paldi (until 11 November 2014)
- > Harry Ravenswood (until 11 November 2014)
- > Liam Routt (until 17 February 2015)
- > Andrew Symons
- > Megan Summers
- > Dave Surman
- > Daniel Visser

The panel met on six occasions and assessed 38 applications, of which 15 were approved.

## DOCUMENTARY DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Documentary Development* and *Development on Demand Documentary* programs, providing recommendations to the CEO. The panel must comprise a minimum of three of the following:

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

External assessors engaged in the 2014/15 financial year included:

- > Anna Grieve (October 2014 only)
- > Andrew Wiseman (March 2015 and June 2015)

The panel met on four occasions and assessed 24 applications, of which 14 were approved.

## FICTION DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Feature Film Development*, *Development On Demand – Features*, *Development On Demand – Television*, *Animation – Proof of Concept*, and *High End Television Concept* programs, providing recommendations to the CEO. The assessment panel comprises a minimum of one internal panel member from the following:

- > CEO
- > 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 assessors. External script development assessors engaged in the 2014/15 financial year included:

- > Randal Allan
- > Aaron Anderson (from 13 April 2015)
- > Elizabeth Coleman
- > Andy Cox
- > Leah Estrin (from 13 September 2014)
- > Gregg Goldin
- > Louise Gough (until 30 June 2015)
- > Alan Hardy
- > Regina Lee
- > Anthony Lucas
- > Sue Masters
- > Anna McLeish
- > Alison Nisselle
- > Scott Oberholtzer
- > Tim Pye (from 27 May 2015)
- > Jan Sardi
- > Sue Taylor (from 25 June 2015)
- > Brian Udovich (from 20 September 2014)
- > Sam White

The panel met on 22 occasions and assessed 84 applications, of which 38 were approved.

## INDUSTRY AND AUDIENCE DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the *Industry Activities*, *Audience Access* and *Regional Audience Access* funding strands, providing recommendations to the CEO or Head of Screen Industry Programs. In 2014/15 the panel also assessed applications to attend the MIFF 37South PostScript & Direct event. The panel must comprise a minimum of three of the following internal panel members:

- > CEO
- > 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 Projects Manager
- > Industry Programs Coordinator

In addition, the panel may engage external assessors as required.

The panel met on four occasions and assessed 23 applications, of which 21 were approved.



# 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.

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FRD 22F	Purpose, functions, powers and duties	1
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FRD 22F	Significant changes in financial position during the year	14
FRD 22F	Major changes or factors affecting performance	14
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# AUDITOR-GENERAL'S REPORT

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000

Facsimile 61 3 8601 7010

Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)

Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Film Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 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 2015 and its financial performance and 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*.

MELBOURNE  
26 August 2015



for John Doyle  
Auditor-General

**Comprehensive Operating Statement for the financial year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Victorian Government funding	2(a)	19,871,230	21,939,134
Other income	2(b)	1,435,684	2,122,469
<b>Total income from transactions</b>		<b>21,306,914</b>	<b>24,061,603</b>
<b>Expenses from transactions</b>			
Program costs	2(c)	15,852,665	20,361,611
Employee expenses	2(d)	4,252,986	4,366,928
Depreciation	2(e)	213,342	215,958
Other operating expenses <sup>(i)</sup>	2(f)	1,792,187	1,823,151
Impairment of assets	5(b)	0	0
<b>Total expenses from transactions</b>		<b>22,111,180</b>	<b>26,767,648</b>
<b>Net results from transactions (net operating balance)</b>		<b>(804,266)</b>	<b>(2,706,045)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(ii)</sup>	3(a)	(213)	229
Net gain/(loss) from other economic flows	3(c)	(8,444)	(583)
<b>Total other economic flows included in net result</b>		<b>(8,657)</b>	<b>(354)</b>
<b>Comprehensive result</b>		<b>(812,923)</b>	<b>(2,706,398)</b>

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

(i) Other operating expenses includes bad debts expense from transactions that are mutually agreed.

(ii) Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

The comprehensive loss of \$812,923 includes disbursement of program costs of \$15,852,665.

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.

**Balance Sheet as at 30 June 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	12(a)	22,328,320	23,595,200
Receivables	4	1,154,207	235,639
<b>Total financial assets</b>		<b>23,482,527</b>	<b>23,830,839</b>
<b>Non-financial assets</b>			
Prepayments		116,077	170,479
Property, plant and equipment	5	1,248,267	1,456,784
<b>Total non-financial assets</b>		<b>1,364,344</b>	<b>1,627,263</b>
<b>Total assets</b>		<b>24,846,871</b>	<b>25,458,102</b>
<b>Liabilities</b>			
Payables	6	332,341	94,903
Provisions	7	1,516,062	1,551,808
<b>Total liabilities</b>		<b>1,848,403</b>	<b>1,646,711</b>
<b>Net Assets</b>		<b>22,998,468</b>	<b>23,811,391</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(4,749,506)	(3,936,583)
Contributed capital		27,747,974	27,747,974
<b>Net worth</b>		<b>22,998,468</b>	<b>23,811,391</b>
<b>Commitments for expenditure</b>	9		
<b>Contingent liabilities</b>	10		

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

Commitments on program costs undisbursed at 30 June 2015 totalled \$12,952,191, and are detailed in Note 9.



## Statement of changes in equity for the financial year ended 30 June 2015

	Note	Accumulated Deficit	Contributions by Owner	Total
		\$	\$	\$
<b>Balance at 1 July 2013</b>		<b>(1,230,186)</b>	<b>27,747,974</b>	<b>26,517,788</b>
Net result for the year		(2,706,397)	-	(2,706,397)
Other comprehensive income for the year		o	o	o
<b>Balance at 30 June 2014</b>		<b>(3,936,583)</b>	<b>27,747,974</b>	<b>23,811,391</b>
Net result for the year			-	-
Other comprehensive income for the year		(812,923)	-	(812,923)
<b>Balance at 30 June 2015</b>		<b>(4,749,507)</b>	<b>27,747,974</b>	<b>22,998,467</b>

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 2015

	Note	2015	2014
		\$	\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		19,245,657	22,701,056
Receipts from other entities		945,292	2,186,300
Interest received		549,035	804,162
Goods and Services Tax recovered from the ATO <sup>(i)</sup>		1,364,608	1,114,257
<b>Total receipts</b>		<b>22,104,591</b>	<b>26,805,775</b>
<b>Payments</b>			
Payments to suppliers and employees		(5,970,419)	(6,463,663)
Payments to industry applicants		(17,396,014)	(14,279,049)
Equity Investment in new projects <sup>(ii)</sup>		o	(8,109,762)
Producer Package Investment in new projects		o	(76,100)
<b>Total payments</b>		<b>(23,366,433)</b>	<b>(28,928,574)</b>
<b>Net cash from/(used in) operating activities</b>	12	<b>(1,261,841)</b>	<b>(2,122,800)</b>
<b>Cash flows from investing activities</b>			
Cash Flow Facility - producer loans repayments		o	102,588
Payments for property, plant, and equipment	5(b)	(5,038)	(56,254)
Cash Flow Facility - producer loans advances		o	(7,588)
Receipts on sale of property, plant, and equipment		o	1,680
<b>Net cash from/(used in) investing activities</b>		<b>(5,038)</b>	<b>40,426</b>
<b>Cash flows from financing activities</b>			
Capital Contributions by Government		o	o
<b>Net cash flows from financing activities</b>		<b>o</b>	<b>o</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,266,879)</b>	<b>(2,082,374)</b>
Cash and cash equivalents at the beginning of the financial year		23,595,200	25,677,574
<b>Cash and cash equivalents at the end of the financial year</b>	12	<b>22,328,321</b>	<b>23,595,200</b>

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

(i) Goods and Service Tax received from the ATO is presented on a net basis.

(ii) Equity investment product no longer offered from 1 July 2014.

## Notes to the financial statements

- Note 1. Summary of significant accounting policies
- Note 2. Net results from operations
- Note 3. Other economic flows included in net result
- Note 4. Receivables
- Note 5. Property, plant and equipment
- Note 6. Payables
- Note 7. Provisions
- Note 8. Superannuation
- Note 9. Commitments for expenditure
- Note 10. Contingent liabilities
- Note 11. Financial instruments
- Note 12. Cash flow information
- Note 13. Ex-gratia expenses
- Note 14. Responsible persons
- Note 15. Related party transactions
- Note 16. Remuneration of executives and payments to other personnel
- Note 17. Remuneration of auditors
- Note 18. Subsequent events

## Notes to the financial statements for the financial year ended 30 June 2015

### Note 1. Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Film Victoria for the period ended 30 June 2015. 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 with accounting standards and Compliance with ministerial directions

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

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

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

The annual financial statements have been authorised for issue by the Board of Film Victoria on 24 August 2015

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

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

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

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

- superannuation expense (refer to Note 1(g))
- the fair value of plant and equipment (refer to Note 1(k))
- 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(l)).

These financial statements are presented in Australian dollars, and 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
- 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, 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', as well as '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.

Other economic flows are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets
- revaluations and impairments of non-financial physical and intangible assets.

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.

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

##### *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 related to 'Transactions with owner in its capacity as owner'.

#### *Rounding of amounts*

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

#### **e) Changes in Compliance with ministerial directions**

Subsequent to the 2013/14 reporting period, the following new and revised Standards have been adopted for the first time in the current period with their financial impact detailed below.

##### *AASB 10 Consolidated Financial Statements*

AASB 10 provides a new approach to determine whether an entity has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

- (a) The investor has power over the investee
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, Film Victoria has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. Film Victoria has concluded that no entities meet the control criteria.

##### *AASB 11 Joint Arrangements*

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

Film Victoria has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11. It has concluded that no changes are required.

##### *AASB 12 Disclosure of Interests in Other Entities*

AASB 12 *Disclosure of Interests in Other Entities* prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

Film Victoria has reviewed its current contractual arrangements to determine if there are any unconsolidated structured entities that it has involvement with. It has not identified any unconsolidated structured entities during the assessment.

#### **(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.

##### *Victorian Government Funding*

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*

Income is recognised for each of Film Victoria's major activities as follows:

- 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*

Interest income 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*

From 1 July 2014, production investments have been assigned to the project's producer. The amount of Film Victoria's investment is written off in the period of payment.

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*

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 members of defined contribution plans that are paid or payable during the reporting period.

##### *Depreciation*

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 for current and prior years.

Asset	Useful life
Audio Visual Equipment	4 years
Computer Equipment	3 years
Furniture and Fittings	5 years
Office Equipment	5 years
Leasehold Improvements	10 years

#### *Other operating expenses*

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

#### *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(i) *Impairment of financial assets*.

### **(h) Other economic flows included in net result**

Other economic flows are changes in the 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 determined after deducting the proceeds from 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, 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. Recoverable amounts 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.

#### *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, for note disclosure purposes, a distinction is made between those financial assets and financial 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 and 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 deposits*

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those 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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

#### *Receivables*

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services, loans to third parties and accrued investment income
- statutory receivables, such as 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).

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

#### *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 taxation authority's 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 that is then assigned to the producer where the amount of Film Victoria's investment is written off in the period of payment.

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. No longer offered from 1 July 2014 (see statement of cash flows and Note 11 *Financial Instruments*).

#### *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. 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 using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

### **(k) Impairment of 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.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost.

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*.

All non-financial assets are held for a public administration purpose under FRD103F.

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*.

#### *Leasehold improvements*

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the lease or the estimated useful life of the improvements.

#### *Other non-financial assets*

#### *Revaluations of non-physical assets*

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the 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. 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(i)). 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 (LSL) for services rendered to the reporting date.

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

Liabilities for wages and salaries, including non-monetary benefits, and annual 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:

- nominal value - if Film Victoria expects to wholly settle within 12 months; or
- 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:

- nominal 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 in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result 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*

Employee benefits on-costs such as payroll tax and workers compensation 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*

##### *Film Victoria as lessee*

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.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **(n) Equity**

##### *Contributed capital*

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Film Victoria.

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.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed by way of note (refer Note 9 *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 10 *Contingent liabilities*) and if quantifiable, are measured at nominal value. Contingent liabilities are presented inclusive of GST payable.

#### **(q) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, except where 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 of 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 2014.

As at 30 June 2015, the following AASs have been issued by the AASB but not yet effective.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning	Impact on public sector financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-2018	While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-2017 (Exposure Draft 263 – potential deferral to 1-Jan-2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.  A potential impact will be the upfront recognition of revenue from agreements that cover multiple reporting periods.

**(s) Events after the reporting period**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Film Victoria and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

**Note 2. Net result from operations**

	2015	2014
	\$	\$
<b>Income from transactions</b>		
<b>(a) Income from Government</b>		
<b>Government funding</b>		
Government funding for continuing operations	19,871,230	21,939,134
<b>Total government funding</b>	<b>19,871,230</b>	<b>21,939,134</b>
<b>(b) Other income</b>		
<b>Program revenue</b>		
Development buyout	386,665	509,091
Application and administration fees	74,159	207,660
Investment and grants repayments	426,345	604,859
<b>Total program revenue</b>	<b>887,169</b>	<b>1,321,610</b>
<b>Interest revenue</b>		
Interest/Financial institutions	548,515	705,076
Interest/Production advances	o	7,620
Interest and Premiums on development and production	o	88,163
<b>Total interest revenue</b>	<b>548,515</b>	<b>800,859</b>
<b>Total other income</b>	<b>1,435,684</b>	<b>2,122,469</b>
<b>Expenses from transactions</b>		
<b>(c) Program Costs</b>		
Program payments	15,852,665	20,361,611
<b>Total program costs</b>	<b>15,852,665</b>	<b>20,361,611</b>
<b>(d) Employee expenses</b>		
Employment benefits:		
Superannuation	390,795	388,455
Salary costs	3,862,191	3,978,473
<b>Total employee expenses</b>	<b>4,252,986</b>	<b>4,366,928</b>
<b>(e) Depreciation</b>		
Depreciation of non-current assets	213,343	215,957
<b>Total depreciation</b>	<b>213,343</b>	<b>215,957</b>
<b>(f) Other operating expenses</b>		
Operating leases	414,113	401,472
Supplies and services	1,378,074	1,421,679
<b>Total operating expenses</b>	<b>1,792,187</b>	<b>1,823,151</b>

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

	2015 \$	2014 \$
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of non-financial assets	(213)	229
<b>Total net gain/(loss) on non-financial assets</b>	<b>(213)</b>	<b>229</b>
<b>(b) Net gain/(loss) on financial instruments</b>		
Impairment on financial instruments (See Note 11(g))	o	o
<b>Total net gain/(loss) on financial instruments</b>	<b>o</b>	<b>o</b>
<b>(c) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	(8,444)	(583)
<b>Net gain/(loss) arising from other economic flows</b>	<b>(8,444)</b>	<b>(583)</b>

**Note 4. Receivables**

	2015 \$	2014 \$
<b>Current receivables</b>		
<b>Contractual</b>		
Cash Flow Facility - Producer Loans	o	o
Other receivables	1,113,888	45,705
Interest receivable	25,154	25,674
<b>Total current contractual receivables</b>	<b>1,139,042</b>	<b>71,379</b>
<b>Statutory</b>		
GST receivable	15,165	164,260
<b>Total current statutory receivables</b>	<b>15,165</b>	<b>164,260</b>
<b>Total current receivables</b>	<b>1,154,207</b>	<b>235,639</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Cash Flow Facility - Producer Loans	o	509,135
Cash Flow Facility - Impairment allowance	n(d)	(509,135)
<b>Total non-current receivables</b>	<b>o</b>	<b>o</b>
<b>Total receivables</b>	<b>1,154,207</b>	<b>235,639</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.

	2015 \$	2014 \$
<b>Cash Flow Facility (CFF) - Producer Loans at cost</b>		
Opening balance	509,135	604,135
Add: Further loan advances	o	7,588
	<b>509,135</b>	<b>611,723</b>
Less: Loan principal repayments	o	(102,588)
<b>Closing balance (before impairment allowance)</b>	<b>509,135</b>	<b>509,135</b>
Current CFF Producer Loans due within 12 months	o	o
Non-current CFF Producer Loans due after 12 months	o	509,135
<b>Total CFF Producer Loans (before impairment allowance)</b>	<b>o</b>	<b>509,135</b>

	2015 \$	2014 \$
<b>Movement in the provision for doubtful CFF Producer Loans</b>		
<b>Balance at beginning of year</b>	<b>509,135</b>	<b>509,135</b>
Reversal of provision of CFF Producer Loans written off during the year as uncollectible	(509,135)	o
<b>Balance at end of year</b>	<b>o</b>	<b>509,135</b>

Details of the impairment in producers' loans are included in Note 11 Financial Instruments.

**Note 5. Non-financial physical assets**
**(a) Property, plant and equipment at cost less accumulated depreciation**

	2015 \$	2014 \$
<b>Leasehold Improvements</b>		
At fair value	1,507,535	1,507,535
Less: Accumulated depreciation	(351,739)	(201,296)
<b>Total Leasehold Improvements</b>	<b>1,155,796</b>	<b>1,306,239</b>
<b>Audio Visual Equipment</b>		
At fair value	37,492	37,492
Less: Accumulated depreciation	(30,741)	(23,654)
<b>Total Audio Visual Equipment</b>	<b>6,751</b>	<b>13,838</b>
<b>Computer Equipment</b>		
At fair value	129,122	126,274
Less: Accumulated depreciation	(102,807)	(71,427)
<b>Total Computer Equipment</b>	<b>26,315</b>	<b>54,847</b>
<b>Furniture and Fittings</b>		
At fair value	110,261	110,261
Less: Accumulated depreciation	(58,477)	(39,179)
<b>Total Furniture and Fittings</b>	<b>51,784</b>	<b>71,083</b>
<b>Office Equipment</b>		
At fair value	26,771	26,771
Less: Accumulated depreciation	(19,149)	(15,993)
<b>Total Office Equipment</b>	<b>7,622</b>	<b>10,779</b>
<b>Total Property, Plant and Equipment</b>	<b>1,248,267</b>	<b>1,456,785</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.**

Public Administration only		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 2014</b>		1,306,239	13,838	54,848	71,082	10,778	1,456,785
Additions		-	-	5,038	-	-	5,038
Disposals		-	-	(2,190)	-	-	(2,190)
Accumulated Depreciation on Disposals		-	-	1,976	-	-	1,976
Depreciation expense		(150,444)	(7,087)	(33,357)	(19,298)	(3,156)	(213,342)
Asset impairment		-	-	-	-	-	-
<b>Balance 30 June 2015</b>		<b>1,155,796</b>	<b>6,751</b>	<b>26,315</b>	<b>51,783</b>	<b>7,622</b>	<b>1,248,267</b>
Public Administration only		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>

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**

2015	Carrying amount as at 30-June-2015	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	1,155,796			1,155,796
<b>Total of leasehold improvements at fair value</b>	<b>1,155,796</b>	-	-	<b>1,155,796</b>
Property, plant and equipment at fair value (iii)				
Plant and equipment	92,471			92,471
<b>Total of property, plant and equipment at fair value</b>	<b>92,471</b>	-	-	<b>92,471</b>
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 2015.

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

**d) Reconciliation of Level 3 fair value**

2015	Leasehold improvements	Plant and Equipment
	\$	\$
<b>Opening balance</b>	<b>1,306,239</b>	<b>150,546</b>
Purchases (sales)		5,038
Transfers in/(out) of Level 3		
Gains/(losses) recognised in net result		(214)
Depreciation	(150,444)	(62,899)
Impairment loss		
<b>Subtotal</b>	<b>1,155,796</b>	<b>92,471</b>
Gains/(losses) recognised in other economic flows - other comprehensive income		
Revaluation	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>1,155,796</b>	<b>92,471</b>
Unrealised gains/(losses) on non-financial assets	-	-
<b>2014</b>	<b>Leasehold improvements</b>	<b>Plant and Equipment</b>
	\$	\$
<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		
Depreciation	(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 (2014/15 and 2013/14)**

	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	Total cost of improvements	\$1,250,000 - \$1,750,000	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 6. Payables**

	2015	2014
	\$	\$
<b>Current payables</b>		
<b>Contractual</b>		
Supplies and services	332,341	94,903
<b>Total contractual payables</b>	<b>332,341</b>	<b>94,903</b>
<b>Statutory</b>		
GST	0	0
<b>Total statutory payables</b>	<b>0</b>	<b>0</b>
<b>Total current payables</b>	<b>332,341</b>	<b>94,903</b>
<b>Total payables</b>	<b>332,341</b>	<b>94,903</b>

The average credit period is 7 days.

**Note 7. Provisions**

	2015	2014
	\$	\$
<b>Current provisions</b>		
Employee benefits (Note 7(a)) <sup>(i)</sup>		
Annual leave: (Note 7(a))		
- Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	179,765	181,108
- Unconditional and expected to be settled after 12 months <sup>(ii)</sup>	57,754	58,288
Long service leave: (Note 7(a))		
- Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	149,365	108,637
	<b>386,883</b>	<b>348,033</b>
Provision for on-costs: (Note 7(a))		
- Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	36,822	18,167
- Unconditional and expected to be settled after 12 months <sup>(ii)</sup>	16,997	11,201
	<b>53,819</b>	<b>29,367</b>
<b>Total current provisions</b>	<b>440,702</b>	<b>377,400</b>
<b>Non-current provisions</b>		
Long service leave and on-costs - unconditional and expected to be settled after 12 months (Note 7(a))	110,732	120,353
Leasehold dismantling costs (Note 7(c))	280,000	280,000
Building incentive (Note 7(d))	684,628	774,055
<b>Total non-current provisions</b>	<b>1,075,360</b>	<b>1,174,408</b>
<b>Total provisions</b>	<b>1,516,062</b>	<b>1,551,808</b>

i) 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.

ii) Amounts are measured at present values.

(a) Employee benefits and on-costs	2015	2014
	\$	\$
<b>Current employee benefits</b>		
Annual leave	237,519	239,396
Long Service Leave entitlements	149,365	108,637
<b>Non-current employee benefits</b>		
Long Service Leave entitlements	110,732	120,353
<b>Total employee benefits</b>	<b>497,616</b>	<b>468,386</b>
<b>Current on-costs</b>		
- Annual leave	13,895	15,010
- Long service leave	22,927	6,811
<b>Non-current on-costs</b>		
- Long service leave	16,997	7,546
<b>Total on-costs</b>	<b>53,819</b>	<b>29,367</b>
<b>Total employee benefits and related on-costs</b>	<b>551,435</b>	<b>497,753</b>

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>(b) Movement in provision for On-costs</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>29,367</b>	<b>34,817</b>
Additional provisions recognised	40,556	6,791
Reductions arising from payments/other sacrifices of future economic benefits	(16,105)	(12,241)
<b>Closing balance</b>	<b>53,819</b>	<b>29,367</b>
Current	36,822	21,821
Non-current	16,997	7,546
	<b>53,819</b>	<b>29,367</b>

<b>(c) Movement in provision for leasehold dismantling costs</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>280,000</b>	<b>280,000</b>
Additional provisions recognised	o	o
Provisions derecognised	o	o
<b>Closing balance</b>	<b>280,000</b>	<b>280,000</b>

Provision recognised for 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.

<b>(d) Movement in the provision for the building incentive</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance</b>	<b>774,055</b>	<b>863,482</b>
Additional provisions recognised	o	o
Provision written back for lease period year to date	(89,427)	(89,427)
<b>Closing balance</b>	<b>684,628</b>	<b>774,055</b>

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

#### Note 8. 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:

<b>Fund</b>	<b>Paid contribution for the year</b>		<b>Contribution outstanding at year end</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Defined contribution plans:</b>				
VicSuper	\$154,391	\$211,494	o	o
Other	\$164,240	\$176,961	o	o
<b>Total</b>	<b>\$318,631</b>	<b>\$388,455</b>	<b>o</b>	<b>o</b>

#### Note 9. Commitments for expenditure

##### (a) Programs and Cash Flow Facility - Producer Loans

The net balance of Film Victoria's commitments which were not disbursed/received in this twelve month period amounted to \$12,952,191 (2013/14: \$16,463,175).

These commitments become payable/receivable when contracts are executed and upon contractees satisfying certain conditions. Payment/receipt 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 2014/15

	<b>Cash as at</b>	<b>Net Outstanding</b>	<b>Balance as at</b>
	<b>30-Jun-15</b>	<b>Commitments as at</b>	<b>30-Jun-15</b>
	<b>\$</b>	<b>30-Jun-15</b>	<b>\$</b>
Cash Flow Facility Available	9,990,865	o	9,990,865
Film Victoria Programs (including Digital Media)	12,337,455	12,952,191	(614,736)
<b>Total cash assets</b>	<b>22,328,320</b>	<b>12,952,191</b>	<b>9,376,129</b>

##### Cash analysed by funding and usage 2013/14

	<b>Cash as at</b>	<b>Net Outstanding</b>	<b>Balance as at</b>
	<b>30-Jun-14</b>	<b>Commitments as at</b>	<b>30-Jun-14</b>
	<b>\$</b>	<b>30-Jun-14</b>	<b>\$</b>
Cash Flow Facility Available	11,388,277	o	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 Flow Facility - Producer Loans

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Total Funding for Cash Flow Facility	11,388,277	12,888,277
Add: Transfer between cash and CFF balances	102,588	o
<b>Cash Flow Facility cash held</b>	<b>11,490,865</b>	<b>12,888,277</b>
Less: Cash Flow Facility Committed not yet paid	o	o
Less: Transfer to Film Victoria programs	(1,500,000)	(1,500,000)
<b>Cash Flow Facility Available</b>	<b>9,990,865</b>	<b>11,388,277</b>

**Commitments payable - nominal values**

	2015	2014
	\$	\$
<b>Programs and Cash Flow facility (producer loans)</b>		
Less than 1 year	12,808,641	15,338,175
Longer than 1 year but not longer than 5 years	143,550	1,125,000
5 years or more	-	-
<b>Total Program and Cash Flow facility (producer loans)</b>	<b>12,952,191</b>	<b>16,463,175</b>
<b>Operating and lease commitments payable</b>		
Less than 1 year	563,168	535,025
Longer than 1 year but not longer than 5 years	2,475,896	2,362,841
5 years or more	1,869,178	2,520,117
<b>Total Operating and lease commitments payable</b>	<b>4,908,242</b>	<b>5,417,984</b>
<b>Total Commitments (inclusive of GST)</b>	<b>17,860,433</b>	<b>21,881,159</b>
Less GST recoverable from the Australian Tax Office	2,668,187	1,983,651
<b>Total Commitments (exclusive of GST)</b>	<b>15,192,246</b>	<b>19,897,508</b>

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

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 2015 is committed to film industry initiatives, programs and expenditure carried forward into future periods.

**Note 10. Contingent liabilities**
**Contingent liabilities**

	2015	2014
	\$	\$
Legal proceedings and disputes	-	15,000
	-	<b>15,000</b>

**Note 11. Financial Instruments**
**(a) Financial risk management objectives and policies**

Film Victoria's principal financial instruments comprise:

- cash assets
- term and at call deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory receivables).

Film Victoria's activities expose it to:

- the financial risks of changes in interest rates, credit exposure, and a minor amount of operational foreign currency transactions
- liquidity risk of having sufficient liquid assets to meet its liabilities and commitments as they fall due.

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	2015	2014
		\$	\$
<b>Financial assets</b>	Contractual financial assets - loans and receivables at fair value through profit and loss		
Cash and deposits		22,328,320	23,595,200
Receivables		1,139,042	71,379
<b>Total financial assets</b>		<b>23,467,362</b>	<b>23,666,579</b>
<b>Financial liabilities</b>			
Payables	Contractual financial liabilities at fair value through profit and loss	332,341	94,903
<b>Total financial liabilities</b>		<b>332,341</b>	<b>94,903</b>

**Net Holding gain/(loss) on financial instruments by category <sup>(a)</sup>**

2015	Net holding gain / (loss)	Total interest income/(expense)	Fee income/(expense)	Total
	\$	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and deposits - Interest		548,515		548,515
Cash Flow Facility Producer Loans - Interest				
Cash Flow Facility Producer Loans - Admin fees				
<b>Total contractual financial assets</b>		<b>548,515</b>		<b>548,515</b>



2014	Net holding gain / (loss)	Total interest income/(expense)	Fee income/(expense)	Total
	\$	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and deposits - Interest		705,076		705,076
Cash Flow Facility Producer Loans - Interest			7,620	7,620
Cash Flow Facility Producer Loans - Admin fees			2,825	2,825
<b>Total contractual financial assets</b>		<b>705,076</b>	<b>10,445</b>	<b>715,521</b>

(i) Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

**(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 to the financial statements.

**(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 2015

	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	1.12%	97,520	o	800	98,320
Short term/at call deposits	2.45%	9,990,865	12,239,135	o	22,230,000
<b>Receivables</b>					
Cash Flow Facility - Producer Loans	N/A	o	o	o	-
Other receivables (excluding prepayments)	N/A	o	o	1,139,042	1,139,042
<b>Total financial assets</b>		<b>10,088,385</b>	<b>12,239,135</b>	<b>1,139,842</b>	<b>23,467,362</b>
<b>Financial Liabilities</b>					
<b>Payables</b>					
Other payables	N/A	o	o	332,341	332,341
<b>Total financial liabilities</b>		<b>o</b>	<b>o</b>	<b>332,341</b>	<b>332,341</b>

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	o	800	1,030,200
Short term/at call deposits	2.65%	o	22,565,000	o	22,565,000
<b>Receivables</b>					
Cash Flow Facility - Producer Loans	N/A	o	o	o	-
Other receivables (excluding prepayments)	N/A	o	o	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	o	o	94,903	94,903
<b>Total financial liabilities</b>		<b>o</b>	<b>o</b>	<b>94,903</b>	<b>94,903</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 credit quality of financial assets that are neither past due nor impaired <sup>(i)</sup>

2015	Financial institutions (triple- A credit rating)	Government agencies (triple-A credit rating)	Government agencies (triple-B credit rating)	Other (min triple-B credit rating)	Total
	\$	\$	\$	\$	\$
Cash and deposits	98,320				98,320
Receivables		1,125,154		13,888	1,139,042
Investments and other financial assets		22,230,000			22,230,000
<b>Total financial assets</b>	<b>98,320</b>	<b>23,355,154</b>	<b>o</b>	<b>13,888</b>	<b>23,467,362</b>

	Financial institutions (triple-A credit rating)	Government agencies (triple-A credit rating)	Government agencies (triple-B credit rating)	Other (min triple-B credit rating)	Total
<b>2014</b>					
	\$	\$	\$	\$	\$
Cash and deposits	1,030,200				1,030,200
Receivables		25,674		45,705	71,379
Investments and other financial assets		22,565,000			22,565,000
<b>Total financial assets</b>	<b>1,030,200</b>	<b>22,590,674</b>	<b>0</b>	<b>45,705</b>	<b>23,666,578</b>

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable) and prepayments.

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>2015</b>					
<b>Financial assets</b>					
Cash on hand and cash at bank	98,320	98,320	0	0	0
Short term / at call deposits	22,230,000	22,230,000	0	0	0
Cash Flow Facility - Producer Loans	0	0	0	0	0
Other receivables (excluding prepayments)	1,139,042	1,139,042	0	0	0
<b>Total financial assets</b>	<b>23,467,362</b>	<b>23,467,362</b>	<b>0</b>	<b>0</b>	<b>0</b>

	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	0	0	0
Short term / at call deposits	22,565,000	22,565,000	0	0	0
Cash Flow Facility - Producer Loans	509,135	0	0	0	509,135
Other receivables (excluding prepayments)	71,379	71,379	0	0	0
<b>Total financial assets</b>	<b>24,175,714</b>	<b>23,666,579</b>	<b>0</b>	<b>0</b>	<b>509,135</b>

#### (e) Liquidity risk

Liquidity risk is the risk that Film Victoria would be unable to meet its financial obligations as and when they fall due. Film Victoria has a payments policy of settling financial obligations within 7 days.

Film Victoria's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to net commitments disclosed in Note 9. Film Victoria manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- careful maturity planning of its financial investments based on forecasts of current needs and likely future cash flows
- careful monitoring of commitments payable and receivable.

The following table discloses the contractual maturity analysis for Film Victoria's contractual financial liabilities <sup>(i)</sup>

<b>2015</b>	Carrying amount	Nominal amount	less than one month	1 month - 1 year	1 - 5 years	5 + years
	\$	\$	\$	\$	\$	\$
<b>Payables: (ii)</b>						
Supplies and services	160,279	160,279	160,279			
Payable to government and agencies	77,287	77,287	77,287			
Other payables	94,775	94,775	94,725			50
<b>Total</b>	<b>332,341</b>	<b>332,341</b>	<b>332,291</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>2014</b>						
	\$	\$	\$	\$	\$	\$
<b>Payables: (ii)</b>						
Supplies and services	39,313	39,313	39,313			
Payable to government and agencies	-	-	-			
Other payables	55,590	55,590	55,540			50
<b>Total</b>	<b>94,903</b>	<b>94,903</b>	<b>94,853</b>	<b>-</b>	<b>-</b>	<b>50</b>

(i) maturity analysis is presented using the contractual undiscounted cash flows.

(ii) the carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

#### (f) 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 1% 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 2015 and 30 June 2014.

**Market risk exposure - Interest rate**

2015	Carrying Amount	Interest Rate			
		-1%		+1%	
		Net Result	Accumulated surplus	Net result	Accumulated surplus
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	22,328,320	(223,283)	(223,283)	(223,283)	(223,283)
<b>Total Impact</b>		<b>(223,283)</b>	<b>(223,283)</b>	<b>(223,283)</b>	<b>(223,283)</b>

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>

**(g) 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.

Financial assets	Carrying amount	Fair value	Carrying amount	Fair value
	2015	2015	2014	2014
	\$	\$	\$	\$
Fair value measurement at end of reporting period using:				
<i>Level 1</i>				
Cash on hand and cash at bank	98,320	98,320	1,030,200	1,030,200
Short term/at call deposits	22,230,000	22,230,000	22,565,000	22,565,000
Other receivables (excluding prepayments)	1,139,042	1,139,042	71,379	71,379
<i>Level 3</i>				
Cash Flow Facility - Producer Loans	0	0	0	0
<b>Total financial assets</b>	<b>23,467,362</b>	<b>23,467,362</b>	<b>23,666,578</b>	<b>23,666,578</b>

**Reconciliation of level 3 fair value movements**
**Cash Flow Facility - Producer Loans**

	2015	2014
	\$	\$
<b>Opening balance</b>	<b>0</b>	<b>95,000</b>
Loan advances	0	7,588
Loan principal repayments	0	(102,588)
Impairments (recognised in Comprehensive Operating Statement)	0	0
<b>Closing balance</b>	<b>0</b>	<b>(0)</b>

**Note 12. 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**

	2015	2014
	\$	\$
Cash on hand	800	800
Cash at bank	97,520	1,029,400
Short term/at call deposits - programs and operating activities	12,239,135	11,176,723
Short term/at call deposits - Cashflow facility fund	9,990,865	11,388,277
<b>Balance as per cash flow statement</b>	<b>22,328,320</b>	<b>23,595,200</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:**

	2015	2014
	\$	\$
<b>Net result</b>	<b>(812,923)</b>	<b>(2,706,398)</b>
Depreciation of non-current assets	213,342	215,958
(Gain)/loss on sale of non-financial assets	213	(229)
Impairment allowance	0	0
<b>Changes in net assets and liabilities</b>		
<b>(Increase)/decrease in assets:</b>		
Current receivables	(918,568)	718,439
Other current assets	54,402	(103,535)
<b>Increase/(decrease) in liabilities:</b>		
Current payables	237,438	34,591
Current provisions	53,880	(136,018)
Non-current provisions	(89,626)	(145,610)
<b>Net cash from/(used in) operating activities</b>	<b>(1,261,841)</b>	<b>(2,122,800)</b>

**Note 13. Ex-gratia expenses**

	2015 \$	2014 \$
<b>Payments to former employees as part of redundancy packages<sup>i</sup></b>	<b>29,898</b>	<b>22,754</b>

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

**Note 14. Responsible persons**

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

*Minister for Creative Industries - from 4 December 2014*  
Martin Foley MP

*Minister for Innovation - to 3 December 2014*  
The Hon Louise Asher MP

*Governing Board*  
Ian Robertson, President  
Debra Allanson  
Ann Darrouzet  
Dan Fill  
Lyn Maddock  
Michael McMahon  
David Parker  
Caroline Pitcher  
John Rundell  
Jan Sardi  
Daryl Talbot

*Chief Executive Officer and Accountable Officer*  
Jenni Tosi

Members of the Governing Board were remunerated. Remuneration was based on the Victorian Public Sector Commission'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 (ten members). Remuneration for 2013/14 was based on the following bands: \$30,000-\$39,999 (one member) and \$10,000-\$19,999 (nine members), and \$0-\$9,999 (two members).

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

Remuneration received by the Accountable Officer in connection with management of Film Victoria during the period was in the range \$260,000 - \$269,999 (\$250,000 - \$259,999 in 2013/2014).

**Note 15. Related Party Transactions**

Other discretionary 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	2015 \$	2014 \$
Chocolate Liberation Front Pty Ltd / Dan Fill	Payments	230,000	369,325
	Receipts	0	(37,758)
Cut Snake Productions Pty Ltd / Michael McMahon	Payments	1,000	471,900
	Receipts	0	(43,065)
Matchbox Pictures Pty Ltd / Michael McMahon	Payments	2,200	0
	Receipts	0	0
Matchbox Productions Pty Ltd / Michael McMahon	Payments	0	0
	Receipts	(1,000)	0
Nowhere Boys 2 Productions Pty Ltd / Michael McMahon	Payments	437,000	0
	Receipts	(10,000)	0
Perplexing New Reality Pty Ltd / Michael McMahon	Payments	457,250	0
	Receipts	0	0
Cascade Film Pty Ltd / David Parker	Payments	1,000	6,621
	Receipts	0	0
Breakaway Scripts Pty Ltd / Jan Sardi	Payments	0	1,705
	Receipts	0	0
The Australian Writers Guild Pty Ltd / Jan Sardi	Payments	25,000	17,600
	Receipts	0	0
Oddball Holdings Pty Ltd / Daryl Talbot	Payments	30,000	0
	Receipts	0	0
Oddball Productions Pty Ltd / Daryl Talbot	Payments	122,000	0
	Receipts	(83,050)	0
The Film Company Pty Ltd / Daryl Talbot	Payments	0	346,500
	Receipts	0	0
WTFN Entertainment Pty Ltd / Daryl Talbot	Payments	0	47,000
	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 16. Remuneration of executives and payments to other personnel****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.

Certain factors affect total remuneration payable to executives over the year. Two executives received bonus payments during the year. These bonus payments depended on the terms of the individual employment contracts, which provides for an annual bonus payment.

Income band	Total remuneration		Base remuneration	
	2015 No.	2014 No.	2015 No.	2014 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		1	1	1
\$160,000 - 169,999	1	1		1
\$170,000 - 179,999	1		1	
<b>Total number of executives</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total annualised employee equivalents <sup>(i)</sup></b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total amount</b>	<b>\$337,358</b>	<b>\$323,440</b>	<b>\$333,136</b>	<b>\$323,440</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 2014/15 (2013/14 - nil).

**Note 17. Remuneration of auditors**

	2015 \$	2014 \$
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	21,200	20,700
	<b>21,200</b>	<b>20,700</b>

**Note 18. 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 declaration and Compliance with model financial report 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 2015 and financial position of Film Victoria at 30 June 2015.

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 25 August 2015.



I. Robertson  
President  
Film Victoria

Sydney

24 August 2015



J. Tosi  
Chief Executive Officer  
Film Victoria

Melbourne

25 August 2015



G. Reeves  
Chief Financial Officer  
Film Victoria

Melbourne

25 August 2015





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**COVER IMAGE**  
Gallipoli, Endemol Australia