



SUPPORTING
THE VICTORIAN
SCREEN INDUSTRY

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FILM VICTORIA

ABN 30 214 952 770
Published by Film Victoria
Melbourne Victoria Australia
September 2017

Also published on www.film.vic.gov.au
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COVER IMAGE

Please Like Me, Season 4,
John & Josh International,
Pigeon Fancier Productions
Photographer: Peter Brew-Bevan

INSIDE COVER IMAGE

Lion, See-Saw Films, Aquarius Films



A MESSAGE FROM OUR BOARD PRESIDENT



In 2016/17 84 film, television and digital games projects supported by Film Victoria generated \$230.5 million in production expenditure. This represents a 25% year on year increase in the number of projects supported, and a 33% year on year increase in the production expenditure generated by those projects.

Significantly, more than 7,700 employment opportunities were created for Victorian screen practitioners as a direct result of Film Victoria's investment in these projects.

Film Victoria was also very pleased to announce support for eight Victorian companies who will share in \$2.7 million provided through Film Victoria's Screen Business Ventures program which will assist those companies to expand their activities, with particular emphasis on export opportunities, over the next two to three years.

Considerable thought has gone into Film Victoria's 2017-20 Corporate Plan which aims to assist in achieving our vision for a Victorian screen industry that is creatively and financially successful, producing high quality, diverse and engaging content for Australian and international audiences.

In formulating this plan we have given careful consideration to the current and likely future state of the Australian and Victorian screen production industry, including the digital games sector which continues to grow and mature.

The next three years will see Film Victoria further strengthen our focus on talent and skills development and business growth, with an emphasis on gender equality, diversity and inclusiveness. Our programs and services will support industry practitioners and screen businesses to position themselves for career advancement and to maximise future opportunities for growth.

Film Victoria's Corporate Plan for the previous three year period, from 2014 to 2017, concluded on 30 June 2017. Our principal achievement in that period has been to support 205 local, interstate and international productions across film, television, visual effects and the digital games sector.

These projects delivered more than \$575 million in expenditure to the Victorian economy during that three year period and provided around 7,500 additional employment opportunities each year.

Film Victoria has also continually sought to improve our efficiency and the ease of accessing our support programs. In this regard, we are proud of our decision to assign Film Victoria's equity production investment to each producer as a grant, which has proved to be a significant benefit to producers and has returned an estimated total of \$500,000 back to producers to re-invest in their businesses and future productions.

Film Victoria, in its various incarnations, turned 40 on 8 June 2016. Our considerable achievements as an industry support agency over that period are due in particular to the commitment of Board members and staff, past and present. Successive Victorian State Governments have also been key contributors, and Film Victoria and the screen industry have been fortunate to enjoy strong bipartisan political support for four decades.

I would like to thank the Premier the Hon. Daniel Andrews MP and the Minister for Creative Industries, Martin Foley MP for the support they have provided, and continue to provide, to the Victorian screen industry.

Thanks also to Film Victoria's Board members for their ongoing service and advice, overseeing the strategic direction and governance of our organisation. In 2016/17 we were pleased to welcome back Leonie Morgan AM as a returning Board member and acknowledge the contribution of Board member Dan Fill whose term finished in August 2016.

Special thanks are also due to our Committee members and the Film Victoria staff who all made an important contribution to the pleasing results achieved this year.

I would also like to particularly thank Film Victoria's CEO Jenni Tosi who will depart Film Victoria at the end of 2017 after 10 years' service including six years as CEO. Her achievements during this time are substantial and have helped to ensure that the Victorian screen industry has enjoyed significant success during her tenure.

Finally, I would like to acknowledge the industry practitioners and businesses who comprise the Victorian screen industry for their outstanding commitment, creative endeavour and excellent work. Our industry has a great deal to be proud of as we contemplate the challenges ahead.

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

IAN ROBERTSON
President
Film Victoria

A MESSAGE FROM OUR CEO

It gives me enormous pleasure to report that Film Victoria supported projects leveraged a record expenditure of \$230.5 million in 2016/17. This is testament to the strength, creativity and resilience of the many practitioners and screen production businesses that have contributed to this year's outstanding results.



The 84 projects supported span 41 television productions including dramas, comedies, online series and two children's animation projects, 22 digital games, 12 narrative and nine documentary features, some of which were completing post or VFX work only.

The majority of expenditure (approx. 75%) was generated from local production, which includes projects originated by Melbourne based companies as well as interstate production companies who chose to work with Victorian creatives, shooting or post producing their projects here in Victoria.

Television drama production continues to be Victoria's strength, with just over half of the total expenditure or \$117 million generated from adult drama, comedy, online and animated children's content, including 11 productions supported through the Victorian Content Initiative we have in partnership with the ABC.

Returning series of WENTWORTH, OFFSPRING, THE WRONG GIRL, THE DOCTOR BLAKE MYSTERIES, GLITCH, THE EX-PM and PLEASE LIKE ME complemented new projects including THE WARRIORS, NEWTON'S LAW, OTHER PEOPLE'S PROBLEMS, WRONG KIND OF BLACK, EDGE OF THE BUSH, SUNSHINE, OLIVIA NEWTON JOHN: HOPELESSLY DEVOTED TO YOU, SISTERS, TRUE STORY WITH HAMISH & ANDY, RONNY CHIENG: INTERNATIONAL STUDENT, GET KRACK!N and PICNIC AT HANGING ROCK. It was terrific to have the live action tween dramas MUSTANGS FC and TRIP FOR BISCUITS along with the animated series KUU KUU HARAJUKU and KITTY IS NOT A CAT rounding out the kids' content. Increasingly more of the content we support is finding its way onto local and international streaming services such as Stan, Netflix and Amazon, and enjoying premiere releases on ABC's iview and SBS On Demand.

The remaining 25% of expenditure was leveraged through international productions including Season Three of HBO's THE LEFTOVERS, which shot in Melbourne and regional Victoria, and five international VFX projects including SPIDER-MAN: HOMECOMING and GAME OF THRONES Season Seven. There's no doubt the reputation of VFX houses Iloura and Luma continues to grow and attract high calibre service work.

The documentary sector remains healthy, with 13 television projects and nine features commencing production including WESTWIND: DJALU'S LEGACY, THE SONG KEEPERS and HAVE YOU SEEN THE LISTERS? which all premiered at the 2017 Melbourne International Film Festival (MIFF).

We welcomed Michael and Peter Spierig back to Melbourne with their next feature film WINCHESTER starring Helen Mirren, as well as Leigh Whannell with his feature STEM with Logan Marshall-Green in the lead. Other films included the Australian-Chinese co-production THE LONGEST SHOT along with THE BBQ, SIBLING RIVALRY, UNDERTOW and THE BUTTERFLY TREE which enjoyed a MIFF 2017 premiere.

Following his enormous success with LION, Director Garth Davis utilised the services of Melbourne post houses on his next feature MARY MAGDALENE.

Melbourne's game developers continued to impress with 29 projects receiving support to begin production or be released to market. This included FRAMED 2 the follow up to Loveshack Entertainment's critically awarded puzzle game, TICKET TO EARTH from Robot Circus and Tin Man Games' MISS FISHER AND THE DEATHLY MAZE, which is a great example of successful collaboration between screen businesses.

Funding support through Film Victoria's investment and incentive programs across the 84 projects created more than 7,700 employment opportunities for screen practitioners and kept Victorian businesses active throughout the year.

The Victorian screen industry benefits greatly from a mix of local and international production, coupled with strategic partnerships and collaboration with interstate companies who want to access our talent, locations, studios, post services and other resources.

This blend of activity enables Film Victoria to achieve strong outcomes for the industry and ensures Victorian crews and companies access regular employment and business opportunities.

Delivering on the Victorian Government's *Creative State* strategy to build the capability and conditions for growth for our screen entities, Film Victoria established three business support programs:

'Business Matters' delivered workshops for eight companies to implement appropriate business principles and practices. Eleven companies were supported to undertake a strategic review of their business through 'Planning for Growth'.

Arenamedia, Carver Films, December Media, Every Cloud Productions, Genepool Productions, League of Geeks, Mighty Games and Princess Pictures shared in \$2.7 million through our 'Screen Business Ventures' program, which they will use over the next two years to implement strategies that will expand their growth capacity and production output.

Through our professional placements programs 36 practitioners were supported to undertake a range of positions including key creative roles of writing, directing and producing. A further 26 practitioners were supported through our attachment program.

We were delighted to recognise Producers Fiona Eagger and Deb Cox, Post Production Specialist Ian Anderson, Director Greg McLean, Screenwriter Alison Nisselle, Games Producer Lisy Kane and Documentary Filmmaker Kitty Green at our annual awards events.

Additional activities that enhanced our core program offering included the Screen Forever Conference, the Australian International Documentary Conference (AIDC), and masterclasses with international guests: Producer Eugene Kelly, Showrunner Graham Yost, and Academy Award winners Animator Joan Gratz and Documentary Producer John Battsek.

Another highlight was our Writer in Residence Television Drama Initiative with Showrunner and Producer Simon Mirren who led three Victorian creative teams in workshoping their television drama concepts.

In developing Film Victoria's 2017-20 Corporate Plan and the business activities that support this document, we recognised that while technology may be driving change as to where and how audiences access content the business of creating and selling this content will continue well into the future. Our role as a screen agency is to assist Victorian businesses and practitioners to create, finance and produce that content in the most effective way possible.

Looking to the future we also recognise it takes time to establish a successful career or business, and even longer to become a highly skilled master craftsman. Increased investment in the skills development of our younger technical and creative practitioners and providing stronger connections to our highly experienced businesses will encourage increased collaboration and sharing of skills.

The Plan articulates our commitment to gender equality, diversity and inclusiveness and to drive positive change in these areas. Increasing the number of women working across all sectors and disciplines can only strengthen our industry, likewise if we encourage and improve our efforts in diversity and inclusiveness.

This year we were delighted to support another nine talented women through the Film Victoria Women in Games Fellowship and the Film Victoria-Natalie Miller Fellowship Women in Leadership Development Initiative. We also created a 'Brilliant Women' section on our website which will highlight and promote women you could and should be choosing to work with.

In summary, it has been a very busy and successful year for the team at Film Victoria, which you will discover as you explore the following pages.

Having completed a rewarding 10 years at Film Victoria I will be leaving in December 2017 to explore new opportunities, so this is my last annual report message. It has been a privilege to lead Film Victoria as the CEO these past six years and to also serve in my previous role as the General Manager for Industry Development and Investment. I have relished the opportunity to assist so many talented practitioners and businesses see their projects realised and find success in the industry.

Thanks to the Victorian Government and the Minister for Creative Industries, Martin Foley MP for his support and commitment to the Victorian screen industry. Thanks also to my colleagues at Creative Victoria, Deputy Secretary Andrew Abbott, Director of Strategy, Screen and Design Michael Hudson, and Sarah Coughlan and Matthew Cox from Strategy and Screen, who have been fantastic to work with as has Rod Allan CEO, Docklands Studios Melbourne.

My sincere thanks to Film Victoria's Board members, past and present, who have generously shared their expertise and have also been wonderful colleagues. I particularly want to acknowledge the invaluable guidance, support and mentorship I have received from our Board President Ian Robertson throughout my tenure.

We are most fortunate to attract great people to work at Film Victoria. I want to acknowledge the wonderful staff I have worked with over the past 10 years. I am incredibly proud of the Film Victoria team who continue to deliver exceptional service to the Victorian screen industry. I thank them for their extraordinary efforts, enthusiasm and commitment.

Lastly, I wish to congratulate the Victorian screen community. The impressive outcomes presented in this report are a reflection of the creativity and consistent effort of every single practitioner and business we have the pleasure of supporting and championing. Thank you all. It has been an honour and a privilege to work alongside you and I wish you all and Film Victoria continued success in the future.



JENNI TOSI
Chief Executive Officer
Film Victoria

ABOUT FILM VICTORIA

OUR ROLE

Film Victoria is the State Government agency that provides strategic leadership and assistance to the Victorian screen industry.

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

We work closely with industry and government to position Victoria as a creative state and innovation leader.

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.

OUR VISION

A Victorian screen industry that is creatively and financially successful, producing high quality, diverse and engaging content for Australian and international audiences.

2014-17 CORPORATE PLAN STRATEGIC OBJECTIVES

2016/17 was the final year of the 2014-17 Corporate Plan.

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 BOARD



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 also a Fellow of the Australian Institute of Company Directors.



DEBRA ALLANSON
Since September 2010

Debra is an online media specialist and entrepreneur with a background in screen industry development and film, television and digital media production and distribution. She was a co-founder of pioneering digital media studio Ish Media and of the Vui video platform, and has been at the forefront of developing online content and ventures. As a current member of the MAP mentor network, Debra works with start-ups integrating content and technology in a range of industries. Previously, she led ScreenWest for seven years as its founding Chief Executive.



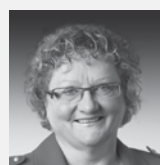
ANN DARROUZET
Since September 2010

Ann has worked in the film and television industry for more than 30 years as a creator, executive producer and producer across feature films, documentaries, long-form television and multi-platform content. Ann has won numerous national and international awards for her film work across all mediums. She is a graduate of the NSW University of Technology and the Victorian College of the Arts, Melbourne. As Managing Director of Westside Film & Television Ann provides independent film production consultant services to federal government departments and business services to small/medium film enterprises.



KELLY LEFEVER
Since September 2015

Kelly has written, script produced, script edited, story lined and story edited more than 600 hours of television for every free-to-air network in the country. She has received five AWGIE nominations, winning for both *SOMETHING IN THE AIR* and *THE CIRCUIT*. Kelly is the co-creator, script producer and head writer of the multi-award winning SBS mini-series *THE CIRCUIT*. Her television credits include *THE DOCTOR BLAKE MYSTERIES*, *MR AND MRS MURDER*, *CITY HOMICIDE*, *SOMETHING IN THE AIR* and *PRISONER*. She is also a highly sought after script editor and developer for feature films, with credits including *THE BLACK BALLOON* and *ROY HOLLSDOTTER LIVE*. In 2014 she was awarded the Foxtel Fellowship in Recognition of an Outstanding and Significant Body of Work. Kelly is a former Vice President of the Australian Writers' Guild and is Chair of the National Screenwriters' Conference Committee. She also lectures in screenwriting.



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.



MICHAEL MCMAHON
Since February 2010

A 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 Chairman and Executive Producer of Matchbox Pictures. He is also Professor, Film and Television at Swinburne University of Technology.



LEONIE MORGAN AM
Since September 2016

Leonie has worked in the private sector, for government and in the not-for-profit sector in Australia and the Asia Pacific. An experienced board director and consultant, Leonie's focus is gender equality, human resource management and good governance. She is recognised through the Victorian Women's Honour Roll and nationally through Membership of the Order of Australia for significant services to women, in particular equitable political representation.



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, IRRESISTIBLE with Susan Sarandon and Emily Blunt, 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.



CAROLINE PITCHER
Since February 2013

Caroline is the General Manager, Commercial and Public Engagement at Federation Square – Melbourne's most iconic public space. Previously she was the General Manager of Deluxe Australia's post production businesses, DDP Studios and StageOne Sound. Caroline has been a board member of Ausfilm International, a public/private partnership organisation that connects international filmmakers with the Australian screen industry, and she is also the immediate past President of the Screen Services Association of Victoria. Caroline has over 14 years of experience working in the film industry in commercial, marketing and stakeholder engagement 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.



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 of experience in accounting across both the public and private sectors. He is an accredited mediator and arbitrator and on the panels of numerous international arbitration centres. He is an independent Director of the Victorian Healthcare Association and chairs its audit and risk committee. He chaired the Risk and Audit Committee of the Victorian Department of Environment, Land, Water and Planning until September 2016.



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 United Kingdom. This included 15 years at Australia's Nine Network producing news, documentaries and lifestyle shows. Under his leadership WTFN has grown to be one of Australia's most dynamic independent television production companies. Daryl is now focused on growing WTFN internationally by creating a new range of programs with broad appeal to global audiences.

RETIRED MEMBER

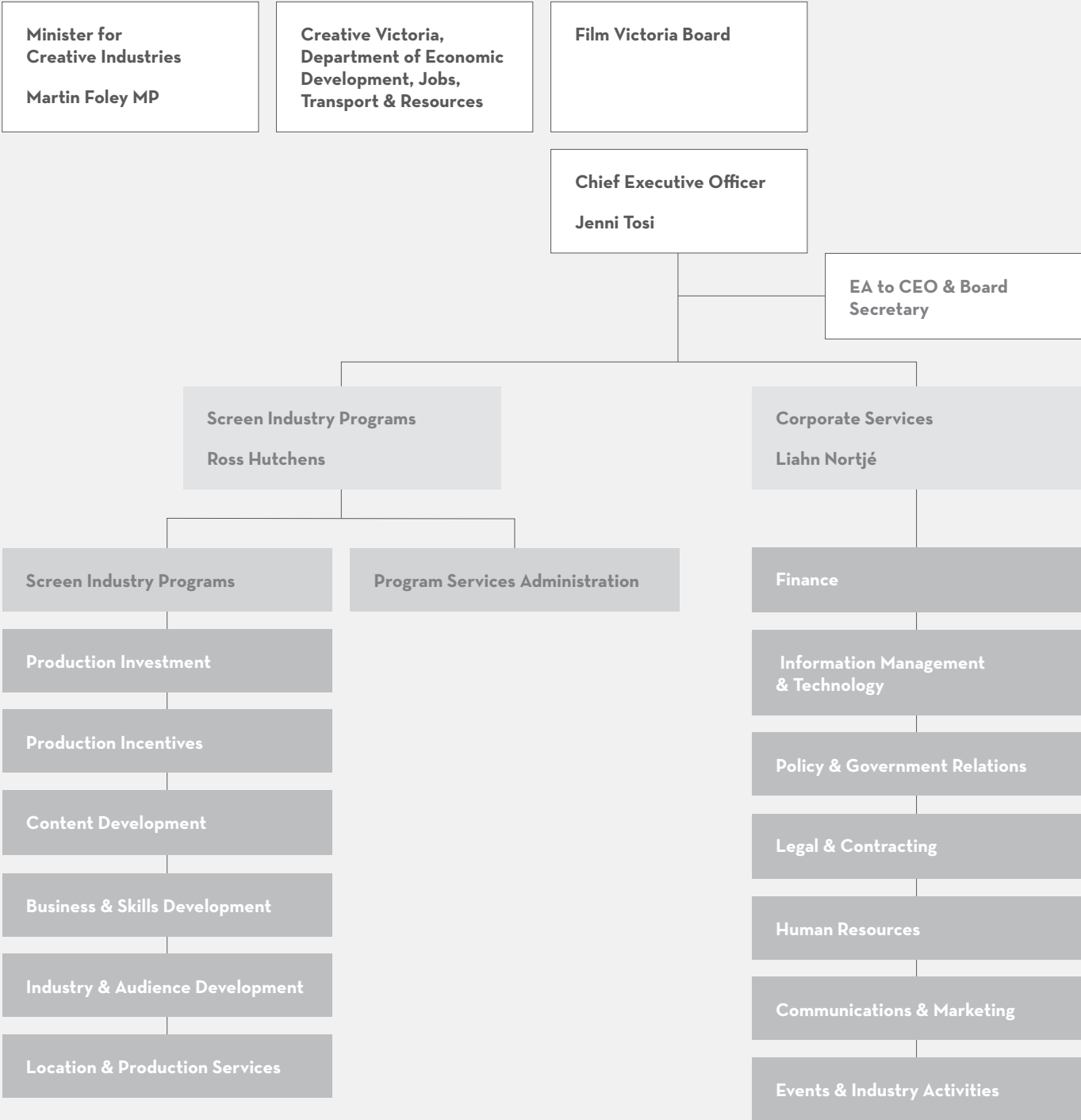
DAN FILL

September 2010 – August 2016

CORPORATE GOVERNANCE AND ORGANISATIONAL STRUCTURE

(as at 30 June 2017)

In 2016/17 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.



THE YEAR IN REVIEW

KEY ACHIEVEMENTS

Through Film Victoria's production investment and incentive funding programs we supported **84** film, television and games projects that commenced production in Victoria in 2016/17. These projects spent an estimated **\$230.5 million** in the State and generated **7,715** additional employment opportunities for Victorians. The funding commitment for some projects was made in 2015/16.

FEATURE FILMS

We supported **21** feature films that commenced production or post production in Victoria in 2016/17, leveraging **\$65.1 million** in production expenditure.

Nine of these films were feature documentaries and **12** were fiction features, of which **five** were supported to undertake post production and/or visual effects only.

TELEVISION

We supported **41** television and online projects that commenced production in Victoria in 2016/17, leveraging **\$161.9 million** of expenditure in the State. Of these projects, **13** were factual projects and **28** were scripted drama, comedy, children's and animation projects.

GAMES

We supported **22** games projects that moved into production in 2016/17, leveraging **\$3.5 million** in Victoria.

CONNECTING WITH AUDIENCES

Film and television projects we supported received over **135.9 million** Australian views on free-to-air and pay television or at the cinema in 2016/17.

PROGRAMS & INITIATIVES

Each year Film Victoria provides funding to support the development and production of feature film, television, online and games projects. In addition, funding is provided to support Victorian practitioners and businesses in other ways through our various programs and initiatives.

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.

A list of funding decisions for these programs and initiatives is published on Film Victoria's website on a routine basis, unless a grant recipient requests otherwise. Film Victoria also publishes an annual Disclosure of Payments list on its website on the same day the Annual Report is tabled in Parliament.

FEATURE FILMS & TELEVISION

Production

Through our Assigned Production Investment – Film and Television program we committed funding support to **45** projects, however not all projects commenced production in 2016/17:

- > **Seven** fiction feature films with a commitment of **\$1,489,000**
- > **16** fiction television and online projects with a commitment of **\$3,999,587**
- > **22** documentary feature, television and online projects with a commitment of **\$1,294,967**.

In 2016/17 we continued our partnership with the national broadcaster ABC. Through the Victorian Content Initiative we provided funding support to a further **eight** fiction and documentary television projects in 2016/17, with a commitment of **\$1,959,628**.

The total commitment for production investment in **53** projects was **\$8,743,182**.

Marketing

Through our Marketing Low Budget Features program we provided marketing support to **two** feature film projects with a total commitment of **\$50,000**.

Incentives

In 2016/17, **three** projects were supported through our Production Incentive Attraction Fund (PIAF) program and **seven** projects through our PIAF Post, Digital and Visual Effects (PIAF PDV) program. Combined, they will spend an estimated **\$63 million** in Victoria.

We supported **six** projects in 2016/17 through our Regional Location Assistance Fund to undertake production in regional Victoria, injecting an estimated **\$2.8 million** into regional communities.

Not all projects supported in 2016/17 also commenced production in the same financial year.

Content Development

Through our Content Development programs and initiatives we provided both funding and other development support to **62** projects.

In Fiction Development we supported **37** projects with a commitment of **\$834,494** including:

- > **23** fiction feature projects
- > **11** fiction television projects
- > **Three** writing teams through our Writer in Residence Television Drama Initiative with Simon Mirren and an additional **six** writers that received a project consultation.

In Documentary Development we supported **seven** features, **one** virtual reality project and **11** television projects with a commitment of **\$233,770**.

The total commitment for content development was **\$1,068,264**.

GAMES

Through our Assigned Production Investment – Games program we committed funding support to **22** games projects with a commitment of **\$1,350,659**.

Through our Games Release program we provided market release funding to **seven** projects with a commitment of **\$179,934**.

The total commitment for games projects was **\$1,530,593**.

TRAVEL & SKILLS

Through our International Travel program we committed **\$181,373** in funding support to:

- > **18** producers to attend international markets and undertake targeted business travel
- > **37** game developers to attend international markets, including a delegation which attended the Game Developers Conference in San Francisco
- > **14** practitioners to attend international festivals where their projects were in competition or screening.

Through our Skills Development program strands we committed **\$771,804** in funding to support:

- > **Four** Victorian women games practitioners to undertake fellowships through our Women in Games Fellowship initiative
- > **Two** games development companies to provide two professional industry placements for early career games practitioners
- > **Five** Victorian women to undertake skills development through the Film Victoria-Natalie Miller Fellowship Women in Leadership Development Initiative
- > **31** early career practitioners to undertake professional placement opportunities on productions or in companies
- > **Five** early career animators to undertake professional training on an animated children's television series.

26 early career practitioners also undertook a professional attachment in 2016/17, funded by productions supported through our Assigned Production Investment – Film and Television program.

BUSINESS

Through our Business programs we committed **\$2,804,510** in funding to support:

- > **Eight** companies to attend a Small Business Victoria workshop to develop a business plan through our Business Matters program
- > **11** companies to undertake a strategic review of their business through our Planning for Growth program
- > **Eight** companies with working capital to expand operations, enter new markets and attract investment through our Screen Business Ventures program.

VICTORIAN SCREEN INDUSTRY HIGHLIGHTS

Lion

Melbourne Director Garth Davis made his impressive feature film debut with *LION* – an adaption of Saroo Brierley's *A Long Way Home*. The feature displayed the talents of several Victorians, including Production Designer Chris Kennedy, Cinematographer Greig Fraser and others who helped to bring the story to life on screen.

Melbourne's award-winning post production facilities Soundfirm, DDP Studios and Iloura all showcased their expertise on the feature.

LION had its world premiere at the Toronto International Film Festival in September 2016 and was released in Australian cinemas on 19 January 2017. To date it has grossed over \$177 million worldwide, with \$29.5 million in Australia to become the fifth most successful Australian film of all time at the local box office.

LION was nominated for five BAFTA awards, winning Best Supporting Actor and Best Adapted Screenplay. It also received six Oscar nominations at the 89th Academy Awards and four Golden Globe Awards. Garth Davis received the Directors Guild of America Award for Direction of First-Time Feature Film and the Australian Directors Guild award for Best Direction in a Feature Film.

LION was produced by Emile Sherman and Iain Canning of See-Saw Films with Angie Fielder of Aquarius Films, and written by Luke Davies. It was supported through Film Victoria's Production Incentive Attraction Fund.

Strengthening Skills

Investing in creative and technical talent remains a key focus for Film Victoria. In 2016/17 the organisation facilitated 36 professional placements and 26 attachments with emphasis on placements for women in key creative roles where shortages have been identified.

Jess Harris completed a Director placement on *RONNY CHIENG: INTERNATIONAL STUDENT*. Working with Jonathan Brough, Jess directed four scenes for the project and now intends to direct a web series she has written.

Corrie Chen was supported for a Director placement on HBO series *THE LEFTOVERS*. Corrie went on to direct three episodes of the tween drama *MUSTANGS FC* for Matchbox Pictures and now has several directing opportunities she is undertaking.

Writer Beth King was supported with feature film development through Film Victoria's Catapult program and was then supported with a Writer placement on *NOWHERE BOYS* Season Three. Beth has since been commissioned to write an episode in the fourth season of *NOWHERE BOYS* for Matchbox Pictures.

Film Victoria's partnership with the Natalie Miller Fellowship saw the continuation of the Women in Leadership Development initiative. Virginia Whitwell, Anna Kaplan, Fiona Eagger, Rita Walsh and Selin Yaman will enhance their leadership skills through a variety of skills development opportunities supported by Film Victoria.

Spotlight on Games

Melbourne's booming games sector continues, with Victorian companies enjoying strong support for their content locally and in the international market.

Through Film Victoria's International Business Travel program, 36 Victorian developers were supported to attend the world's largest game industry event, the Game Developers Conference in San Francisco. Participants included representatives from Samurai Punk, The Voxel Agents, Lumi Publications, Tin Man Games and Robot Circus.

Film Victoria strengthened support for its major game events. In addition to its ongoing support for the Melbourne International Games Week and Penny Arcade Expo (PAX), Film Victoria was the presenting partner for the inaugural Interface @ PAX which showcased Victorian companies to international partners.

The 2017 Women in Games Fellowship supported Marigold Bartlett, Ngoc Vu, Isabelle Gramp and Shelley Lowe to undertake various placements and activities to broaden their skills and make new connections at home and abroad.

Victorian Content Initiative

A strengthened partnership with the ABC delivered the Victorian Content Initiative, which expanded from drama and comedy to also include documentary and online content. Supported productions included the new drama series *NEWTON'S LAW* along with returning seasons of *GLITCH* and *THE DOCTOR BLAKE MYSTERIES*. This initiative also funded 10 professional development opportunities for early career Victorian practitioners.

INDUSTRY EVENTS & ACTIVITIES

Film Victoria actively seeks opportunities to add value to our annual program offering through a range of additional activities to assist all sectors of the screen industry including feature films, documentary, television, animation, game developers, screen businesses and early career screen practitioners.

Almost 2.8 million people engaged in activities supported by Film Victoria in 2016/17 through a range of industry activities and televised screen events.

With a strong contingent of international guests visiting Melbourne this year, local practitioners were able to benefit from the skills and knowledge shared by these screen specialists. An entertaining 'In Conversation' with Showrunner and Producer Simon Mirren (VERSAILLES, CSI) while he was in Melbourne for Film Victoria's Writer in Residence Television Drama Initiative provided real insight into the business of creating and pitching drama television for the international market.

Screenwriters and producers attended masterclasses with highly acclaimed Producer, Writer and Showrunner Graham Yost (THE AMERICANS, JUSTIFIED), focusing on the art of storytelling whilst THE LEFTOVERS Producer Eugene Kelly provided valuable insights for Victorian creatives looking to get their projects into the US market.

Academy Award-winning Documentary Producer, John Battsek (ONE DAY IN SEPTEMBER, SEARCHING FOR SUGARMAN) shared his expertise in documentary features and held one-on-one project meetings with selected Victorian documentary filmmakers.

Delivering on our ongoing commitment to ensuring greater representation of women in the screen industry, Film Victoria also hosted an 'In Conversation' with Madeline Di Nonno, Chief Executive Officer of the Geena Davis Institute on Gender in Media.

Film Victoria's annual Women in Games lunch which takes place during Melbourne International Game Week provided a valuable opportunity for women at all stages of their career in the games sector to connect with their peers.

The launch event for the 2017 Film Victoria Women in Games Fellowship and Women in Leadership Development Initiative, in partnership with the Natalie Miller Fellowship, brought together women from all sectors of the screen industry for a very successful and informative networking evening.

Other supported events covering the diverse needs and interests of our industry practitioners included Gnomon Games and VFX conference, the Melbourne International Animation Festival, Interface @ PAX, Game Connect Asia Pacific, Melbourne Global Games Jam, Aardman Animation Masterclass and a Virtual Reality Day at AIDC.

Ongoing support for popular festivals and events for the Victorian public included the TV Week Logie Awards, MIFF, Indian Film Festival of Melbourne, St Kilda Film Festival, PAX, The Other Film Festival and Melbourne Queer Film Festival amongst others.

Film Victoria supported a number of special screenings including EMO THE MUSICAL, RED DOG: TRUE BLUE, the 30 year anniversary screening of MALCOLM, and episode eight of HBO's THE LEFTOVERS Season Three, which provided opportunities to acknowledge the contribution of the talented teams and individuals who helped bring these projects to screen.

Film Victoria's annual industry awards events shone a spotlight on the accomplishments of our industry practitioners.

2017 Screen Leader Awards:

- > Fred Schepisi Award for Achievement in Directing: Greg McLean
- > Jan Sardi Award for Achievement in Screenwriting: Alison Nisselle
- > Jill Robb Award: Producers Fiona Eagger and Deb Cox, Every Cloud Productions
- > John Howie Award: Ian Anderson, Post Production Specialist.

2017 Seen & Screened Awards:

- > Greg Tepper Award: Kitty Green, Documentary Filmmaker
- > Tim Richards Award: Lisy Kane, Games Producer.

Film Victoria hosted a range of industry events in partnership with screen based organisations including Screen Australia's Gender Matters information event and an 'In Conversation' with Screen Australia. Other partner organisations included Screen Producers Australia, the Australian Writers Guild, the Melbourne Writer's Festival and the Australian Directors Guild.

To acknowledge the valuable role of local government councils and other state government authorities who contribute to the Victorian screen industry's success, Film Victoria hosted a lunch for mayors, CEOs and council staff. The event provided an opportunity to discuss the benefits and challenges of filming in Victoria and discuss ways Film Victoria could best support these councils who manage a high volume of filming permit requests.

Other 2016/17 Film Victoria hosted, sponsored or supported events included:

- > AACTA industry screenings and associated events throughout the year
- > MIFF 37° South (July 2016)
- > MIFF PostScript & Direct (July 2016)
- > Australian Writers Guild AWGIES (August 2016)
- > MIFF regional tour (August 2016)
- > SBS Roadshow and pitching sessions (August 2016)
- > Steve Hely workshop for screenwriters (September 2016)
- > Catapult Feature Lab Pitching Event (October 2016)
- > Film Victoria-New Zealand producers speed dating event (November 2016)
- > Screen Australia Roadshow (December 2016)
- > Australian Showcase at Game Developers Conference (February 2017)
- > Australian Women in Games brunch at Game Developers Conference, San Francisco (February 2017)
- > Natalie Miller Foundation Brilliant Careers Leadership Conference (February 2017)
- > Screen Australia Hotshots event (April 2017)
- > Screen Producers Australia Ones to Watch event (April 2017)
- > Australian Directors Guild Awards (May 2017)
- > Academy Award-winning Animator Joan Gratz master class (June 2017).

COMMITTEES AND ASSESSMENT PANELS

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

Staff members who participated in assessment meetings in 2016/17 were:

- > CEO, Jenni Tosi
- > Head of Screen Industry Programs, Ross Hutchens
- > Head of Corporate Services, Liahn Nortjé (from 5 June 2017)
- > Acting Head of Finance and Business Services, Robert Hewko (until 9 June 2017)
- > Development and Investment Manager, Alicia Brown (from 1 November 2016)
- > Development and Investment Manager, Franco Di Chiera
- > Development and Investment Manager, Cathy Rodda
- > Development and Investment Manager, Franziska Wagenfeld (from 2 August until 30 September 2016)
- > Incentives and Investment Manager, Joe Brinkmann
- > Industry Programs Coordinator, Madeline Getson
- > Industry Projects Manager, Jana Blair
- > Manager - Fiction Development, Clea Frost (until 29 September 2016)
- > Manager - Fiction Development, Erin Stam (from 23 August 2016)
- > Manager - Games and Digital Content, Liam Routt.

AUDIT AND RISK COMMITTEE

This committee oversees and reviews the internal and external audit function and management processes with a view to the organisation achieving its strategic objectives efficiently and effectively. It provides guidance to the Board, CEO and Head of Corporate 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 any risks associated with Film Victoria's Cash Flow Facility and assesses applications to the program for recommendation to the Board for final approval. All four current members are independent:

- > Lyn Maddock, Board member (Chair)
- > Debra Allanson, Board member
- > John Rundell, Board member
- > Liz Grainger, external member.

The committee met on seven occasions in 2016/17.

EVALUATION AND ADVISORY COMMITTEE

This committee consists of the Film Victoria CEO, two Board members, and suitably qualified and experienced film and television practitioners 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 (Chair)
- > Kelly Lefever, Board member
- > David Parker, Board member.

External members:

- > Imogen Banks (from 1 January 2017)
- > Chris Corbett (from 1 January 2017)
- > Daryl Dellora (until 31 December 2016)
- > Fiona Eagger
- > Clea Frost (from 1 January 2017)
- > Anna Grieve (until 31 December 2016)
- > Alan Hardy
- > Amanda Higgs (from 1 January 2017)
- > Richard Lowenstein
- > Stephen Luby (from 1 January 2017)
- > Dee McLachlan (until 31 December 2016)
- > Anna McLeish
- > Stuart Menzies (from 1 January 2017)
- > Craig Monahan (until 31 December 2016)
- > Sonya Pemberton
- > Andrew Wiseman.

The committee met on five occasions and assessed 49 applications, of which 45 were approved.

PRODUCTION INCENTIVE ATTRACTION FUND COMMITTEE

This committee meets regularly to assess and approve applications to the Production Incentive Attraction Fund programs (PIAF and PIAF PDV) and the Regional Location Assistance Fund. In 2016/17 the PIAF committee also assessed applications to the Victorian Content Initiative.

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
- > Head of Screen Industry Programs
- > Head of Corporate Services
- > A Film Victoria Legal Representative (voting member in the absence of CEO, Head of Screen Industry Programs or Head Corporate Services)
- > David Hanna, external member.

The committee met on nine occasions and assessed 24 applications, all of which were approved.

BUSINESS AND SKILLS DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the International Travel - Business, International Travel - Festivals, Games Professional Placements, Women in Games Fellowship, Marketing Low Budget Features, Key Talent Production Placement and Key Talent Company Placement funding programs, providing recommendations to the CEO or Head of Screen Industry Programs. It also assesses Indigenous 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
- > Development and Investment Manager(s)
- > Incentives and Investment Manager
- > Industry Programs Coordinator
- > Industry Projects Manager
- > Manager - Fiction Development
- > Manager - Games and Digital Content.

In addition, the panel may engage external assessors as required. External assessors engaged for the Women in Games Fellowship initiative in 2016/17 were Alison Gibb and Sarah Moran.

The panel met on 22 occasions and assessed 231 applications, of which 76 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 Board or CEO for final approval. The panel must comprise a minimum of five members, including at least one member of Film Victoria staff and three external members, from the following:

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

External members:

- > Lauren Clinnick
- > Alison Gibb
- > Trevor Powell
- > Neil Rennison
- > Nicole Stark
- > Andy Sum (from 26 August 2016)
- > Megan Summers (until 26 September 2016)
- > Andrew Symons
- > Daniel Visser (until 8 October 2016).

The panel met on four occasions and assessed 56 applications, of which 29 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)
- > Incentives and Investment Manager
- > Manager – Fiction Development
- > External members (as required).

External assessors engaged in 2016/17 were Anna Grieve and Andrew Wiseman.

The panel met on four occasions and assessed 27 applications, of which 19 were approved.

FICTION DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the Feature Film Development, the Incubator Feature Script Intensive, Development On Demand – Features, Development On Demand – Television and High End Television Concept programs, providing recommendations to the CEO. The panel must comprise a minimum of three including at least one internal staff member from the following:

- > CEO
- > Head of Screen Industry Programs
- > Development and Investment Manager(s)
- > Incentives and Investment Manager
- > Manager – Fiction Development
- > External members.

External script development assessors engaged in 2016/17 included:

- > Kelly Lefever, Board member
- > Ranald Allan
- > Elizabeth Coleman
- > Leah Estrin
- > Clea Frost
- > Alan Hardy
- > Anna McLeish
- > Katherine Slattery
- > Brian Udovich.

The panel met on 10 occasions and assessed 75 applications, of which 37 were approved.

INDUSTRY AND AUDIENCE DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the Industry Development, Audience Engagement and Regional Audience Engagement program strands, providing recommendations to the CEO or Head of Screen Industry Programs. In 2016/17 the panel also assessed applications for the Connecting to the World Through Film program and applications to attend the MIFF 37° South PostScript & Direct event. The panel must comprise a minimum of three from the following internal panel members:

- > CEO
- > Head of Screen Industry Programs
- > Development and Investment Manager(s)
- > Incentives and Investment Manager
- > Industry Programs Coordinator
- > Industry Projects Manager
- > Manager – Fiction Development
- > Manager – Games and Digital Content.

The panel met on eight occasions and assessed 38 applications, of which 32 were approved. No external panel members were engaged in 2016/17.

SPECIAL ASSESSMENT PANEL

Special assessment panels were formed to assess applications to the Film Victoria–Natalie Miller Fellowship Women in Leadership Development Initiative and the Screen Business Ventures program.

The panel for the Women in Leadership Development Initiative comprised:

- > CEO
- > Cathy Rodda, Development and Investment Manager
- > Julia Adams, external member on behalf of the Natalie Miller Fellowship
- > Sue Maslin, external member on behalf of the Natalie Miller Fellowship.

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

The panel for the Screen Business Ventures program comprised the CEO (non-voting member) and the following external members:

- > David Court
- > Janeen Faithfull
- > Cass O'Connor
- > Peter Sussman.

The panel met on two occasions, assessed 15 applications and recommended eight applications, all of which were approved by Film Victoria's Board.

REPORT OF OPERATIONS 2016/17

RESPONSIBLE BODY'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 2017.




IAN ROBERTSON

President
Film Victoria

25 July 2018

RISK MANAGEMENT COMPLIANCE ATTESTATION

I, Ian Robertson, certify that Film Victoria has complied with the Ministerial Standing Direction 3.71 – Risk Management Framework and Processes. Film Victoria's Audit and Risk Committee has verified this.



IAN ROBERTSON

President
Film Victoria

25 July 2018

PERFORMANCE AGAINST OUTPUT PERFORMANCE MEASURES

There were no major changes or factors affecting performance and the achievement of objectives in 2016/17.

Film Victoria reports to government on two budgetary and performance outputs with associated targets. Results for the 2016/17 reporting period are below.

PERFORMANCE INDICATOR	UNIT OF MEASURE	2015/16 ACTUAL	2016/17 TARGET	2016/17 ACTUAL	2016/17 VARIANCE (%)	2016/17 RESULT
Value of film, television and digital media production supported by Film Victoria	\$ million	*173	173	*231	33.2	✓✓
Additional employment from production supported by Film Victoria	number	8,068	7,500	7,715	2.9	✓

Notes:

* Result rounded up for consistency with Budget Paper 3 reporting.

✓ = Performance target achieved.

✓✓ = Performance target achieved – exceeds the standard 5% variance. The 2016/17 actual is higher than the target due to an increase in the number and value of projects supported through Film Victoria's incentive programs, specifically PIAF and PIAF PDV.

OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2016/17

FIVE YEAR FINANCIAL SUMMARY

	30-JUN-2017	30-JUN-2016	30-JUN-2015	30-JUN-2014	30-JUN-2013
	\$	\$	\$	\$	\$
Revenue from government	30,300,541	25,373,417	19,871,230	21,939,134	15,317,163
Other revenue	993,912	1,115,704	1,435,684	2,122,469	2,607,103
Total revenue	31,294,453	26,489,121	21,306,914	24,061,603	17,924,266
Total project costs	21,003,736	18,273,789	15,852,665	20,361,611	15,701,961
Comprehensive result	3,650,961	1,482,524	(812,923)	(2,706,398)	(4,983,655)
Net cash flow	4,115,322	1,006,095	(1,266,879)	(2,082,374)	(6,173,057)
Total assets	29,680,052	26,064,505	24,846,871	25,458,102	28,483,624
Total liabilities	1,548,099	1,583,513	1,848,403	1,646,711	1,965,836
ALLOCATION OF CASH ASSETS					
Net Outstanding Program commitments	16,826,923	13,172,083	12,952,191	16,463,175	17,692,606
Commitment to program expenditure	4,131,950	1,671,468	(614,736)	(4,256,253)	(4,903,309)
Cash Flow Facility funds	6,490,865	8,490,865	9,990,865	11,388,277	12,888,277
Total cash assets	27,449,738	23,334,416	22,328,320	23,595,200	25,677,574
Receivables and prepayments	1,198,283	1,538,983	1,270,284	406,118	1,188,110
Property, plant and equipment	1,032,031	1,191,106	1,248,267	1,456,784	1,617,939
Total non-cash assets	2,230,314	2,730,089	2,518,551	1,862,902	2,806,049
TOTAL ASSETS	29,680,052	26,064,505	24,846,871	25,458,102	28,483,624

REVENUE FROM GOVERNMENT

The total funding package from government to Film Victoria was \$30.3 million in 2016/17, of which \$26.7 million is controlled by Film Victoria and \$3.6 million is administered by Film Victoria.

Total government funding in 2016/17 was higher than 2015/16 as a result of additional funds secured for the Victorian Content Initiative (VCI) and high value footloose projects funded through the Premier's Jobs and Investment Fund (PJIF).

OTHER REVENUE

Other revenue in 2016/17 is lower than previous years partly due to Film Victoria assigning its equity investment in the film and television productions it supports to producers (since 1 July 2014).

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 increased net operating result in 2016/17 is primarily due to increased revenue from government as outlined above, delayed timing of project milestones and some unplanned project revocations at the end of the year, resulting in an accounting surplus of \$3.7 million for 2016/17. This also resulted in an increase in outstanding commitments at year end.

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 funding receipts and program payments. During 2016/17 there was an increase in net cash flows, due to the VCI and PJIF funding and a reprioritisation of funding from the Cash Flow Facility to Film Victoria, partially offset by increased program payments. The net result was an increase in cash held by Film Victoria.

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

TOTAL ASSETS

The increase in total assets during 2016/17 is predominantly due to the increase in cash assets outlined above.

NET OUTSTANDING PROGRAM COMMITMENTS

The value of net outstanding program commitments represents the level of financial commitments still to be disbursed by Film Victoria as at 30 June 2017 net of expected future budget allocations. Disbursement is dependent on the achievement of contracted milestones and deliverables due in the future net of future budget allocations.

The increase in outstanding commitments for 2016/17 increases the accounting surplus at year end.

COMMITMENT TO PROGRAM EXPENDITURE

This is the 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 2017.

CASH FLOW FACILITY FUNDS

This is the amount of cash available to meet future Cash Flow Facility loans. During 2016/17 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 2017.

SUBSEQUENT EVENTS

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

EMPLOYMENT RELATED DISCLOSURES

WORKFORCE DATA

Table 1: Full time equivalent (FTE) staffing trends from 2013 to 2017

2017	2016	2015	2014	2013
*34.1	36.6	33	35.8	40.8

Table 2: Employment status of employees

ONGOING EMPLOYEES	FIXED TERM AND CASUAL EMPLOYEES				FIXED TERM AND CASUAL EMPLOYEES
	EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE	FTE
June 2017	25	19	6	23.1	11.0
June 2016	28	25	3	27.4	9.2

Table 3: Workforce composition

JUNE 2017				JUNE 2016			
ONGOING		FIXED TERM AND CASUAL EMPLOYEES		ONGOING		FIXED TERM AND CASUAL EMPLOYEES	
EMPLOYEES (HEADCOUNT)	FTE	FTE		EMPLOYEES (HEADCOUNT)	FTE	FTE	
GENDER							
Male	7	6.4	2.2	8	7.8	2.2	
Female	18	16.7	8.8	20	19.6	7	
AGE							
Under 25	1	1	0	1	1	0	
25-34	7	6.5	3.6	10	10	1.6	
35-44	9	7.8	4.2	10	9.4	3	
45-54	5	5	1.4	5	5	3.8	
55-64	3	2.8	1.8	2	2	0.8	
Over 64	0	0	0	0	0	0	
CLASSIFICATION							
VPS 1	0	0	0	0	0	0	
VPS 2	0	0	0	0	0	0	
VPS 3	7	6.3	4.6	9	9	3	
VPS 4	8	7.4	0.6	8	7.8	0	
VPS 5	5	4.8	5.8	6	5.8	6.2	
VPS 6	2	1.6	0	3	2.8	0	
STS	0	0	0	0	0	0	
EO1	0	0	0	0	0	0	
EO2	**1	1	0	**1	1	0	
EO3	2	2	0	1	1	0	
Total	25	23.1	11	28	27.4	9.2	

Notes:

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

Ongoing employees means 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 in June.

FTE means full time staff equivalent.

Excluded are those on leave without pay or absent on secondment, external contractors/consultants, 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*.

*The 2017 FTE figure excludes three vacant full time, ongoing positions. The 2016 FTE figure includes one vacant Executive Officer position temporarily filled by non-executive staff.

Employees have been correctly classified in workforce data collection.

One third of Executive Officer positions were filled by women in 2017 compared to half in 2016. Female Executive Officers are indicated by a double asterisk (**) in the employee headcount columns.

EMPLOYMENT AND CONDUCT PRINCIPLES

We abide by the public sector values outlined in the *Public Administration Act 2004*. These values are:

- > 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 Enterprise Agreement 2016*, which can be found at www.film.vic.gov.au.

The *Film Act 2001* also provides guidance for the Board, our executive and other 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.

ENTERPRISE AGREEMENT

The *Film Victoria Enterprise Agreement 2016* was approved by the Fair Work Commission and came into operation on 2 March 2017. The Agreement has a nominal expiry date of 31 December 2019. The terms and conditions of the Agreement are largely aligned with the terms and conditions of the *Victorian Public Service Enterprise Agreement 2016*.

INDUSTRIAL DISPUTES

We work cooperatively with the Community and Public Sector Union (CPSU) and employee representatives. No days were lost in the year as a result of an industrial dispute.

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.

	2016/17	2015/16	2014/15
Reported hazards/incidents/ near misses	1	2	1
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

OTHER DISCLOSURES

CONSULTANCIES UNDER \$10,000

In 2016/17 Film Victoria engaged no consultancies where the total fees payable to the consultants was less than \$10,000.

CONSULTANCIES OVER \$10,000

In 2016/17 there was one consultancy where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2016/17 in relation to these consultancies was \$39,900 (excluding GST).

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2016/17 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
				\$	\$	\$
BYP Group	Options for Film Victoria's funding of early career screen practitioners	Jul 2016	Dec 2016	39,900	39,900	0

GOVERNMENT ADVERTISING EXPENDITURE

Film Victoria's expenditure on government advertising in the 2016/17 reporting period did not exceed \$100,000.

ICT EXPENDITURE

Film Victoria had a total ICT expenditure of \$602,000 (excluding GST) in 2016/17, as detailed below.

BUSINESS AS USUAL (BAU)	NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE	
		\$114,000
\$488,000	OPERATIONAL EXPENDITURE	CAPITAL EXPENDITURE
	\$69,000	\$45,000

"ICT expenditure" refers to Film Victoria's costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.

"Non-BAU ICT expenditure" relates to extending or enhancing Film Victoria's current ICT capabilities. Non-BAU ICT expenditure = Operational expenditure + Capital expenditure.

"BAU ICT expenditure" is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

VICTORIAN INDUSTRY PARTICIPATION POLICY ACT 2003

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.

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.

INDICATOR	2016/17	2015/16
Total units of copy paper purchased (reams)	247	249
Percentage of 100% recycled content copy paper purchased (%)	49.8	98.4
Average daily energy usage (kWh)	155.7	152.7
Average quarterly greenhouse gas emissions (tonnes)	16.2	16.7
Percentage of electricity matched by renewable sources (%)	100	100

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.

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*.

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Film Victoria. Film Victoria received one application and made a decision in relation to this application in 2016/17. Film Victoria also provided one decision relating to an application received in the previous financial year.

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:

- It must be in writing
- It must clearly identify which documents are being requested; and
- 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 Officer
Film Victoria
Level 3, 55 Collins Street
MELBOURNE VIC 3000

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

Access charges may 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.

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 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
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 Annual Report:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary
- Details of publications produced by Film Victoria about our activities and how they can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by Film Victoria
- Details of major external reviews carried out in respect of the operation of Film Victoria
- Details of major research and development activities undertaken by Film Victoria
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- Details of major promotional, public relations and marketing activities undertaken to develop community awareness of Film Victoria and our services
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the organisation and details of time lost through industrial accidents and disputes
- A list of major committees sponsored by Film Victoria, the purposes of each committee, and the extent to which the purposes have been achieved
- 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 Corporate Services
Film Victoria
Level 3, 55 Collins Street
MELBOURNE VIC 3000

DISCLOSURE INDEX

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

LEGISLATION	REQUIREMENT	PAGE REFERENCE
MINISTERIAL DIRECTIONS & FINANCIAL REPORTING DIRECTIONS		
REPORT OF OPERATIONS		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	4 & 8
FRD 22H	Purpose, functions, powers and duties	4-5
FRD 22H	Key initiatives and projects	9-12
FRD 22H	Nature and range of services provided	5
Management and structure		
FRD 22H	Organisational structure	8
Financial and other information		
FRD 8D	Performance against output performance measures	15
FRD 10A	Disclosure index	22-23
FRD 15D	Executive Officer disclosures	18
FRD 22H	Employment and conduct principles	19
FRD 22H	Occupational health and safety policy	19
FRD 22H	Summary of the financial results for the year	16
FRD 22H	Significant changes in financial position during the year	17
FRD 22H	Major changes or factors affecting performance	15 & 17
FRD 22H	Subsequent events	17
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	21
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	20
FRD 22H	Statement on National Competition Policy	20
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	21
FRD 22H	Details of consultancies over \$10 000	20
FRD 22H	Details of consultancies under \$10 000	20
FRD 22H	Disclosure of government advertising expenditure	20
FRD 22H	Disclosure of ICT expenditure	20
FRD 22H	Statement of availability of other information	21
FRD 24C	Reporting of office based environmental impacts	20
FRD 25C	Victorian Industry Participation Policy disclosures	20
FRD 29B	Workforce data disclosures	18
SD 5.2	Specific requirements under Standing Direction 5.2	42

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	15
SD 5.2.3	Declaration in report of operations	15

FINANCIAL STATEMENTS

Declaration

SD 5.2.2	Declaration in financial statements	42
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Other requirements under Standing Directions 5.2

SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	27
SD 5.2.1(a)	Compliance with Ministerial Directions	15 & 27
SD 5.2.1(b)	Compliance with Model Financial Report	42

Other disclosures as required by FRDs in notes to the financial statements*

FRD 11A	Disclosure of ex-gratia expenses	40
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	40–41
FRD 103F	Non-financial physical assets	34–35
FRD 110A	Cash flow statements	27 & 40

*Note: References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

LEGISLATION

<i>Freedom of Information Act 1982</i>	21
<i>Building Act 1993</i>	20
<i>Protected Disclosure Act 2012</i>	21
<i>Victorian Industry Participation Policy Act 2003</i>	20
<i>Financial Management Act 1994</i>	15 & 42
<i>Film Act 2001</i>	4

AUDITOR-GENERAL'S REPORT

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report

To the Board Members of Film Victoria

Opinion	<p>I have audited the financial report of Film Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2017• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Accountable Officer's and Chief Finance and Accounting Officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Emphasis of matter - Reissued financial report	<p>Without modifying my opinion, I draw attention to Note 19 of the financial report which explains why the financial report has been reissued. This auditor's report supersedes my previous auditor's report dated 25 August 2017 relating to the previously issued, and now superseded, financial report.</p> <p>My opinion is not modified in respect of this matter.</p>
Board Members's responsibilities for the financial report	<p>The Board Members of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board Members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

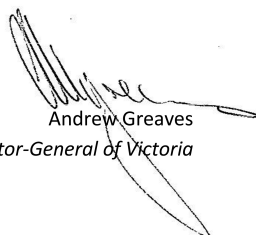
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members
- conclude on the appropriateness of the Board Members's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
1 August 2018


Andrew Greaves
Auditor-General of Victoria

FILM VICTORIA - FINANCIAL STATEMENTS

Comprehensive operating statement for the financial year ended 30 June 2017

	Note	2017 \$	2016 \$
Continuing operations			
Income from transactions			
Victorian Government funding	2(a)	30,300,541	25,373,417
Other income	2(b)	993,912	1,115,704
Total income from transactions		31,294,453	26,489,121
Expenses from transactions			
Program costs	2(c)	21,003,736	18,273,789
Employee expenses	2(d)	4,550,837	4,437,799
Depreciation	2(e)	217,624	211,147
Other operating expenses	2(f)	1,881,559	2,079,170
Impairment of assets	5(b)	-	-
Total expenses from transactions		27,653,756	25,001,905
Net results from transactions (net operating balance)		3,640,697	1,487,216
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱ⁾	3(a)	-	250
Net gain/(loss) from other economic flows	3(b)	10,264	(4,942)
Total other economic flows included in net result		10,264	(4,692)
Comprehensive result		3,650,961	1,482,524

(i) 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 operating statement should be read in conjunction with the notes to the financial statements.

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 2017

	Note	2017 \$	2016 \$
Assets			
Financial assets			
Cash and deposits	12(a)	27,449,738	23,334,416
Receivables	4	1,034,555	1,430,564
Total financial assets		28,484,293	24,764,980
Non-financial assets			
Prepayments		163,728	108,419
Property, plant and equipment	5	1,032,031	1,191,106
Total non-financial assets		1,195,759	1,299,525
Total assets		29,680,052	26,064,505
Liabilities			
Payables	6	249,948	157,238
Provisions	7	1,298,151	1,426,275
Total liabilities		1,548,099	1,583,513
Net assets		28,131,953	24,480,992
Equity			
Accumulated surplus/(deficit)		383,979	(3,266,982)
Contributed capital		27,747,974	27,747,974
Net worth		28,131,953	24,480,992
Commitments for expenditure	9		
Contingent assets and liabilities	10		

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

Commitments on program costs undisbursed at 30 June 2017 amounted to \$24,825,848 (2015-16: \$24,613,552) and are detailed in Note 9.

Statement of changes in equity for the financial year ended 30 June 2017

	Note	Accumulated surplus/(deficit) \$	Contributions by owner \$
Balance at 30 June 2015		(4,749,507)	27,747,974
Net result for the year		1,482,524	-
Other comprehensive income for the year		-	-
Balance at 30 June 2016		(3,266,982)	27,747,974
Net result for the year		3,650,961	-
Other comprehensive income for the year		-	-
Balance at 30 June 2017		383,979	27,747,974

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 2017			
	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts			
Receipts from government		32,878,635	26,667,896
Receipts from other entities		520,915	601,109
Interest received		565,691	436,782
Goods and Services Tax recovered from the ATO ⁽ⁱ⁾		597,378	503,778
Total receipts		34,562,619	28,209,565
Payments			
Payments to suppliers and employees		(7,267,601)	(6,764,657)
Payments to industry applicants		(23,121,146)	(20,285,077)
Total payments		(30,388,747)	(27,049,734)
Net cash from/(used in) operating activities	12	4,173,872	1,159,831
Cash flows from investing activities			
Payments for property, plant, and equipment	5(b)	(58,550)	(153,986)
Receipts on sale of property, plant, and equipment		-	250
Net cash from/(used in) investing activities		(58,550)	(153,736)
Net increase/(decrease) in cash and cash equivalents		4,115,322	1,006,095
Cash and cash equivalents at the beginning of the financial year		23,334,416	22,328,321
Cash and cash equivalents at the end of the financial year	12	27,449,738	23,334,416

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

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

Notes to the financial statements for the year ended 30 June 2017

- 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 assets and 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
- Note 19. Reissue of Financial Statements for the year ended 30 June 2017

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 2017. The purpose of this report is to provide users with information about Film Victoria's stewardship of resources entrusted to it.

(a) Statement of compliance

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The annual financial statements have been authorised for issue by the Board of Film Victoria on 25 July 2018.

(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 re-measurements. 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

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 accounting policies

There were no changes in Film Victoria's accounting policies for the financial year ended 30 June 2017.

(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 revenue

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.

Application and administration fees

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

Investment and grant repayments

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

(g) Expenses from transactions

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

Program costs

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

Program 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.

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 that is 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	Depreciation rate	Useful life
Audio visual equipment	25%	4 years
Computer equipment	33%	3 years
Furniture and fittings	20%	5 years
Office equipment	20%	5 years
Leasehold improvements	10%	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(j) *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 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. Subsequently, 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(i).

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. These were 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) Non-financial assets

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

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 FRD 103F.

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 Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. 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.

(I) 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 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; or
- 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

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 assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 10 *Contingent assets and liabilities*) and if quantifiable, are measured at nominal value. Contingent assets and 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 (AAS) 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 2016. For the current year, given the number of consequential amendments to AASB 9 *Financial instruments* and AASB 15 *Revenue from contracts with customers*, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

As at 30 June 2017, the following AASs have been issued by the AASB but not yet effective.

AASB 9 Financial instruments (including AASB 2014-1, AASB 2016-8)

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.

While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

Applicable for annual reporting periods beginning 1 January 2018.

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.

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.

Applicable for annual reporting periods beginning 1 January 2019.

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9

The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained.

However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:

- The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and
- Other fair value changes are presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Applicable for annual reporting periods beginning 1 January 2018.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

Amends the measurement of trade receivables and the recognition of dividends. Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.

The assessment has indicated that there will be no significant impact for the public sector.

Applicable for annual reporting periods beginning 1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018.

AASB 16 Leases

The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.

The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

Applicable for annual reporting periods beginning 1 January 2019.

AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable amount of non-cash-generating specialised assets of not-for-profit entities

The standard amends AASB 136 *Impairment of assets* to remove references to using depreciated replacement cost as a measure of value in use for not-for-profit entities.

The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 *Fair value measurement* is the same as the depreciated replacement cost concept under AASB 136.

Applicable for annual reporting periods beginning 1 January 2017.

(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		
	2017 \$	2016 \$
Income from transactions		
(a) Income from government		
Government subvention	19,319,000	19,399,000
Events funding	3,770,000	3,730,000
Other government initiatives funding	7,211,541	2,244,417
Total government funding	30,300,541	25,373,417
(b) Other income		
Program revenue		
Development buyout(s)	267,105	216,026
Application and administration fees	58,250	63,000
Investment and grants repayments	134,130	230,828
Other program revenue	15,174	45,261
Total program revenue	474,659	555,114
Interest revenue		
Interest/financial institutions	519,253	560,590
Total interest revenue	519,253	560,590
Total other income	993,912	1,115,704
Expenses from transactions		
(c) Program costs		
Program payments	21,003,736	18,273,789
Total program costs	21,003,736	18,273,789
(d) Employee expenses		
Superannuation	407,607	395,125
Salary costs	4,143,230	4,042,674
Total employee expenses	4,550,837	4,437,799
(e) Depreciation		
Depreciation of non-current assets	217,624	211,147
Total depreciation	217,624	211,147
(f) Other operating expenses		
Operating leases	447,569	430,676
Supplies and services	1,433,990	1,648,494
Total operating expenses	1,881,559	2,079,170

Note 3: Other economic flows included in net result		
	2017 \$	2016 \$
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of non-financial assets	-	250
Total net gain/(loss) on non-financial assets	-	250
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	10,264	(4,942)
Net gain/(loss) arising from other economic flows	10,264	(4,942)

Note 4. Receivables		
	2017 \$	2016 \$
Current receivables		
<i>Contractual</i>		
Other receivables	890,391	1,156,588
Interest receivable	102,524	148,962
Total current contractual receivables	992,915	1,305,550
<i>Statutory</i>		
GST receivable	41,640	125,014
Total current statutory receivables	41,640	125,014
Total current receivables	1,034,555	1,430,564
Total receivables	1,034,555	1,430,564

The average credit period on sales of goods and services is 30 days. No provision has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience. During the reporting period, there were no producer loans paid out and no principal repayments received to or from the Cash Flow Facility respectively.

Note 5. Property, plant and equipment

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

	2017 \$	2016 \$
Leasehold improvements		
At fair value	1,616,409	1,604,936
Less: Accumulated depreciation	(673,299)	(508,223)
Total leasehold improvements	943,110	1,096,713
Audio visual equipment		
At fair value	44,012	42,454
Less: Accumulated depreciation	(39,086)	(35,102)
Total audio visual equipment	4,926	7,352
Computer equipment		
At fair value	209,380	165,888
Less: Accumulated depreciation	(150,920)	(128,099)
Total computer equipment	58,460	37,789
Furniture and fittings		
At fair value	117,290	116,767
Less: Accumulated depreciation	(94,249)	(72,251)
Total furniture and fittings	23,041	44,516
Office equipment		
At fair value	27,457	26,771
Less: Accumulated depreciation	(24,963)	(22,034)
Total office equipment	2,494	4,737
Total plant and equipment	88,921	94,393
Total property, plant and equipment	1,032,031	1,191,106

(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 \$
Balance as at 1 July 2015	1,155,796	6,751	26,315	51,784	7,622	1,248,268
Additions	97,401	4,962	38,457	13,166	-	153,986
Depreciation expense	(156,484)	(4,361)	(26,984)	(20,434)	(2,885)	(211,148)
Balance as at 1 July 2016	1,096,713	7,352	37,788	44,516	4,737	1,191,106
Additions	11,472	1,558	44,310	523	686	58,549
Depreciation expense	(165,075)	(3,984)	(23,638)	(21,998)	(2,929)	(217,624)
Balance as at 30 June 2017	943,110	4,926	58,460	23,041	2,494	1,032,031

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

(c) Fair value measurement hierarchy for assets

2017	Carrying amount as at 30-Jun-2017	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
Leasehold improvements at fair value ⁽ⁱⁱ⁾				
Leasehold improvements	943,110			943,110
Total of leasehold improvements at fair value	943,110	-	-	943,110
Property, plant and equipment at fair value ⁽ⁱⁱⁱ⁾				
Plant and equipment	88,921			88,921
Total of plant and equipment at fair value	88,921	-	-	88,921
2016	Carrying amount as at 30-Jun-2016	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
Leasehold improvements at fair value ⁽ⁱⁱ⁾				
Leasehold improvements	1,096,713			1,096,713
Total of leasehold improvements at fair value	1,096,713	-	-	1,096,713
Property, plant and equipment at fair value ⁽ⁱⁱⁱ⁾				
Plant and equipment	94,393			94,393
Total of plant and equipment at fair value	94,393	-	-	94,393

(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) Plant and equipment is held at fair value. When 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 2017.

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

d) Reconciliation of Level 3 fair value

2017	Leasehold improvements \$	Plant and equipment \$
Opening balance	1,096,713	94,393
Purchases (sales)	11,472	47,077
Depreciation	(165,075)	(52,549)
Closing balance	943,110	88,921

2016	Leasehold improvements \$	Plant and equipment \$
Opening balance	1,155,796	92,472
Purchases (sales)	97,401	56,585
Depreciation	(156,484)	(54,664)
Closing balance	1,096,713	94,393

e) Description of significant unobservable inputs to Level 3 valuations (2015-16 and 2016-17) ⁽ⁱ⁾

	Valuation technique	Significant unobservable inputs
Audio visual equipment, computer equipment, furniture and fittings and office equipment	Depreciated replacement cost	Useful life of the applicable asset class and cost per unit
Leasehold improvements	Depreciated replacement cost	Useful life of the improvements

(i) The significant unobservable inputs have remained unchanged from 2015.

Note 6. Payables

	2017 \$	2016 \$
Current payables		
Contractual		
Supplies and services	249,948	157,238
Total contractual payables	249,948	157,238
Total current payables	249,948	157,238
Total payables	249,948	157,238

The average credit period is 7 days.

Note 7. Provisions

	2017 \$	2016 \$
Current provisions		
Employee benefits (Note 7(a)) ⁽ⁱ⁾		
Annual leave (Note 7(a))		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	208,990	194,412
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	39,954	37,547
Long service leave (Note 7(a))		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	164,133	181,733
Total employee benefits	413,077	413,691
Provision for on-costs (Note 7(a))		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	21,828	22,101
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	2,337	5,847
Total provision for on-costs	24,165	27,948
Total current provisions	437,242	441,639
Non-current provisions		
Long service leave and on-costs - unconditional and expected to be settled after 12 months (Note 7(a))	75,136	109,434
Leasehold dismantling costs (Note 7(c))	280,000	280,000
Building incentive (Note 7(d))	505,773	595,201
Total non-current provisions	860,909	984,635
Total provisions	1,298,151	1,426,275

(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

	2017 \$	2016 \$
Current employee benefits		
- Annual leave	248,944	231,958
- Long service leave entitlements	164,133	181,733
Non-current employee benefits		
- Long service leave entitlements	70,983	109,434
Total employee benefits	484,060	523,126
Current on-costs		
- Annual leave	14,563	12,392
- Long service leave	9,602	9,709
Non-current on-costs		
- Long service leave	4,153	5,847
Total on-costs	28,318	27,948
Total employee benefits and related on-costs	512,378	551,074

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

(b) Movement in provision for on-costs	2017	2016
	\$	\$
Opening balance	27,948	53,819
Additional provisions recognised	13,311	(11,095)
Reductions arising from payments/other sacrifices of future economic benefits	(12,941)	(14,776)
Closing balance	28,318	27,948
Current	24,165	22,101
Non-current	4,153	5,847
Closing balance	28,318	27,948

(c) Movement in provision for leasehold dismantling costs	2017	2016
	\$	\$
Opening balance	280,000	280,000
Closing balance	280,000	280,000

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.

(d) Movement in the provision for the building incentive	2017	2016
	\$	\$
Opening balance	595,201	684,628
Provision written back for lease period year to date	(89,428)	(89,427)
Closing balance	505,773	595,201

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:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2017	2016	2017	2016
	\$	\$	\$	\$
Defined contribution plans:				
VicSuper	142,808	140,864	11,612	-
Other	234,762	185,614	18,694	-
Total	377,569	326,478	30,306	-

Note 9. Commitments for expenditure

(a) Programs

The balance of Film Victoria's program commitments net of expected future budget allocations which were not disbursed/received in this 12 month period amounted to \$16,826,923 (2015-16: \$13,172,083).

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.

Cash analysed by funding and usage 2016-17 as at 30 June 2017

	Cash	Net outstanding commitments	Balance
	\$	\$	\$
Cash Flow Facility available	6,490,865	-	6,490,865
Film Victoria programs	20,958,873	16,826,923	4,131,950
Total cash assets	27,449,738	16,826,923	10,622,815

Cash analysed by funding and usage 2015-16 as at 30 June 2016

	Cash	Net outstanding commitments	Balance
	\$	\$	\$
Cash Flow Facility available	8,490,865	-	8,490,865
Film Victoria programs	14,843,551	13,172,083	1,671,468
Total cash assets	23,334,416	13,172,083	10,162,333

(b) Cash Flow Facility

	2017	2016
	\$	\$
Total funding for Cash Flow Facility	8,490,865	9,990,865
Add: Transfer between cash and Cash Flow Facility balances	-	-
Cash Flow Facility cash held	8,490,865	9,990,865
Less: Transfer to Film Victoria programs	(2,000,000)	(1,500,000)
Cash Flow Facility available	6,490,865	8,490,865

(c) Commitments payable - Nominal values

	2017	2016
	\$	\$
Programs		
Less than 1 year	23,831,761	20,986,302
Longer than 1 year but not longer than 5 years	994,087	3,627,250
Total programs	24,825,848	24,613,552
Operating and lease commitments payable		
Less than 1 year	608,572	585,425
Longer than 1 year but not longer than 5 years	2,662,932	2,567,448
5 years or more	488,145	1,192,201
Total operating and lease commitments payable	3,759,649	4,345,074
Total commitments (inclusive of GST)	28,585,497	28,958,626
Less GST recoverable from the Australian Tax Office	2,594,008	2,628,199
Total commitments (exclusive of GST)	25,991,489	26,330,427

Film Victoria program commitments comprise grants provided for industry investment and support. It includes repayments and recoupments from prior year projects. The balance at 30 June 2017 is committed to film industry initiatives, programs and expenditure carried forward into future periods.

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

Note 10. Contingent assets and liabilities

At balance date there are no contingent assets or liabilities to be disclosed (2015-16 - nil).

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 therefore 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.

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

Categorisation of financial instruments

	Category	2017 \$	2016 \$
Financial assets			
Cash and deposits		27,449,738	23,334,416
Receivables	Contractual financial assets - Loans and receivables	992,915	1,305,550
Total financial assets		28,442,653	24,639,966
Financial liabilities			
Payables	Contractual financial liabilities at amortised cost	249,948	157,238
Total financial liabilities		249,948	157,238

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

2017	Total interest income/(exp) \$	Total interest income/(exp) \$
Contractual financial assets		
Cash and deposits - Interest	519,253	519,253
Total contractual financial assets	519,253	519,253
2016		
Contractual financial assets		
Cash and deposits - Interest	560,840	560,840
Total contractual financial assets	560,840	560,840

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

(b) 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 2017.

	Weighted average effective interest rate %	Variable interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Carrying amount \$
Financial assets					
Cash and deposits					
Cash on hand and cash at bank	1.52%	255,273	-	800	256,073
Short term/at call deposits	2.02%	6,490,865	20,702,800	-	27,193,665
Receivables					
Other receivables (excluding prepayments)	N/A	-	-	992,915	992,915
Total financial assets		6,746,138	20,702,800	993,715	28,442,653
Financial liabilities					
Payables					
Other payables	N/A	-	-	249,948	249,948
Total financial liabilities		-	-	249,948	249,948

The following table details Film Victoria's exposure to interest rate risks as at 30 June 2016.

	Weighted average effective interest rate	Variable interest rate	Fixed interest rate	Non-interest bearing	Carrying amount
	%	\$	\$	\$	\$
Financial assets					
Cash and deposits					
Cash on hand and cash at bank	1.07%	28,751	-	800	29,551
Short term/at call deposits	2.14%	8,490,865	14,814,000	-	23,304,865
Receivables					
Other receivables (excluding prepayments)	N/A	-	-	1,305,550	1,305,550
Total financial assets		8,519,616	14,814,000	1,306,350	24,639,966
Financial liabilities					
Payables					
Other payables	N/A	-	-	157,238	157,238
Total financial liabilities		-	-	157,238	157,238

(c) 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 ⁽ⁱ⁾.

2017	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	256,073	-	-	-	256,073
Receivables	-	882,522	-	7,869	890,391
Investments and other financial assets	-	27,193,665	-	-	27,193,665
Total financial assets	256,073	28,076,187	-	7,869	28,340,129
2016	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	29,551	-	-	-	29,551
Receivables	-	1,290,717	-	14,833	1,305,550
Investments and other financial assets	-	23,304,865	-	-	23,304,865
Total financial assets	29,551	24,595,582	-	14,833	24,639,966

(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
	\$	\$	< 30 days	30-365 days	\$
2017					
Financial assets					
Cash on hand and cash at bank	256,073	256,073	-	-	-
Short term/at call deposits	27,193,665	27,193,665	-	-	-
Other receivables (excluding prepayments)	992,915	992,915	-	-	-
Total financial assets	28,442,653	28,442,653	-	-	-
	Carrying amount	Not past due and not impaired	Past due but not impaired		Impaired
	\$	\$	< 30 days	30-365 days	\$
2016					
Financial assets					
Cash on hand and cash at bank	29,551	29,551	-	-	-
Short term/at call deposits	23,304,865	23,304,865	-	-	-
Other receivables (excluding prepayments)	1,305,550	1,305,550	-	-	-
Total financial assets	24,639,966	24,639,966	-	-	-

(d) 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 seven 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⁽ⁱ⁾. The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

2017	Carrying amount \$	Nominal amount \$	Less than one month \$	1 month - 1 year \$	1 - 5 years \$	5 + years \$
Payables						
Supplies and services	63,651	63,651	63,651	-	-	-
Payable to government and agencies	-	-	-	-	-	-
Other payables	186,297	186,297	186,247	-	-	50
Total	249,948	249,948	249,898	-	-	50

2016	Carrying amount \$	Nominal amount \$	Less than one month \$	1 month - 1 year \$	1 - 5 years \$	5 + years \$
Payables						
Supplies and services	7,009	7,009	7,009	-	-	-
Payable to government and agencies	1,910	1,910	1,910	-	-	-
Other payables	148,320	148,320	148,270	-	-	50
Total	157,239	157,239	157,189	-	-	50

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

(e) Interest rate sensitivity analysis

Interest rate sensitivity analysis is based on balances of financial assets not exceeding one year, which are at fixed or floating rates. Minimum and maximum exposures are calculated at shifts of plus or minus 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 2017 and 30 June 2016.

Market risk exposure - Interest rate

2017	Carrying amount \$	Interest rate			
		-1%		+1%	
		Net result	Accumulated surplus	Net result	Accumulated surplus
Financial assets					
Cash and deposits	27,449,738	(274,497)	(274,497)	274,497	274,497
Total impact		(274,497)	(274,497)	274,497	274,497

2016	Carrying amount \$	Interest rate			
		-1%		+1%	
		Net result	Accumulated surplus	Net result	Accumulated surplus
Financial assets					
Cash and deposits	23,334,416	(233,344)	(233,344)	233,344	233,344
Total impact		(233,344)	(233,344)	233,344	233,344

(f) Fair value

The carrying amount of financial instruments assets and liabilities recorded in the financial statements are a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they are paid in full except where an impairment allowance has been made.

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

	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	2017	2017	2016	2016
	\$	\$	\$	\$
Fair value measurement at end of reporting period using:				
Level 1				
Cash on hand and cash at bank	256,073	256,073	29,551	29,551
Short term/at call deposits	27,193,665	27,193,665	23,304,865	23,304,865
Other receivables (excluding prepayments)	890,391	890,391	1,305,550	1,305,550
Level 3				
Cash Flow Facility - Producer loans	-	-	-	-
Total financial assets	28,340,129	28,340,129	24,639,966	24,639,966

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

	2017 \$	2016 \$
Cash on hand	800	800
Cash at bank	255,273	28,751
Short term/at call deposits - Programs and operating activities	20,702,800	14,814,000
Short term/at call deposits - Cash Flow Facility ⁽ⁱ⁾	6,490,865	8,490,865
Balance as per cash flow statement	27,449,738	23,334,416

(i) The Cash Flow Facility is a revolving loan facility that are restricted in use to advance producer loans. These funds may only be repurposed through ministerial approval. In 2016-17 approval was granted to repurpose \$2,000,000 into funding programs (2015-16: \$1,500,000)

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

	2017 \$	2016 \$
Net result	3,650,961	1,482,524
Depreciation of non-current assets	217,624	211,147
(Gain)/loss on sale of non-financial assets	-	(250)
Changes in net assets and liabilities		
(Increase)/decrease in assets:		
Current financial receivables	396,009	(276,357)
Other non-financial current assets	(55,309)	7,658
Increase/(decrease) in liabilities:		
Current payables	92,710	(175,103)
Current provisions	(1,289)	33,667
Non-current provisions	(126,834)	(123,455)
Net cash from/(used in) operating activities	4,173,872	1,159,832

Note 13. Ex-gratia expenses

	2017 \$	2016 \$
Payments to former employees as part of redundancy packages⁽ⁱ⁾	-	120,985

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

Note 14. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, The names of persons who were Responsible Persons at any time during the 12 month financial reporting period are:

Martin Foley MP	<i>Minister for Creative Industries</i>
Ian Robertson	<i>Board President</i>
Debra Allanson	<i>Board member</i>
Ann Darrouzet	<i>Board member</i>
Dan Fill (to 31 August 2016)	<i>Board member</i>
Kelly Lefever	<i>Board member</i>
Lyn Maddock	<i>Board member</i>
Michael McMahon	<i>Board member</i>
Leonie Morgan (from 1 September 2016)	<i>Board member</i>
David Parker	<i>Board member</i>
Caroline Pitcher	<i>Board member</i>
John Rundell	<i>Board member</i>
Daryl Talbot	<i>Board member</i>
Jenni Tosi	<i>Chief Executive Officer and Accountable Officer</i>

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) and \$0-\$9,999 (one member). Total remuneration for 2015-16 was based on the following bands: \$30,000-\$39,999 (one member) and \$10,000-\$19,999 (ten members).

Remuneration received by the Accountable Officer in connection with management of Film Victoria during the period was in the range \$270,000 - \$279,999 (\$260,000 - \$269,999 in 2015-16).

The compensation detailed above excludes the salaries and benefits that the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Service's Financial Report.

Note 15. Related party transactions

Related parties of Film Victoria include:

- All key management personnel and their close family members and personal business interests (entities they have significant influence over)
- All departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Key management personnel (KMP) of Film Victoria include the Minister for Creative Industries, Chief Executive Officer of Film Victoria, members of the Film Victoria Board and the Executive Team of Film Victoria. KMP remuneration are also reported in the disclosure of remuneration of responsible officers (Note 14) and executive officers (Note 16).

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

Remuneration	2017 \$/ No.	2016 \$/ No.
Short-term benefits	648,098	
Post-employment benefits	54,277	
Other long-term benefits	6,581	
Termination benefits	-	
Share-based payments	n/a	
Total remuneration	708,955	

Outside of normal citizen type transactions, related party transactions are detailed below.

(a) Transactions with key management personnel and other related parties

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. Members of Film Victoria's Board, committees, internal staff assessment panels and its CEO and staff are bound by the Conflict of Interest provisions of the *Film Act 2007* (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.

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

Entity	Transaction type	2017 \$	2016 \$
Ali's Wedding Production Pty Ltd / Michael McMahon	Payments	(58,000)	(232,000)
	Receipts	-	-
The Australian Writers Guild Pty Ltd / Jan Sardi / Kelly Lefever	Payments	-	(186,000)
	Receipts	-	-
Barracuda Productions Pty Ltd / Michael McMahon	Payments	(92,000)	(368,000)
	Receipts	-	-
Breakaway Scripts Pty Ltd / Jan Sardi	Payments	-	(300)
	Receipts	-	-
Cascade Films Pty Ltd / David Parker	Payments	(6,122)	(953)
	Receipts	-	-
Chocolate Liberation Front Pty Ltd / Dan Fill	Payments	(50,000)	(26,000)
	Receipts	1,000	-
Jade Productions Pty Ltd / Daryl Talbot	Payments	(12,000)	(48,000)
	Receipts	500	500
Matchbox Pictures Pty Ltd / Michael McMahon	Payments	(18,750)	-
	Receipts	-	-
Matchbox Productions Pty Ltd / Michael McMahon	Payments	(78,000)	(43,497)
	Receipts	500	7,449
Near Life Productions Pty Ltd / Kelly Lefever	Payments	(2,810)	(2,875)
	Receipts	-	-
Nowhere Boys 2 Productions Pty Ltd / Michael McMahon	Payments	-	-
	Receipts	-	10,000
Nowhere Boys 3 Productions Pty Ltd / Michael McMahon	Payments	(178,252)	(168,252)
	Receipts	-	-
Nowhere Boys Pictures Pty Ltd / Michael McMahon	Payments	-	(250,000)
	Receipts	-	-
Perplexing New Reality Pty Ltd / Michael McMahon	Payments	(385,625)	(52,750)
	Receipts	-	-
Oddball Holdings Pty Ltd / Daryl Talbot	Payments	-	(13,000)
	Receipts	-	-
Seven Types Productions Pty Ltd / Michael McMahon	Payments	(40,000)	(160,000)
	Receipts	-	-
WTFN Entertainment Pty Ltd / Daryl Talbot	Payments	(119,350)	-
	Receipts	-	-

(b) Significant transactions with State Government-related entities

Entity	Transaction detail	2017 \$	2016 \$
Department of Economic Development, Jobs, Transport and Resources	Government subvention	19,319,000	19,399,000
	Events funding	3,770,000	3,730,000
	Other initiative funding (VCI, VDCI) ⁽ⁱ⁾	7,211,541	2,244,417
	Funding contribution (PAX) ⁽ⁱⁱ⁾	(60,000)	-
	Other (reimbursements, events)	(5,801)	-
	Project contribution: Optimise Victoria's studio assets	-	(50,000)
	Lapsing program funding evaluation	-	(59,108)
Australian Centre for the Moving Image	Series Mania funding	(96,000)	-
	Events related costs	(19,328)	-
Treasury Corporation of Victoria	Total receipts (incl. interest)	27,916,223	22,481,700
	Total funds invested	(31,248,617)	(23,155,757)

(i) Victorian Content Initiative (VCI); Victorian Drama and Comedy Initiative (VDCI)

(ii) Penny Arcade Expo (PAX)

Note 16. Remuneration of executives

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 table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services. Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased. Other long-term benefits include long service leave, other long service benefits or deferred compensation. Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. One employment contract was completed and renegotiated and one new executive officer commenced in the past year.

Remuneration	2017 \$ / No.	2016 \$ / No.
Short-term benefits	191,227	-
Post-employment benefits	17,576	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total remuneration ⁽ⁱ⁾	208,803	-
Total number of executives ⁽ⁱⁱ⁾	2	2
Total annualised employee equivalent (AEE) ⁽ⁱⁱⁱ⁾	2	2

(i) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

(ii) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related party disclosures* and are also reported within the related parties note disclosure.

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

Note 17. Remuneration of auditors

	2017 \$	2016 \$
Victorian Auditor General's Office		
Audit of the financial statements	26,100	21,700
	26,100	21,700

Note 18. Subsequent events

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

Note 19. Reissue of Financial Statements for the year ended 30 June 2017

A clerical error in the latter stages of the completion of the 30 June 2017 financial statements resulted in a material, but unintentional, misstatement in Film Victoria's Comprehensive Operating Statement. Consequently, the reported figure for Victorian Government Funding and the Comprehensive Result for the year in the Comprehensive Operating Statement was understated by \$10,981,541. The error is confined to the Comprehensive Operating Statement and all the other elements of the financial statements, including the notes, were not affected by the error.

Note 9 (c) program commitments payable were incorrectly disclosed as net of income receivable. This resulted in the commitments payable being understated by \$7,998,925 and \$11,441,469 for the 2017 and 2016 periods respectively.

Note 9 (c) operating and lease commitments payable for the period, longer than 1 year but not longer than 5 years, was understated by \$704,056 and overstated for the period, 5 years or more, by the same amount. Total operating and lease commitments payable was correctly disclosed as \$3,759,649 for the year ended 30 June 2017.

This reissued set of financial statements replaces the previously issued financial statements which was approved by the Board of Film Victoria on 21 August 2017.

Accountable Officer's and Chief Finance and Accounting Officer's declaration

The attached financial statements for Film Victoria have been prepared in accordance with Standing Direction 5.2 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 2017 and financial position of Film Victoria at 30 June 2017.

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 July 2018.



I. Robertson
President
Film Victoria

Melbourne
25 July 2018



C. Pitcher
Chief Executive Officer
Film Victoria

Melbourne
25 July 2018



L. Nortjé
Chief Financial Officer
Film Victoria

Melbourne
25 July 2018



TOP LEFT INSIDE BACK COVER IMAGE
The Warriors, ArenaMedia

TOP RIGHT INSIDE BACK COVER IMAGE
Framed 2, Loveshack Entertainment

BOTTOM INSIDE BACK COVER IMAGE
The Katering Show, Katering Productions



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