

# ANNUAL REPORT 2017/18



COVER IMAGE  
SUNSHINE,  
ESSENTIAL MEDIA AND ENTERTAINMENT

INSIDE COVER IMAGE  
EARTHLIGHT: LUNAR HUB (VR),  
OPAQUE SPACE



#### Film Victoria

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## RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present Film Victoria's Annual Report for the year ending 30 June 2018.



**Ian Robertson AO**  
President  
Film Victoria

## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Ian Robertson, on behalf of the Responsible Body, certify that Film Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



**Ian Robertson AO**  
President  
Film Victoria



# A MESSAGE FROM OUR BOARD PRESIDENT



**The 2017/18 financial year has seen 66 projects supported by Film Victoria move into production across film, television and digital games, which collectively generated \$212.7 million in direct production expenditure for Victoria and provided 8,245 local jobs.**

We welcomed our new CEO Caroline Pitcher in December 2017. Caroline has brought extensive screen industry experience to the role, including her senior executive positions at Federation Square Pty Ltd, Deluxe and Omnilab Media, and her former roles as CEO of Ausfilm and General Manager of the Melbourne Film Office within Film Victoria.

Since her appointment Caroline has overseen a realignment of Film Victoria so as to improve efficiency, better serve the Victorian screen industry, and attract more screen projects to Victoria. She has also undertaken an active program of meetings with key industry practitioners in Victoria, other Australian states, and internationally to ensure that Film Victoria is well-informed of screen industry trends and issues locally and globally.

Film Victoria reviewed and updated the Victorian Screen Industry Code of Conduct to emphasise our zero tolerance for unsafe workplace behaviour including discrimination, harassment and bullying. In so doing Film Victoria provided local and national leadership on this important issue.

A partnership between Film Victoria and ACMI delivered the inaugural Series Mania TV Festival to Melbourne in July 2017. The associated industry day was fully-subscribed drawing an audience of more than 170 practitioners and featured renowned showrunner Vince Gilligan as a key international guest. Following this success Film Victoria will continue its partnership with ACMI to deliver the 2018 Festival.

Film Victoria supported a range of screen events which collectively were attended by almost 380,000 people. Some of the major events included the Screen Forever conference, the Australian International Documentary Conference, the Melbourne International Film Festival and the Indian Film Festival of Melbourne.

The Victorian Government provided production attraction funding for *The Whistleblower*, the largest Australian-Chinese official co-production that has been produced in Victoria. The project is expected to spend more than \$40 million in Victoria, utilise the services of over 800 Victorian businesses, and provide 220 local jobs.

My sincere thanks to Premier The Hon. Daniel Andrews MP and Minister for Creative Industries, Martin Foley MP for the instrumental support they have provided, and continue to provide, to the Victorian screen industry.

I would like to acknowledge and thank our Board for their ongoing service in overseeing the strategic direction and governance of Film Victoria. We farewelled and thanked Daryl Talbot and Ann Darrouzet for their service as Board members, and we welcomed Blake Mizzi who joined the Board in September 2017. As a director and co-founder of Melbourne-based game development studio League of Geeks, Blake has brought valuable expertise and experience of Victoria's vibrant digital games sector to our Board.

The screen practitioners who serve on our evaluation committees and panels deserve special thanks for their hard work in ensuring that expert peer assessment of projects seeking financial support from Film Victoria has continued to operate effectively and efficiently.

My thanks also to Film Victoria's dedicated staff who continue to serve the Victorian screen industry through the delivery of responsive, well-managed programs and initiatives.

Finally, on behalf of everyone at Film Victoria, I acknowledge the talented and passionate practitioners in Victoria's successful and highly-regarded screen industry. Your skills and innovation enable the screen sector to remain an important contributor to Victoria's creative economy. We look forward to continuing our efforts to support you in your important work in the year ahead and beyond.

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

**Ian Robertson AO**  
President  
Film Victoria

# A MESSAGE FROM OUR CEO



I'm pleased to present the 2017/18 Annual Report, my first as CEO of Film Victoria.

Over the past six months I have deepened my understanding and appreciation of the value generated by our diverse screen talent and the projects they create across digital games, television and film. I have benefited from meeting brilliant creatives, innovative technicians and energised businesses as well as reconnecting with international players that offer growth opportunities for Victoria. I share in the industry's passion for its craft and have gained great insight into the challenges and opportunities ahead for us as we advance Victoria's screen industry.

We supported 66 projects to commence production in the state in 2017/18, generating 8,245 local jobs and achieving a healthy mix of activity across digital games, film and television.

These results position us well for the future. As a priority we will closely review how Film Victoria can provide the most relevant and effective support for the Victorian screen industry as it explores new opportunities and confronts significant disruption both locally and globally.

**Film Victoria will be developing long-term strategies that will help place Victoria in the best possible position to generate more locally conceived content that is consumed and acclaimed by local and global audiences.**

We will ensure that Victoria's screen industry capabilities are recognised and highly regarded worldwide, that we are sought out as attractive creative partners, and that our talent is nurtured across the full spectrum of diversity. We will also bolster our long-term support for high growth areas including digital games to ensure we remain Australia's digital games heartland.

The introduction of a realigned corporate structure in May 2018 will increase our ability to be agile and responsive when it comes to engaging with the global market, supporting Victorian talent, and developing and implementing effective initiatives that increase production activity and employ Victorians.

I believe our best ideas come from those with authentic voices. You can expect to see our continued work in developing people, projects and stories that truly represent the uniqueness and diversity of our Australian culture.

Two notable television highlights in 2017/18 included the internationally successful *Picnic at Hanging Rock* and iconic Melbourne story *Romper Stomper*. These Victorian stories were paired with high calibre scripts and superior production values. This piqued the interest of global distributors, showcasing Victoria's world class teams, creative capability and diverse filming locations.

We have made significant inroads when it comes to addressing gender imbalance. Our commitment to see 50 per cent of women writers, directors and producers across all film and television production we support by 2020 has already been surpassed with current figures sitting at 51 per cent. It is a good indication that we are on the right track but we also acknowledge there is much more work to be done across all aspects of diversity and inclusion.

Our updated Victorian Screen Industry Code of Conduct has set the tone for the industry. Through our programs, partnerships and curated events we will continue to reiterate our zero tolerance approach to unsafe workplace behaviours including discrimination, harassment and bullying.

The Victorian Government through the Minister for Creative Industries, Martin Foley MP and Creative Victoria remains a steadfast supporter of our mandate and the invaluable place of screen in Victoria's creative economy.

Transitioning to a new CEO can often be a big adjustment for an organisation's workforce. I extend my sincere thanks to the Film Victoria team for welcoming me so enthusiastically into the fold. I'm continually impressed by their commitment and passion for supporting our phenomenal screen community.

With the strategic leadership of our Board and President Ian Robertson, we look forward to supporting a diverse, inventive and ambitious screen industry that fuels the continued growth of cultural and creative capital for our great state of Victoria.

**Caroline Pitcher**  
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 film, television and digital media sectors of Victoria.**

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

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

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

We contribute to the delivery of the Victorian Government's first creative industries strategy, *Creative State*. Film Victoria supports the principles and objectives enshrined in the *Creative Victoria Act 2017*, especially those that recognise that the creative industries have an intrinsic value and contribute significantly to Victoria's wealth and prosperity.



PICNIC AT HANGING ROCK,  
FREMANTLE MEDIA AUSTRALIA

## OUR VISION

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

# CORPORATE PLAN 2017-20

**2017/18 was the first year of  
the 2017-20 Corporate Plan.**

## 1

### **STRATEGIC PRIORITY ONE**

#### **Position the Victorian screen industry to create high quality, diverse and engaging content**

This strategic priority reflects a stronger emphasis on skills and talent development and international engagement to ensure Victorian screen practitioners and businesses are well-placed to capitalise on opportunities now and into the future.

Strategies:

- > Support Victorian talent and businesses to develop and produce new screen content
- > Attract interstate and international screen production to Victoria
- > Support the growth of Victorian screen businesses
- > Support career progression of highly talented early to mid career Victorian screen practitioners
- > Strengthen the skills of a diverse range of Victorian screen practitioners and businesses.



# 2

## STRATEGIC PRIORITY TWO

### Promote screen culture

This strategic priority allows Victorian, Australian and international audiences to access and engage with the quality screen content that is produced in Victoria. It also enables local audiences to engage with culturally diverse screen content from around the world.

Strategies:

- > Strengthen Victoria's reputation as a vibrant hub for screen activity and culture.

# 3

## STRATEGIC PRIORITY THREE

### Provide effective and efficient services

This third strategic priority underpins the delivery of strategic priorities one and two. Providing effective and efficient services remains a key focus and reinforces our commitment to maximise the funds available to support the Victorian screen industry.

Strategies:

- > Embed continual process and system improvement
- > Deliver responsive and relevant programs and services that meet the needs of the Victorian screen industry
- > Adhere to government frameworks, policies and processes
- > Support staff to perform at their best
- > Deliver customised and relevant information to stakeholders.

## OUR BOARD



**IAN ROBERTSON AO**

*President*

Since September 2011

Ian is a corporate, regulatory and media lawyer and the National Managing Partner of national law firm Holding Redlich. 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. He was appointed as an Officer in the General Division of the Order of Australia on 26 January 2018 for distinguished service to the arts, particularly the Australian film industry and screen production sector, and to the law.



**DEBRA ALLANSON**

Since September 2010

Debra is the Program Director for Federation Square Pty Ltd and is responsible for live and digital activations. An online media entrepreneur with a background in screen industry development, and in film, television and digital media businesses, she has been at the forefront of online media as a co-founder of pioneering digital media studio Ish Media. Debra is currently a mentor at the Melbourne Accelerator Program at University of Melbourne, advising start-ups working in media related industries and previously, she led Screenwest as its founding Chief Executive.



**ANN DARROUZET**

Since September 2010  
(until June 2018)

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 and 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 & 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. 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 has been producing and executive producing film, television and documentary projects since 1997. Michael is the Chairman and Executive Producer of Matchbox Pictures. He is also Professor, Film and Television at Swinburne University of Technology.



**BLAKE MIZZI**  
Since September 2017

Blake is the business and design lead at League of Geeks, as well as being one of its three directors and co-founders. League of Geeks is an independent, Melbourne-based game development studio who self publishes their own IP. Blake is also a current board member of the Game Developers' Association of Australia. His strengths lie in providing industry specific strategic insights, with global awareness and international connections providing valued perspectives. His background includes careers in industrial design, sales and game design. He is driven by the pursuit of best practice, continual assessment, iteration and improvement; Blake is a champion of change, uplifting others and is excited by the potential of our creative screen industries.



**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* (Harvey Keitel), *Irresistible* (Susan Sarandon, Emily Blunt) and *The Menkoff Method* (Noah Taylor). His film, *Matching Jack*, won Best Film, Best Director, Best Actress 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.



**JOHN RUNDELL**  
Since January 2014

John is a chartered accountant and Managing Director of Stratica, a risk and cybersecurity consulting firm and qualified security assessor with offices in Melbourne, Sydney, Brisbane and Hong Kong. He is a former partner of KPMG working globally and 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 a number of international dispute resolution centres. For the last 12 years, he has been a director of a number of Victorian Government statutory entity boards and chaired departmental audit and risk committees.

## RETIRED MEMBERS

### CAROLINE PITCHER

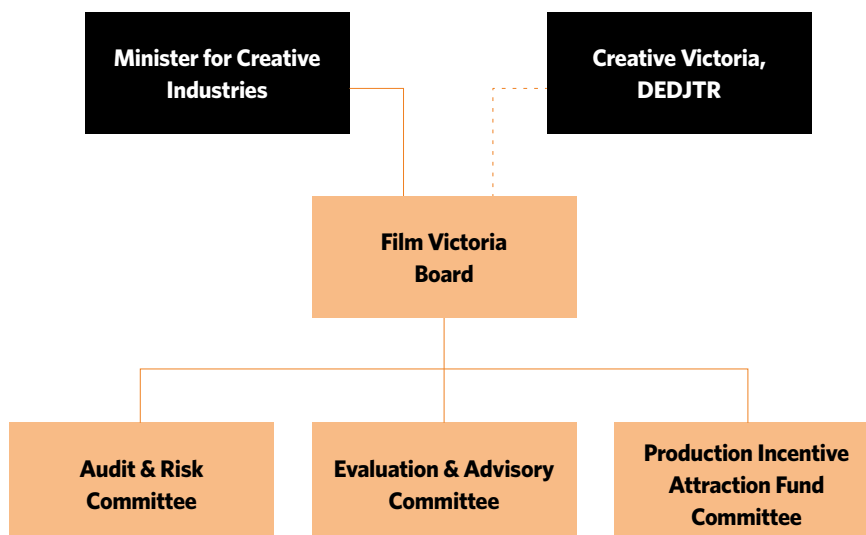
February 2013 – November 2017

### DARYL TALBOT

September 2011 – September 2017

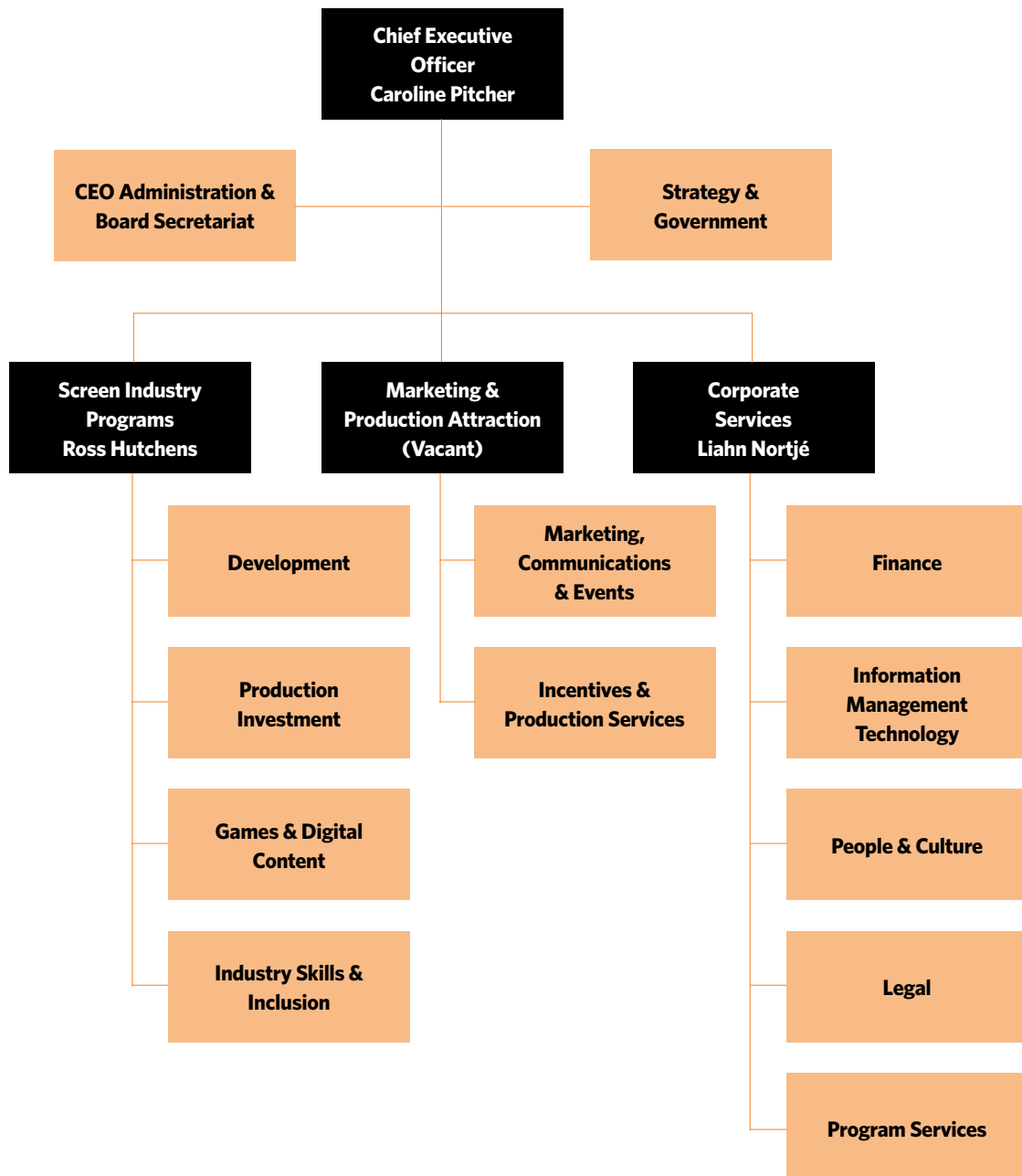
## CORPORATE GOVERNANCE

**In 2017/18 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 (DEDJTR).**





# ORGANISATIONAL STRUCTURE



Note: Organisational structure as at 30 June 2018.



# REPORT OF OPERATIONS 2017/18

**66 film, television and games projects generated \$212.7 million of direct Victorian production expenditure and 8,245 local jobs in 2017/18.**

HOMEcomings QUEENS,  
GENERATOR PICTURES

# THE YEAR IN REVIEW

Through our production investment and incentive funding programs we supported 66 film, television and games projects that commenced production in Victoria in 2017/18. These projects spent an estimated \$212.7 million in the state and generated 8,245 additional employment opportunities for Victorians. The funding commitment for some projects was made in 2016/17.

## FEATURE FILMS

We supported **17 feature films** that commenced production or post production in Victoria, leveraging **\$102.7 million** of direct expenditure. Five of these films were feature documentaries and 12 were fiction features, of which six were supported to undertake post production and/or visual effects.

**17**  
feature films



## TELEVISION

We supported **31 television and online projects** that commenced production in Victoria, leveraging **\$106.5 million** of direct expenditure in the state. Of these projects, 11 were documentary projects and 20 were scripted drama, comedy, children's and animation projects.

**31**  
television and  
online projects



## GAMES

We supported **18 games projects** that moved into production, leveraging **\$3.5 million** of direct expenditure in Victoria. Of these, 13 projects were PC games, while five were made for mobile devices. Virtual Reality appears in three of these projects, and more than half of them are destined for release on more than one platform.

**18**  
games projects



## CONNECTING WITH AUDIENCES

Film and television projects we supported received over **115.3 million** Australian views on free-to-air and pay television or at the cinema.

**115.3**  
million Australian views



# SUPPORTING VICTORIAN PRODUCTION

## FEATURE FILM & TELEVISION DEVELOPMENT AND PRODUCTION

### PRODUCTION INVESTMENT

**We committed \$13,912,570 for 55 projects through production investment.**

Through our Assigned Production Investment – Film and Television program we committed funding support to **39 projects**. Not all projects commenced production in 2017/18.

**11**

**fiction feature films with a commitment of \$3,474,000**

**16**

**fiction television and online projects with a commitment of \$7,082,000**

**12**

**documentary feature, television and online projects with a commitment of \$746,198**

In 2017/18 we continued our partnership with the national broadcaster ABC. Through the Victorian Content Initiative we provided funding support to a further **six fiction and documentary television projects**, with a commitment of **\$2,480,372**.

We also committed **\$130,000** to **10 short documentary projects** through partnerships with other organisations:

- > Seven short documentaries for the Love Bites and Arts Bites initiatives in partnership with the ABC and Screen Australia
- > Two short documentaries for the Guardian Docs initiative with The Guardian Online and Screen Australia
- > One short documentary with NITV.



## MARKETING

Through our Marketing Low Budget Features program we provided marketing support to **four fiction and one documentary feature film project** with a total commitment of **\$90,000**.

## CONTENT DEVELOPMENT

Through our Content Development programs and initiatives we provided both funding and other development support to **58 projects** with a total commitment of **\$787,976**.

In Fiction Development we supported **33 projects** with a commitment of **\$541,466** including:

- > 18 fiction feature projects
- > 12 fiction television projects
- > Three television projects through our joint development workshop initiative with NITV.

In Documentary Development we supported **11 features, one Virtual Reality project** and **13 television projects** with a commitment of **\$246,510**.

## RIDE LIKE A GIRL – OFF AND RACING IN VICTORIA

The moving and true story about the life of Melbourne Cup winning jockey Michelle Payne inspired the creation of Victorian feature film *Ride Like A Girl* that began production in April 2018.

This project is Rachel Griffiths' directorial debut for a feature film and builds on her behind-the-camera experience after she directed three episodes of Matchbox Pictures' *Nowhere Boys* and two short films.

A truly Victorian story, local writers Andrew Knight and Elise McCredie were commissioned to write the script, with costume design by Cappi Ireland. Highly awarded audio company Sound Firm and acclaimed Editor Jill Bilcock will provide their expertise during post production.

The feature was brought to life in regional locations across the state with filming taking place in Ballarat, Riddells Creek, Clarkefield and Bacchus Marsh.

Over its three month shoot, *Ride Like A Girl* injected more than \$12.7 million into the Victorian economy and provided screen jobs to approximately 680 Victorians.

We supported a 15 week Professional Wardrobe Attachment for Madolyn McCarthy under the mentorship of Costume Supervisor Rachel Nott.



RIDE LIKE A GIRL, 100 TO 1 FILMS

## PRODUCTION ATTRACTION

**In 2017/18, four projects were supported through our Production Incentive Attraction Fund (PIAF) program and six projects through our PIAF Post Production, Digital and Visual Effects (PIAF PDV) program. Combined, they will spend an estimated \$94.3 million in Victoria.**

We supported **five projects** through our Regional Location Assistance Fund to undertake production in regional Victoria, injecting an estimated **\$8.9 million** into regional communities. Not all projects supported in 2017/18 commenced production in the same financial year.

### VICTORIA'S LUMA PICTURES —A REAL VFX MARVEL



BLACK PANTHER, VFX BY LUMA PICTURES

In February 2018 Marvel's *Black Panther* took the screen world by storm. Supported through Film Victoria's PIAF PDV program, *Black Panther* grossed more than \$1.346 billion in the global box office, showcasing the exceptional work of Luma Pictures' Melbourne office in over 4,000 theatres worldwide.

World class creative studio Luma Pictures created ground-breaking visual effects for the high calibre production, delivering 227 visual effects shots for three big sequences in the film, including the CIA Black Site, the Busan Casino and the epic Busan Street Chase.

The action packed adaptation of Marvel's iconic comic book followed T'Challa, returning home to the isolated but technologically advanced African nation of Wakanda to take his rightful place as king after the death of his father.

## GAMES DEVELOPMENT AND PRODUCTION

**Our total commitment in 32 games projects was \$1,545,737.**

Through our Assigned Production Investment – Games program we committed funding support to **18 games projects** with a commitment of **\$1,197,454**.

Through our Games Release program we provided market release funding to **14 projects** with a commitment of **\$348,283**.

Set in a small coastal town in southern Victoria, *Wayward Strand* is the interactive story of Casey, a teenage girl who explores an airborne hospital and, over the course of a few days, gets to know the patients within.

The rich and uniquely Australian story is the brainchild of Jason Bakker and Russell Dilley of Ghost Pattern. The team expanded to engage the expertise of a team of diverse and creative women including Art Director Marigold Bartlett, Animation Director Kalonica Quigley, Writer Georgia Symons and Composer and Sound Designer Maize Wallin.

The story itself has a wealth of diversity across cultures, genders and ages. Further, this project highlights a marked rise in female-led games projects, some of which were developed primarily for a female audience who represent 48 per cent of the global games consumer population.

### DIVERSE TEAM TIES UP A WAYWARD STRAND

WAYWARD STRAND,  
GHOST PATTERN



# DEVELOPING LOCAL BUSINESSES

**We support Victorian screen practitioners and businesses to identify and implement opportunities for growth and build international connections.**

## TRAVEL SUPPORT

Through our International Travel program we committed **\$208,658** in funding support to:

- > **27 producers and writers** to attend international markets and undertake targeted business travel, including a delegation which attended the C21 Content London Conference in November 2017
- > **38 game developers** to attend international markets, including a delegation which attended the Game Developers Conference in San Francisco in March 2018
- > **15 practitioners** to attend international festivals where their projects were in competition or screening.

## BUSINESS SUPPORT

Through our Business Support programs we committed **\$30,000** in funding to support:

- > **18 screen businesses** to attend business planning workshops facilitated by Small Business Victoria
- > **Six Victorian screen businesses** to undertake a strategic review of their business, develop a robust business plan and/or strategies for growth.

### PRINCESS PICTURES ADDS NEW GEMS TO ITS CROWN



WRONG KIND OF BLACK, PRINCESS PICTURES

In July 2017, Melbourne production company Princess Pictures was one of eight Victorian businesses to receive funding from Film Victoria's Screen Business Ventures program, an initiative which assists companies to implement business development strategies to increase their commercial and creative sustainability and enable planning for growth.

Princess Pictures has since taken an exponential step forward, increasing their existing slate of projects and developing deeper relationships with domestic and international broadcasters, studios, distributors and production partners.

Film Victoria's support has enabled the team to expand, has seen them advance commercial initiatives and develop an impressive slate of diverse and innovative content. Amongst other projects, they have partnered with the ABC and YouTube to deliver comedy series *Superwog*; with iview and Screen Australia on high-end digital comedy drama *Wrong Kind of Black*; and with Network Ten on a scripted comedy series *How To Stay Married*.



# DEVELOPING VICTORIA'S TALENT

**We support Victorian screen practitioners and businesses to develop their skills and knowledge through a range of programs, sponsorships and initiatives.**

## INDUSTRY DEVELOPMENT

Through our Industry Development program we committed **\$445,900** to support **14 activities** including industry days and workshops for screen practitioners.

Film Victoria also supported major industry conferences through our Key Organisation Funding program.

**55**

**Film Victoria produced or supported events for industry**

**2,102**

**screen practitioners attended Film Victoria produced industry events**

**8,479**

**screen practitioners attended Film Victoria supported industry events**

**We produced 28 events for industry responding to trends and needs in the sector**

One of these events was the highly anticipated and fully subscribed Vision 2020 Feature Film Forum, which attracted more than 160 representatives from across the Victorian screen industry to the Jam Factory's Village Cinemas in November 2017.

The dynamic and introspective event gave attendees the opportunity to hear from some of Victoria's most accomplished exhibitors, distributors and marketers, as well as international sales agents to better understand the market, the way pictures are packaged and financed, and how to remain competitive in today's market.

**Seven initiatives were funded to support early career practitioners**

One such initiative was a screen development story lab for early career writers from Victoria's diverse and underrepresented communities, run by Cinespace in early 2018. Thirty Victorian writers were selected for a series of workshops with eight selected for individual mentorship, and a final four were mentored towards a script, outline, or treatment for their concept.

Supported through our Early Career and Skills Development Program the initiative increased collaboration between practitioners with different skill sets with the ultimate aim to foster new talent from Australia's diverse and unique screen community.

**995 people attended 10 events designed for women**

One headline screen event in the annual calendar for Victorian women is the Women in Games lunch. The event has become a highlight of Melbourne International Games Week. Its popularity resulted in record attendance with 150 women inclusive of non-binary attendees participating in the event in 2017.

## SETTING THE SCENE FOR SKILLS DEVELOPMENT

### SKILLS DEVELOPMENT

Through our Skills Development programs we committed **\$761,681** in funding to support:

- > **Five Victorian women games practitioners** to undertake professional development opportunities through the Women in Games initiative
- > **Seven games development companies** to provide professional industry placements for seven female early career games practitioners
- > **12 Victorian women** to undertake professional development opportunities through the Women in Leadership and Professional Development program, with **an additional three women** supported through the Leadership strand in conjunction with the Natalie Miller Fellowship
- > **33 key creatives** to undertake placements in writing, directing or producing on productions or within companies
- > **36 animators** to undertake professional training in specialist animation software
- > **12 early career documentary content creators** to attend the Australian International Documentary Conference
- > **20 early career producers and writers** to attend the Screen Forever Conference in 2017
- > **Seven early career writers or writer/directors** to attend PostScript and Direct at the Melbourne International Film Festival 37° South Market
- > **31 early career practitioners** to undertake a professional attachment, largely funded by productions supported through our Assigned Production Investment – Film and Television program, with some supported through the Skills Development program.

Emmy® award-winning series *Nowhere Boys* welcomed Victoria Thaine on set for its fourth series in December 2017 through a Director's placement we facilitated.

Under the mentorship of Director Sian Davies, Victoria observed numerous script development sessions, rehearsals and technical consultations with heads of department.

The experience gave Victoria a comprehensive overview of what it takes to deliver a high quality project and how to navigate challenges that arise in delivering a television series. She was given the opportunity to direct a scene for episode seven, which gave her valuable exposure to VFX, SFX and stunt elements along the way.

#### VICTORIA THAINE

"The Director's Placement on *Nowhere Boys* has wildly exceeded my expectations. It has been an honour to be mentored by Director Sian Davies, who is a great teacher, as well as a talented filmmaker, and who has graciously balanced her busy role with giving me an invaluable learning experience. I had the opportunity to direct a scene and I learnt more in that two hours than all the days I've spent on set as an actor. There is nothing like experiencing the cracking pace of television from the director's chair.

"I am also so grateful to Producer Beth Frey, who has created a wonderfully supportive and inclusive environment for emerging filmmakers. The experience has only cemented my desire to pursue directing and has armed me with skills I didn't have before."



VICTORIA THAINE ON THE  
SET OF NOWHERE BOYS

# PROMOTE SCREEN CULTURE

**We support a variety of cultural events delivered by industry to connect audiences with local and international screen content and culture.**

Through our Audience Engagement programs we committed **\$148,425** to support **15 festivals and screening programs** across Victoria including six regional film festivals.

Film Victoria also supported major film festivals through our Key Organisation Funding program.

**21**

**Film Victoria supported festivals and screening programs**

**368,914**

**people attended a Film Victoria supported festival or screening program**

**12,673**

**people attended a film festival in regional Victoria**

## **12,673 people attended a regional film festival we supported**

Illustrating the importance and popularity of regional screen industry events, Mornington's annual three day event, the Peninsula Film Festival, attracts audiences from across the state and has become a highlight on the region's events calendar.

With an established fan base and attendee numbers continuing to grow, in 2018 the Festival expanded its free short film festival to Queenscliff on the Bellarine Peninsula.

Ongoing government support enables the Festival to successfully promote and increase engagement with Victorian and Australian screen content.

## **Fostering cross-cultural collaboration**

Since 2012 the Indian Film Festival of Melbourne has grown to become one of Australia's most significant foreign language film events. With a program of screenings in multiple languages across metropolitan and outer metropolitan locations, the Festival champions cross-cultural exchange and demonstrates the role creativity plays in bringing people together.



**We are committed to promoting and supporting gender equality, diversity and inclusiveness. We recognise diversity as differences in gender, age, indigenous identity, cultural and linguistic diversity (CALD), disability, sexual orientation, gender identity, geographic location and socio-economic status.**

*THE COMING BACK OUT BALL MOVIE,  
CBOB FILMS*



# FOSTERING GENDER EQUALITY, DIVERSITY & INCLUSION

**In 2017/18, 51 per cent of writers, directors and producers and 30 per cent of games key creatives employed on development and production projects supported by us were women.**

## GENDER EQUALITY

We have achieved and exceeded the targets set out in the 2017-20 Corporate Plan, which aim to increase the representation of women working across all disciplines in the Victorian screen industry.

Another key focus for us was facilitating skills development pathways for Victorian women in screen. In 2017/18, 74 per cent of placements and 87 per cent of professional attachments were awarded to women.

## SAFE AND INCLUSIVE WORKPLACES

We reaffirmed our commitment to safe screen production workplaces. A Safe Workplace Statement and updated Victorian Screen Industry Code of Conduct were released in April 2018 outlining a zero tolerance approach to unsafe workplace behaviours, including discrimination, harassment and bullying.

The statement covers all events and activities we manage and support, as well as all projects and other initiatives that receive funding.

### FILM & TELEVISION

#### Writers

**49%** 2017/18  
**36%** Baseline

#### Directors

**46%** 2017/18  
**27%** Baseline

#### Producers

**57%** 2017/18  
**48%** Baseline

#### All roles

**51%** 2017/18  
**39%** Baseline

### GAMES

#### All roles

**30%** 2017/18  
**7%** Baseline

Note: Baseline figures represent a three year average from 2014-2016 of women employed on projects supported with development or production investment funding.

## GAME CHANGERS

Katie Gall and Lauren Clinnick, founders of Lumi Interactive, recognised a need for more female focused games in Australia. Combining the knowledge they acquired through their own experiences and the expertise of their clients, the Lumi team are brewing a calming and explorative adventure game in *Faraway Tea*.

Funded through our Assigned Production Investment - Games program, the project is developed by a diverse team targeting an underserved market. It is also a strong example of the partnerships that exist within the games sector, through Lumi's work with analytics service provider Second Sight, and developers Harmonious Productions.



KATIE GALL, LAUREN CLINNICK & MEGHAN BETTERIDGE, LUMI INTERACTIVE  
PHOTO CREDIT: IZZY GRAMP

MUSTANGS FC, MATCHBOX PRODUCTIONS



## KICKING GOALS IN TV

Released in October 2017, *Mustangs FC* realised the vision of Producers Amanda Higgs and Rachel Davis who were both dedicated to making a program about young women.

Women made up more than 60 per cent of the cast and crew, with an impressive female strong creative team including Executive Producer Debbie Lee, ABC Executive Producers Libbie Doherty and Jan Stradling and Directors Fiona Banks, Corrie Chen and Tori Garrett. Women also took the lead in writing, directing, casting, cinematography, production design, costume and editing.

Produced by Matchbox Pictures for the ABC, we partnered with the ABC to present the series premiere at Federation Square as part of a multi-platform launch. Under the banner #GIRLSCHANGETHEWORLD the screening event coincided with the United Nations International Day of the Girl.

The first series has been acquired by CBBC in the UK and Universal Kids in the US and a second series of *Mustangs FC* has been announced.

## DIVERSITY

Supporting unique and diverse local content remains at the core of our service to industry. In 2017/18, the organisation supported a number of initiatives that reflect the broad cultural community that makes up the Victorian screen industry.

### BUSTING UP FOR NEW TALENT

A partnership between Film Victoria and NITV delivered Bust Up – a comedy initiative for Indigenous practitioners. Ten participants were selected for the four day workshop in Melbourne, led by comedy writer and producer Mark O'Toole (*Black Comedy, Full Frontal, Spicks and Specks*).

Through a combination of group and focused sessions, participants worked on their comedy concepts with the aim of being further developed and produced as short narrative content for broadcast on NITV. Following his involvement in the program, Davey Thompson was recommended for an eight week Key Talent Placement at Guesswork Television, which led to further employment at the Melbourne production company.

### MAKING CONNECTIONS THROUGH FILM

Support of Australia's most prolific human rights film festival saw more than 10,000 people engage with the Human Rights, Arts and Film Festival in Melbourne.

Born in Melbourne the Festival has grown to be a significant event that is now presented right across the country with a program of feature films, shorts, forums and arts events that promote a dialogue focused on social and cultural change.

The Human Rights, Arts and Film Festival in Melbourne was sponsored through our Connecting to the World Through Film program which supports Victorian organisations that promote equality and diversity to Victorian audiences through engagement with screen content.



Shout out to Caroline Pitcher from **@FilmVictoria** for the specific mention of non-binary folks during her #PressForProgress talk at the women's breakfast.

## LGBTQI PROJECTS FEEL THE LOVE

ABC Arts and Screen Australia partnered for Love Bites – a joint documentary initiative providing production funding to 10 filmmakers from Australia's LGBTQI community.

Additional production funding from Film Victoria supported four Victorian filmmaking teams.

- > *Dances* from Producer Stephanie Westwood and Director Ramon Watkins
- > *Dani Boi* (pictured) from Producer Zena Bartlett and Director Logan Mucha
- > *Desperately Seeking Shavers* from Producer Christina Radburn and Writer/Director Emmett Aldred
- > *Wicked Women: There's No Stopping Us Now* from Producer/Director Anna Brownfield.

The five minute documentaries screened on ABC iview in 2018, coinciding with the 40th Sydney Gay and Lesbian Mardi Gras.



DANI BOI BY ZENA BARTLETT  
AND LOGAN MUCHA

# COMMITTEES AND ASSESSMENT PANELS

## AUDIT AND RISK COMMITTEE

This committee oversees and reviews the internal and external audit functions and management processes with a view to the organisation achieving its strategic objectives efficiently and effectively. It considers recommendations made by the internal and external auditors and reviews the implementation of actions to resolve issues raised. The committee 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 our 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 six occasions in 2017/18 and maintains regular communication with the internal and external auditors.

## Film Victoria has a number of committees and panels that assess funding applications as part of our valued peer assessment process.

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. In 2017/18, Film Victoria introduced internal assessment for lower value programs.

Staff members who participated in assessment meetings in 2017/18 were:

- > CEO, Caroline Pitcher (from 18 December 2017)
- > Former CEO, Jenni Tosi (until 15 December 2017)
- > Head of Corporate Services, Liahn Nortjé
- > Head of Screen Industry Programs, Ross Hutchens
- > Development and Investment Manager, Alicia Brown
- > Development and Investment Manager, Franco Di Chiera
- > Development and Investment Manager, Cathy Rodda
- > Incentives and Investments Manager, Joe Brinkmann
- > Industry Programs Coordinator, Madeline Getson
- > Industry Programs Officer, Chris Barker
- > Industry Skills and Inclusion Manager, Jana Blair
- > Legal Manager, Michelle Rubin
- > Manager – Fiction Development, Erin Stam
- > Manager – Games and Digital Content, Liam Routt.

A list of funding decisions is published on our website on a routine basis, unless a grant recipient requests otherwise. We also publish an annual Disclosure of Payments list on our website on the same day the Annual Report is tabled in Parliament.

## EVALUATION AND ADVISORY COMMITTEE

This committee consists of the 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
- > Chris Corbett
- > Fiona Eagger
- > Clea Frost
- > Alan Hardy
- > Amanda Higgs
- > Richard Lowenstein
- > Stephen Luby
- > Anna McLeish
- > Stuart Menzies
- > Sonya Pemberton
- > Andrew Wiseman.

The committee met on eight occasions and assessed 49 applications, of which 39 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 2017/18 the 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 Corporate Services
- > Head of Screen Industry Programs
- > A Film Victoria Legal Representative (voting member in the absence of the CEO, Head of Corporate Services or Head of Screen Industry Programs)
- > David Hanna, external member.

The committee met on 10 occasions and assessed 32 applications, of which 21 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 four members, including at least one internal member, from the following:

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

External members:

- > Joshua Boggs
- > Lauren Clinnick
- > Laura Crawford
- > Alison Gibb
- > Kate Inabinet
- > Sam Izzo (from 9 February 2018)
- > Lisy Kane
- > Trevor Powell
- > Neil Rennison
- > Nicole Stark
- > Andy Sum
- > Andrew Symons (until 5 February 2018).

The panel met on six occasions and assessed 63 applications, of which 32 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 or Head of Screen Industry Programs. The panel must comprise a minimum of three members from 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 2017/18 were Britt Arthur, Anna Grieve and Andrew Wiseman.

The panel met on six occasions and assessed 34 applications, of which 25 were approved.



## FICTION DEVELOPMENT ASSESSMENT PANEL

This panel assesses applications to the Feature Film Development, Incubator Feature Script Intensive, Development On Demand – Features, and Development On Demand – Television programs, providing recommendations to the CEO or the Head of Screen Industry Programs. The panel must comprise a minimum of three members, including at least one internal 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 2017/18 included:

- > Kelly Lefever, Board member
- > David Parker, Board member
- > Randal Allan
- > Elizabeth Coleman
- > Leah Estrin
- > Clea Frost
- > Alan Hardy
- > Anna McLeish
- > Brian Udovich.

The panel met on 15 occasions and assessed 56 applications, of which 27 were approved.

In addition, the Manager – Fiction Development assessed five applications for the MediaXchange Showrunner TV Drama Exchange initiative and three were approved.

## INDUSTRY AND AUDIENCE DEVELOPMENT ASSESSMENT

In 2017/18 Industry and Audience Development programs were assessed by a combination of internal assessment and panels, in both cases requiring the provision of recommendations to the CEO or Head of Screen Industry Programs. Programs included Industry Development, Audience Engagement and Regional Audience Engagement. Where a panel meets it must comprise a minimum of three internal members from the following:

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

The panel met on two occasions and staff undertook five independent internal assessments, together assessing 44 applications, of which 29 were approved.

## BUSINESS AND SKILLS ASSESSMENT

In 2017/18 the Business and Skills Development programs were assessed by a combination of internal assessment and panels, in both cases requiring the provision of recommendations to the CEO or Head of Screen Industry Programs. Programs included International Travel – Business, International Travel – Festivals, Games Professional Placements, Women in Games, Marketing Low Budget Features, Key Talent Production Placement, Key Talent Company Placement, Women's Professional Development, Business Matters, Planning for Growth, and Indigenous and other special initiatives relevant to business and skills development. Where a panel meets it must comprise a minimum of three of the following internal members:

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

The panel met on nine occasions and staff undertook 74 independent internal assessments, together assessing 754 applications, of which 244 were approved.

In addition, the panel may engage external assessors as required. External assessors engaged for the Women in Games Fellowship initiative in 2017/18 were Alison Gibb and Sarah Moran.

A special assessment panel was formed to assess applications to the Film Victoria-Natalie Miller Fellowship Women's Leadership Development program. The panel comprised:

- > Cathy Rodda, Development and Investment Manager
- > Madeline Getson, Industry Programs Coordinator
- > Julia Adams, external member on behalf of the Natalie Miller Fellowship.

The panel met on one occasion and assessed three applications, all of which were approved.

# OVERVIEW OF FINANCIAL PERFORMANCE AND POSITION DURING 2017/18

## FIVE YEAR FINANCIAL SUMMARY

	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from the Victorian Government <sup>i</sup>	26,148	30,301	25,373	19,871	21,939
Other revenue <sup>ii</sup>	789	994	1,116	1,436	2,122
Program costs <sup>iii</sup>	(24,945)	(21,004)	(18,274)	(15,853)	(20,362)
Operating expenses <sup>iv</sup>	(6,799)	(6,650)	(6,727)	(6,258)	(6,405)
Other economic flows	-	10	(5)	(9)	-
<b>Comprehensive result</b>	<b>(4,807)</b>	<b>3,651</b>	<b>1,483</b>	<b>(813)</b>	<b>(2,706)</b>
Total assets	24,677	29,680	26,065	24,846	25,458
Total liabilities	(1,352)	(1,548)	(1,584)	(1,848)	(1,647)
<b>Net assets<sup>v</sup></b>	<b>23,325</b>	<b>28,132</b>	<b>24,481</b>	<b>22,998</b>	<b>23,811</b>
<b>Net cash inflow/(outflow)</b>	<b>(4,265)</b>	<b>4,115</b>	<b>1,006</b>	<b>(1,267)</b>	<b>(2,082)</b>

During the course of any 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. Program costs are recognised when commitments become payable, i.e. when contracts are executed and contractees satisfy certain conditions. This results in a timing difference between the financial year in which the funding is received as income and when it is expensed as program costs.

Accordingly, during any financial year there may also be additional program expenditure commitments made and partly or wholly disbursed using funds received in previous years.

The timing factor of program costs committed from the increased revenue in 2016/17, and recognised as an expense in the current year, contributed largely to the deficit comprehensive result of \$4.8 million in 2017/18.

## SUBSEQUENT EVENTS

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

## **i. INCOME FROM THE VICTORIAN GOVERNMENT**

Film Victoria is predominantly funded by the Victorian Government. Of the total \$26.1 million funding package from government to Film Victoria in 2017/18, \$13.1 million related to recurrent annual funding and the remaining related to fixed/project funding for initiatives and events and additional funds secured for high value footloose projects funded through the Premier's Jobs and Investment Fund (PJIF).

2016/17 government funding was higher than the current year predominantly as a result of additional funds secured for the Victorian Content Initiative and more high value footloose projects funded through the PJIF than in 2017/18.

## **ii. OTHER REVENUE**

Other revenue in 2017/18 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). Lower cash balances, driven by the reprioritisation of funds held in the CFF to support additional production investment and incentives, is contributing to reduced interest income earned.

## **iii. PROGRAM COSTS**

Program costs are payments made to approved funding recipients of Film Victoria's programs. A total amount of \$24.9 million was expended on projects in 2017/18. This \$3.9 million increase in program costs is attributed to the increased funding received in 2016/17 with milestone payments delayed to 2017/18 and additional program commitments from reprioritised CFF funds.

## **iv. OPERATING EXPENSES**

Operational expenses have been reasonably constant over the last three years, with Film Victoria maintaining its workforce employed below 38 full time equivalent staff members.

## **v. NET ASSETS**

Total assets and net assets as at 30 June 2018 are below the five year average as expected. These balances will continue to decline over the next few years whilst cash surpluses (and the associated equity balance) decline as a result of the reprioritisation of CFF funds annually since 2012/13.

Net assets include the balance of the CFF. This is the amount of cash available to meet future CFF loans. During 2017/18, \$2 million of the CFF was, with the approval of the Minister, applied to fund Film Victoria programs. The balance of the CFF as at 30 June 2018 is \$4.5 million.

# EMPLOYMENT RELATED DISCLOSURES

## WORKFORCE DATA

**Table 1: Full time equivalent (FTE) staffing trends from 2014 to 2018**

2018	2017	2016	2015	2014
35.6	*34.1	36.6	33	35.8

**Table 2: Employment status of employees**

				FIXED TERM AND CASUAL EMPLOYEES
ONGOING EMPLOYEES				
EMPLOYEES (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE	FTE
June 2018	26	21	5	24.6
June 2017	25	19	6	23.1

**Table 3: Workforce composition**

JUNE 2018				JUNE 2017			
ONGOING			FIXED TERM AND CASUAL EMPLOYEES	ONGOING			FIXED TERM AND CASUAL EMPLOYEES
EMPLOYEES (HEADCOUNT)		FTE	FTE	EMPLOYEES (HEADCOUNT)		FTE	FTE
GENDER							
Male	7	6.8	5.2	7	6.4	2.2	
Female	19	17.8	5.8	18	16.7	8.8	
AGE							
Under 25	0	0	0.2	1	1	0	
25-34	6	6	3	7	6.5	3.6	
35-44	12	11	2.6	9	7.8	4.2	
45-54	7	6.6	3.4	5	5	1.4	
55-64	1	1	1.8	3	2.8	1.8	
Over 64	0	0	0	0	0	0	
CLASSIFICATION							
VPS 1	0	0	0	0	0	0	
VPS 2	0	0	0.2	0	0	0	
VPS 3	7	6.4	3.8	7	6.3	4.6	
VPS 4	9	8.8	1	8	7.4	0.6	
VPS 5	5	4.6	6	5	4.8	5.8	
VPS 6	2	1.8	0	2	1.6	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	2	2	0	
Total	26	24.6	11	25	23.1	11	

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. Employees have been correctly classified in workforce data collection. One third of Executive Officer positions were filled by women in 2018, which was the same in 2017. Female Executive Officers are indicated by a double asterisk (\*\*) in the employee headcount columns. Film Victoria will report gender against three categories (men, women and self-described) from 2018/19.

## 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 Victorian Public Sector Employees* 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](http://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 a safe work environment 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.

	2017/18	2016/17	2015/16
Reported hazards/incidents/near misses	1	1	2
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

## PERFORMANCE AGAINST OUTPUT PERFORMANCE MEASURES

There were no major changes or factors affecting performance and the achievement of objectives in 2017/18.

Film Victoria reports to government on two budgetary and performance outputs with associated targets. Results for the 2017/18 reporting period are below.

PERFORMANCE INDICATOR	UNIT OF MEASURE	2016/17 ACTUAL	2017/18 TARGET	2017/18 ACTUAL	2017/18 VARIANCE (%)	2017/18 RESULT
Value of film, television and digital media production supported by Film Victoria	\$ million	*231	180	*213	18.3	**
Additional employment from production supported by Film Victoria	number	7,715	8,000	8,245	3.1	*

Notes:

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

\* = Performance target achieved.

\*\* = Performance target achieved - exceeds the standard 5% variance. The 2017/18 actual is higher than the target due to an additional large scale project supported by the Victorian Government.

## CONSULTANCIES OVER \$10,000

In 2017/18 there were three consultancies where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2017/18 in relation to these consultancies was \$130,812 (excluding GST).

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EXCLUDING GST)	EXPENDITURE 2017/18 (EXCLUDING GST)	FUTURE EXPENDITURE (EXCLUDING GST)
				\$	\$	\$
BYP Group	Film Victoria's skills programs - Analysis of selected program outcomes	Aug 2017	Oct 2017	32,880	32,880	0
AALTO Pty Ltd	Evaluation of Film Victoria's production and investment and incentive programs - Stage 1	Sep 2017	Apr 2018	71,532	71,532	0
BYP Group	Evaluation of Film Victoria's production and investment and incentive programs - Stage 2	Apr 2018	Nov 2018	119,880	26,400	93,480

## CONSULTANCIES UNDER \$10,000

In 2017/18 Film Victoria engaged no consultancies where the total fees payable to the consultants was less than \$10,000.

## GOVERNMENT ADVERTISING EXPENDITURE

Film Victoria's expenditure on government advertising in the 2017/18 reporting period did not exceed \$100,000.

## ICT EXPENDITURE

Film Victoria had a total ICT expenditure of \$640,000 (excluding GST) in 2017/18, as detailed below.

BUSINESS AS USUAL (BAU)	NON-BUSINESS AS USUAL (NON-BAU)
\$470,000	\$170,000
OPERATIONAL	CAPITAL
\$140,000	\$30,000

ICT expenditure refers to Film Victoria's costs (including employment expenses) in providing business-enabling ICT services.

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

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (VIPP). Departments and public sector bodies are required to apply the VIPP in all procurement activities over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. Film Victoria entered into a contract for one grant to which the VIPP applied during the reporting period. This grant was provided on the basis of local expenditure in both regional Victoria and metropolitan Melbourne.

## 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	2017/18	2016/17
Total units of copy paper purchased (reams)	185	247
Percentage of 100% recycled content copy paper purchased (%)	100	49.8
Average daily energy usage (kWh)	165.9	155.7
Average quarterly greenhouse gas emissions (tonnes)	16.4	16.2
Percentage of electricity matched by renewable sources (%)	100	100

## COMPETITIVE NEUTRALITY 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* (Act) allows the public a right of access to documents held by Film Victoria.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by Film Victoria, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

### 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 that it must:

- Be in writing
- Clearly identify which documents are being requested, and
- Include the application fee.

Requests for documents in the possession of Film Victoria can be emailed to [foi@film.vic.gov.au](mailto:foi@film.vic.gov.au) or sent via mail to:

Freedom of Information Officer  
Film Victoria  
Level 3, 55 Collins Street  
MELBOURNE VIC 3000

### FOI applications

Film Victoria received one application from a member of the general public, and made a decision in relation to this application in 2017/18. The decision was made within the extended statutory 30-45 day time period.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act, and [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

## PROTECTED DISCLOSURE ACT 2012

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

Film Victoria does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. Film Victoria is committed to ensuring transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal 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](http://www.ibac.vic.gov.au)

Complaints can be made via [www.ibac.vic.gov.au/reporting-corruption/report/complaints-form](http://www.ibac.vic.gov.au/reporting-corruption/report/complaints-form).

### Further information

Film Victoria has a policy for the reporting of disclosures of improper conduct or detrimental action and 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 policy 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. A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b. Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c. Details of publications produced by Film Victoria about our activities and how they can be obtained
- d. Details of changes in prices, fees, charges, rates and levies charged by Film Victoria
- e. Details of major external reviews carried out in respect of the operation of Film Victoria
- f. Details of major research and development activities undertaken by Film Victoria
- g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- h. Details of major promotional, public relations and marketing activities undertaken to develop community awareness of Film Victoria and our services
- i. Details of assessments and measures undertaken to improve the occupational health and safety of employees
- j. A general statement on industrial relations within the organisation and details of time lost through industrial accidents and disputes
- k. A list of major committees sponsored by Film Victoria, the purposes of each committee, and the extent to which the purposes have been achieved
- l. Details of all consultancies and contractors including:
  - > Consultants/contractors engaged
  - > Services provided with, 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

# FINANCIAL STATEMENTS

## PRESIDENT'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

The attached financial statements for Film Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of Film Victoria at 30 June 2018.

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 20 August 2018.



**Ian Robertson AO**

President  
Film Victoria

Melbourne  
20 August 2018



**Caroline Pitcher**

Chief Executive Officer  
Film Victoria

Melbourne  
20 August 2018



**Liahn Nortjé**

Chief Financial Officer  
Film Victoria

Melbourne  
20 August 2018

## COMPREHENSIVE OPERATING STATEMENT

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2017/18 (\$)	2016/17 (\$)
<b>CONTINUING OPERATIONS</b>			
<b>Income from transactions</b>			
Income from the Victorian Government	2.1	26,147,864	30,300,541
Interest	2.1	486,343	519,254
Other income	2.1	303,242	474,659
<b>Total income from transactions</b>		<b>26,937,449</b>	<b>31,294,454</b>
<b>Expenses from transactions</b>			
Program costs	3.1	24,945,116	21,003,736
Employee expenses	3.1	4,564,075	4,562,058
Depreciation	4.3	225,708	217,624
Other operating expenses	3.1	2,009,520	1,870,339
<b>Total expenses from transactions</b>		<b>31,744,419</b>	<b>27,653,757</b>
<b>Net result from transactions (net operating balance)</b>		<b>(4,806,970)</b>	<b>3,640,697</b>
<b>Other economic flows included in net result</b>			
Net gains/(losses) on non-financial assets	8.4	(65)	-
Net gains/(losses) from other economic flows	8.4	338	10,264
<b>Total other economic flows included in net result</b>		<b>273</b>	<b>10,264</b>
<b>Net result from continuing operations</b>		<b>(4,806,697)</b>	<b>3,650,961</b>
<b>COMPREHENSIVE RESULT</b>		<b>(4,806,697)</b>	<b>3,650,961</b>

## BALANCE SHEET

### AS AT 30 JUNE 2018

	Notes	2017/18 (\$)	2016/17 (\$)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6.1	23,184,905	27,449,738
Receivables	5.1	459,106	1,034,555
<b>Total financial assets</b>		<b>23,644,011</b>	<b>28,484,293</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	877,419	1,032,031
Other non-financial assets	5.3	155,794	163,728
<b>Total non-financial assets</b>		<b>1,033,213</b>	<b>1,195,759</b>
<b>Total assets</b>		<b>24,677,224</b>	<b>29,680,052</b>
<b>LIABILITIES</b>			
Payables	5.2	264,636	249,948
Employee related provisions	3.3.2	390,986	512,378
Other provisions	5.4	696,346	785,773
<b>Total liabilities</b>		<b>1,351,968</b>	<b>1,548,099</b>
<b>Net assets</b>		<b>23,325,256</b>	<b>28,131,953</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)		(4,422,718)	383,979
Contributed capital		27,747,974	27,747,974
<b>NET WORTH</b>		<b>23,325,256</b>	<b>28,131,953</b>



## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2017/18 (\$)	2016/17 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from government		27,375,435	31,268,666
Receipts from other entities		369,289	459,233
Interest received		477,668	565,692
Goods and services tax received from the ATO (net receipts)		1,879,828	1,614,421
<b>Total receipts</b>		<b>30,102,220</b>	<b>33,908,012</b>
<b>Payments</b>			
Payments to industry applicants		(27,307,078)	(22,944,343)
Payments to suppliers and employees		(6,994,440)	(6,789,797)
<b>Total payments</b>		<b>(34,301,518)</b>	<b>(29,734,140)</b>
<b>Net cash flows from operating activities</b>	6.1	<b>(4,199,298)</b>	<b>4,173,872</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of non-financial assets		(65,717)	(58,550)
Sales of non-financial assets		182	-
<b>Net cash flows from investing activities</b>		<b>(65,535)</b>	<b>(58,550)</b>
Net increase/(decrease) in cash and cash equivalents		(4,264,833)	4,115,322
Cash and cash equivalents at beginning of the year		27,449,738	23,334,416
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	6.1	<b>23,184,905</b>	<b>27,449,738</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Accumulated surplus/(deficit) (\$)	Contributions by owner (\$)	Total (\$)
Balance at 30 June 2016	(3,266,982)	27,747,974	24,480,992
Net result for the year	3,650,961	-	3,650,961
<b>Balance at 30 June 2017</b>	<b>383,979</b>	<b>27,747,974</b>	<b>28,131,953</b>
Net result for the year	(4,806,697)	-	(4,806,697)
<b>Balance at 30 June 2018</b>	<b>(4,422,718)</b>	<b>27,747,974</b>	<b>23,325,256</b>

The 'Financial statements' should be read in conjunction with the 'Notes to the financial statements'.

# NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1. ABOUT THIS REPORT

Film Victoria is the State Government agency that provides strategic leadership and assistance to the Victorian screen industry. A description of the nature of its operations and its principal activities is included in the 'Report of Operations', which does not form part of these financial statements. Film Victoria is established under the *Film Act 2001*. Its principal address is Level 3, 55 Collins Street Melbourne, Victoria 3000.

1.1 BASIS OF PREPARATION

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

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note.

The accrual basis of accounting has been applied in preparing 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.

The accounting policies set out in the notes have been applied in preparing the financial statements for the year ended 30 June 2018, and comparative information presented in these financial statements for the year ended 30 June 2017. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Judgements, estimates and assumptions are required to be made about financial information being presented. Any significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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.

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

Any foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Film Victoria does not have any foreign monetary items or assets existing at the end of the reporting period.

1.2 COMPLIANCE INFORMATION

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

1.3 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded to the nearest dollar. Discrepancies in tables between totals and sums of components reflect rounding.

Zero, or rounded to zero	–
Calendar year	201x
Financial year	201x/1x

## NOTE 2. FUNDING THE DELIVERY OF OUR SERVICES

**Film Victoria is predominantly funded by the Victorian Government. Other income sources include interest earned on cash and cash equivalents, development and production investment repayments and application and administration fees levied.**

### 2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2017/18 (\$)	2016/17 (\$)
<b>Income from the Victorian Government</b>			
Recurrent funding	2.2	13,088,000	13,319,000
Events and other initiatives	2.2	13,059,864	16,981,541
<b>Total income from the Victorian Government</b>		<b>26,147,864</b>	<b>30,300,541</b>
<b>Interest</b>			
Interest on cash and cash equivalents	2.3	486,343	519,254
<b>Total interest</b>		<b>486,343</b>	<b>519,254</b>
<b>Other income</b>			
Development investment repayments	2.4	207,836	267,105
Production investment and loan repayments	2.4	22,280	134,130
Application and administration fees	2.4	69,500	58,250
Other program revenue		3,626	15,174
<b>Total other income</b>		<b>303,242</b>	<b>474,659</b>
<b>TOTAL INCOME FROM TRANSACTIONS</b>		<b>26,937,449</b>	<b>31,294,454</b>

Income is recognised to the extent it is probable the economic benefits will flow to Film Victoria and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

### 2.2 INCOME FROM THE VICTORIAN GOVERNMENT

Film Victoria's recurrent funding from the Victorian Government is appropriated to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) annually. This funding is to support Film Victoria's core investment and incentives programs and the day to day operational expenses. Recurrent funding is supplemented through events funding and other initiatives funding granted by DEDJTR and Creative Victoria for specific purposes for a set period of time, usually one to four years. Income from recurrent, events and other initiatives funding is recognised when the amount is due and payable to Film Victoria.

### 2.3 INTEREST ON CASH AND CASH EQUIVALENTS

Interest income comprises interest on cash and cash equivalents earned on cash at bank and term deposits (financial assets not at fair value through profit and loss). Interest income is recognised using the effective interest method which allocates the interest over the relevant period in which the interest accrued.

### 2.4 OTHER INCOME

#### Development investment repayments

Film Victoria provides development funding for projects and it is recognised as a program expense when the commitment becomes payable (see Note 3.2). Development investments become repayable to Film Victoria and recognised as income (development investment repayment) only in circumstances where the project progresses into production.

#### Production investment and loan repayments

From 1 July 2014, Film Victoria implemented policies whereby production investment was no longer repayable from any receipts earned from the exploitation of a project. Given the length of time that has passed, it is expected that future production investment repayments will be negligible. At the same time outstanding business loans were converted to a repayable development investment against the project/s where the loan monies received had been used in development. Given the length of time that has passed, it is expected that there will be no further loan repayments in future years.

#### Application and administration fees

Film Victoria charges a nominal flat fee for all funding applications to its Assigned Production Investment programs. Film Victoria also deducts an administration fee when a film and television project receives an Assigned Production Investment exceeding \$150,000 for cost recovery associated with its Professional Attachment program. The administration fee is 0.5% of the amount of Film Victoria's assigned production investment.

## NOTE 3. HOW OUR COSTS ARE INCURRED

The most significant cost for Film Victoria relates to program payments for supporting screen productions and development initiatives. Film Victoria also incurs operational day-to-day running costs in the delivery of its services, the majority of which are employee related.

### 3.1 SUMMARY OF EXPENSES INCURRED IN THE DELIVERY OF OUR SERVICES

	Notes	2017/18 (\$)	2016/17 (\$)
Program costs	3.2	24,945,116	21,003,736
Employee expenses	3.3	4,564,075	4,562,058
Depreciation	4.3	225,708	217,624
Other operating expenses	3.4	2,009,520	1,870,339
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<b>31,744,419</b>	<b>27,653,757</b>

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

### 3.2 PROGRAM COSTS

Film Victoria provides funding to support the development and production of feature film, television, online, virtual reality 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. Program costs are payments made to approved funding recipients of Film Victoria's programs. Program costs are recognised when commitments become payable, i.e. when contracts are executed and contractees satisfy certain conditions. Program commitments are detailed in Note 6.2.

### 3.3 EMPLOYEE EXPENSES

#### 3.3.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	Notes	2017/18 (\$)	2016/17 (\$)
Wages, salaries, annual leave and long service leave		4,212,876	4,226,494
Defined contribution superannuation expense	3.3.3	351,199	335,564
<b>TOTAL EMPLOYEE EXPENSES</b>		<b>4,564,075</b>	<b>4,562,058</b>

Employee expenses include all costs directly related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments, payroll tax and WorkCover premiums. There were no termination payments made in 2017/18 (2016/17: nil).

#### 3.3.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and is recorded as an expense during the period the services are delivered.

	2017/18 (\$)	2016/17 (\$)
<b>CURRENT PROVISIONS</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	185,694	208,990
Unconditional and expected to settle after 12 months	11,943	39,954
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	36,626	75,349
Unconditional and expected to settle after 12 months	29,899	88,784
<b>Provisions for on-costs</b>		
Unconditional and expected to settle within 12 months	11,894	16,634
Unconditional and expected to settle after 12 months	2,226	7,531
<b>Total current provisions for employee benefits</b>	<b>278,282</b>	<b>437,242</b>
<b>NON-CURRENT PROVISIONS</b>		
Employee benefits	106,981	70,983
On-costs	5,723	4,153
<b>Total non-current provisions for employee benefits</b>	<b>112,704</b>	<b>75,136</b>
<b>TOTAL EMPLOYEE RELATED PROVISIONS</b>	<b>390,986</b>	<b>512,378</b>



### Reconciliation of movement in on-cost provision

	2017/18 (\$)	2016/17 (\$)
<b>Opening balance</b>	<b>28,318</b>	<b>27,948</b>
Additional provisions recognised	14,373	13,311
Reductions arising from payments/other sacrifices of future economic benefits	(22,848)	(12,941)
<b>CLOSING BALANCE</b>	<b>19,843</b>	<b>28,318</b>
<b>Represented by:</b>		
Current	14,120	24,165
Non-current	5,723	4,153
<b>CLOSING BALANCE</b>	<b>19,843</b>	<b>28,318</b>

### Wages, salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because Film Victoria does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As Film Victoria expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as Film Victoria does not have an unconditional right to defer settlement of the liability for more than 12 months after the end of the reporting period.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

### Long service leave

Unconditional long service leave is disclosed 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 long service leave liability are measured at undiscounted 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 long service leave 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 long service leave is measured at its present value.

Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result (Note 8.4).

### 3.3.3 DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Employees of Film Victoria are entitled to receive superannuation benefits. The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contribution for members of defined contribution superannuation plans, paid or payable during the reporting period. Film Victoria is not currently making any contributions in respect of employees who are members of defined benefit plans.

	2017/18 (\$)	2016/17 (\$)
<b>Paid contributions for the year</b>		
VicSuper	143,979	134,808
Other	201,637	175,673
<b>Total paid contributions for the year</b>	<b>345,616</b>	<b>310,481</b>
<b>Contributions outstanding at year end</b>		
VicSuper	2,326	10,812
Other	3,257	14,271
<b>Total contributions outstanding at year end</b>	<b>5,583</b>	<b>25,083</b>
<b>TOTAL DEFINED CONTRIBUTION SUPERANNUATION EXPENSE</b>	<b>351,199</b>	<b>335,564</b>

### 3.4 OTHER OPERATING EXPENSES

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

	Notes	2017/18 (\$)	2016/17 (\$)
Operating leases	6.2	474,212	447,569
Information technology		397,457	285,334
Corporate expenses		374,076	318,560
Professional services		271,122	276,832
Marketing and communications		237,612	221,198
Event delivery		119,695	195,039
Travel		135,346	125,807
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>2,009,520</b>	<b>1,870,339</b>

## NOTE 4. OUR PROPERTY, PLANT AND EQUIPMENT (PPE)

Film Victoria controls physical assets that are utilised in fulfilling its objectives and conducting its activities. They comprise leasehold improvements, audio visual equipment, computer equipment, office equipment and furniture and fittings.

### 4.1 TOTAL PPE

	Gross carrying amount (\$)	Accumulated depreciation (\$)	Net carrying amount (\$)
<b>2017/18</b>			
Leasehold improvements	1,642,196	(842,684)	799,512
Audio visual equipment	51,684	(40,716)	10,968
Computer equipment	225,250	(171,056)	54,194
Furniture and fittings	119,127	(109,495)	9,632
Office equipment	28,488	(25,375)	3,113
<b>TOTAL AT 30 JUNE 2018</b>	<b>2,066,745</b>	<b>(1,189,326)</b>	<b>877,419</b>
<b>2016/17</b>			
Leasehold improvements	1,616,409	(673,299)	943,110
Audio visual equipment	44,012	(39,086)	4,926
Computer equipment	209,380	(150,920)	58,460
Furniture and fittings	117,290	(94,249)	23,041
Office equipment	27,457	(24,963)	2,494
<b>TOTAL AT 30 JUNE 2017</b>	<b>2,014,548</b>	<b>(982,517)</b>	<b>1,032,031</b>

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.4 in connection with how those fair values were determined.

### 4.1.1 INITIAL RECOGNITION

Items of PPE, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and any allowance for impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives. PPE with a cost in excess of \$500 are capitalised.

### 4.1.2 SUBSEQUENT MEASUREMENT

PPE are subsequently measured at fair value less accumulated depreciation and any allowance for impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short useful lives of the assets concerned.

### 4.2 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PPE

	2017/18 (\$)	2016/17 (\$)
<b>Opening balance</b>	<b>1,032,031</b>	<b>1,191,105</b>
Additions	71,343	58,550
Disposals	(247)	-
Depreciation	(225,708)	(217,624)
<b>CLOSING BALANCE</b>	<b>877,419</b>	<b>1,032,031</b>

### 4.3 DEPRECIATION

	Estimated useful life	2017/18 (\$)	2016/17 (\$)
Leasehold improvements	*10 years	169,386	165,075
Audio visual equipment	4 years	1,631	3,984
Computer equipment	3 years	36,184	23,638
Furniture and fittings	5 years	15,913	21,998
Office equipment	5 years	2,594	2,929
<b>TOTAL DEPRECIATION</b>		<b>225,708</b>	<b>217,624</b>

Note: \*shorter of remaining lease term or 10 years.

Depreciation on PPE 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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table above.

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

### 4.4 IMPAIRMENT

Non-financial assets, including items of PPE, are tested for impairment whenever there is an indication that the assets may be impaired.

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 it 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 impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

## NOTE 5. OUR OTHER ASSETS AND LIABILITIES

**This section describes those assets and liabilities, including receivables and payables, that arose from Film Victoria's controlled operations.**

### 5.1 RECEIVABLES

	2017/18 (\$)	2016/17 (\$)
<b>Contractual</b>		
Debtors	27,500	882,522
Accrued interest	111,199	102,524
Other receivables	10,312	7,869
<b>Total contractual receivables</b>	<b>149,011</b>	<b>992,915</b>
<b>Statutory</b>		
Net statutory receivables	310,095	41,640
<b>Total statutory receivables</b>	<b>310,095</b>	<b>41,640</b>
<b>TOTAL RECEIVABLES</b>	<b>459,106</b>	<b>1,034,555</b>

All receivables for 2016/17 and 2017/18 are current receivables (expected to settle in less than 12 months) and not past due.

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Receivables are assessed for recoverability on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. 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*.

Bad debts considered as written off by mutual consent are classified as a transaction expense. No debt was written off in 2017/18 (2016/17: nil). Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result. No provision has been made for estimated irrecoverable amounts from contractual receivables in 2017/18 (2016/17: nil), determined by reference to past default experience.

The average credit period for receivables from debtors is 30 days. There are no material financial assets that are individually determined to be impaired. Currently Film Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

### 5.2 PAYABLES

	2017/18 (\$)	2016/17 (\$)
<b>Contractual</b>		
Supplies and services	2,160	63,651
Other payables	262,476	186,297
<b>TOTAL PAYABLES</b>	<b>264,636</b>	<b>249,948</b>

All payables as at the reporting date for 2016/17 and 2017/18 are contractual (non-statutory) current payables, expected to be settled within 12 months.

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Film Victoria prior to the end of the financial year that are unpaid. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of seven days.

### 5.3 OTHER NON-FINANCIAL ASSETS

	2017/18 (\$)	2016/17 (\$)
<b>Current</b>		
Prepayments	155,794	163,728
<b>TOTAL OTHER NON-FINANCIAL ASSETS</b>	<b>155,794</b>	<b>163,728</b>

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period which covers a term extending beyond that period.

### 5.4 OTHER PROVISIONS

	2017/18 (\$)	2016/17 (\$)
<b>Current</b>		
Lease incentive	89,427	89,427
<b>Non-current</b>		
Lease incentive	326,919	416,346
Make good provision (lease)	280,000	280,000
<b>TOTAL OTHER PROVISIONS</b>	<b>696,346</b>	<b>785,773</b>

#### Reconciliation of movements in other provisions

	Lease incentive (\$)	Make good (\$)	Total (\$)
<b>Opening balance 2017</b>	595,200	280,000	875,200
Provision written back for lease period to date	(89,427)	-	(89,427)
<b>Opening balance 2018</b>	505,773	280,000	785,773
Provision written back for lease period to date	(89,427)	-	(89,427)
<b>CLOSING BALANCE</b>	<b>416,346</b>	<b>280,000</b>	<b>696,346</b>

The lease incentive provision is in respect of the operating lease for office accommodation at Level 3, 55 Collins Street, Melbourne. Lease incentives are utilised as a reduction of rental expense over the lease term on a straight-line basis.

A make good provision is recognised for the leasehold property at Level 3, 55 Collins Street, Melbourne. In accordance with the lease agreement, 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.

## NOTE 6. FINANCING OUR OPERATIONS

**This section includes disclosures of balances that are financial instruments (such as cash balances), including financial commitments at year end.**

**Note 7.1 provides additional financial instrument disclosures.**

### 6.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, comprise cash on hand and cash at bank, deposits at call and term deposits with an original maturity of three months or less, which are:

- > Held to meet short term cash commitments rather than for investment purposes
- > Readily convertible to known amounts of cash, and
- > Subject to an insignificant risk of changes in value.

Film Victoria invests its funds in accordance with the requirements of the Standing Directions of the Minister for Finance.

	2017/18 (\$)	2016/17 (\$)
Cash on hand	1,000	800
Cash at bank	379,040	255,273
Short term deposits	22,804,865	27,193,665
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>23,184,905</b>	<b>27,449,738</b>

### Reconciliation of net result for the period to cash flow from operating activities

	2017/18 (\$)	2016/17 (\$)
<b>Comprehensive result for the period</b>	<b>(4,806,697)</b>	<b>3,650,961</b>
<b>Non-cash movements</b>		
(Gain)/loss on sale or disposal of non-current assets	65	-
Depreciation and amortisation of non-current assets	225,708	217,624
<b>Movements in assets and liabilities</b>		
Decrease/(increase) in receivables	575,449	396,009
Decrease/(increase) in other non-financial assets	7,934	(55,309)
Increase/(decrease) in payables	9,062	92,710
Increase/(decrease) in provisions	(210,819)	(128,123)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(4,199,298)</b>	<b>4,173,872</b>

Short term deposits include \$4,490,865 in 2017/18 that is dedicated for Film Victoria's Cash Flow Facility (CFF). The CFF is a revolving loan facility that is restricted to the provision of producer loans. Producer loans complement Film Victoria's programs by financing pre-sales (evidenced through broadcast licenses and distribution guarantees) and the taxation authority's producer offset.

There were no producer loans paid out and no repayments received in 2017/18 (2016/17: nil). These funds may only be repurposed through Ministerial approval. In 2017/18 approval was granted to repurpose \$2,000,000 into funding programs (2016/17: \$2,000,000).



## 6.2 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure are operating commitments arising from contracts. These commitments are recorded below at their nominal value. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	< 1 year (\$)	1 – 5 years (\$)	5+ years (\$)	Total (\$)
<b>2017/18</b>				
Program commitments	24,200,770	13,882,000	-	38,082,770
Operating lease commitments	636,971	2,537,836	-	3,174,807
<b>Total commitments (incl. GST)</b>	<b>24,837,741</b>	<b>16,419,836</b>	<b>-</b>	<b>41,257,577</b>
Less: GST recoverable	(2,255,099)	(1,492,712)	-	(3,747,811)
<b>TOTAL COMMITMENTS (EXCL. GST)</b>	<b>22,582,642</b>	<b>14,927,124</b>	<b>-</b>	<b>37,509,766</b>
<b>2016/17</b>				
Program commitments	23,831,761	994,087	-	24,825,848
Operating lease commitments	608,572	2,662,932	488,145	3,759,649
<b>Total commitments (incl. GST)</b>	<b>24,440,333</b>	<b>3,657,019</b>	<b>488,145</b>	<b>28,585,497</b>
Less: GST recoverable	(2,217,175)	(332,456)	(44,377)	(2,594,008)
<b>TOTAL COMMITMENTS (EXCL. GST)</b>	<b>22,223,158</b>	<b>3,324,563</b>	<b>443,768</b>	<b>25,991,489</b>

Program commitments are contracted program payments that remain undisbursed and unrecognised as a liability at the end of the financial year due to contracted milestones or deliverables being outstanding. During one financial year Film Victoria may make disbursements that arise from financial commitments outstanding from prior years. Payment of program commitments are expected within five years of the balance sheet date.

Operating lease commitments relate to office equipment and office space at Level 3, 55 Collins Street, Melbourne. The contracts do not allow Film Victoria to purchase the facility/equipment after the lease ends. The lease for the offices has a ten year lease term (expiring on 27 February 2023). Film Victoria has the option to renew the lease for five years in 2023 and a subsequent three year option in 2028.

## NOTE 7. OUR RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

**Film Victoria's operations, assets and liabilities are exposed to various risks. Uncertainty may also inhibit quantifying certain assets and liabilities until certain future events occur. This section provides more information on Film Victoria's risks, contingencies and fair value judgements.**

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

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 (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

#### 7.1.1 FINANCIAL ASSETS

	Notes	2017/18 (\$)	2016/17 (\$)
<b>Loans, receivables and cash</b>			
Cash and cash equivalents	6.1	23,184,905	27,449,738
Contractual receivables (non-statutory)	5.1	149,011	992,915
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS</b>		<b>23,333,916</b>	<b>28,442,653</b>
Net holding gain/(loss):			
Interest income		486,343	519,254

Loans, receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (less any impairment). Film Victoria recognises the following assets in this category:

- > Cash and cash equivalents
- > Producer loans (see Note 6.1), and
- > Contractual receivables (non-statutory).

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- > The rights to receive cash flows from the asset have expired, or
- > Film Victoria retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- > Film Victoria has transferred its rights to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Film Victoria has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Film Victoria's continuing involvement in the asset.

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 or loss, are subject to annual review for impairment. 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*.

The net holding gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result. There was no gain or loss on contractual financial assets in 2017/18 or 2016/17.

## 7.1.2 FINANCIAL LIABILITIES

	Notes	2017/18 (\$)	2016/17 (\$)
Contractual payables (non-statutory)	5.2	264,636	249,948
<b>TOTAL CONTRACTUAL FINANCIAL LIABILITIES</b>		<b>264,636</b>	<b>249,948</b>

Financial liabilities at amortised cost are initially recognised on the date they originated and measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the comprehensive operating statement over the period of the interest bearing liability, using the effective interest rate method. Film Victoria recognises contractual payables (non-statutory) in this category.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

The net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost. There were no gains or losses on contractual financial liabilities in 2017/18 or 2016/17.

## 7.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Film Victoria's main financial risks include credit risk, liquidity risk and interest rate risk and it aims to manage these risks and the associated volatility of its financial performance in accordance with its Risk Management Policy and Framework.

### 7.2.1 CREDIT RISK

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Film Victoria's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Film Victoria's contractual receivables is minimal because the main debtor is the Victorian Government. Credit risk for producer loans from the Cash Flow Facility is limited to \$3,000,000 per any one distributor, broadcaster, sales agent or producer. Film Victoria does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Film Victoria will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 60 days overdue.

Except as otherwise detailed in the credit quality table below, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Film Victoria's maximum exposure to credit risk. There has been no material change to Film Victoria's credit risk profile in 2017/18.

The following table discloses the credit quality of contractual financial assets that are neither past due nor impaired (amounts disclosed here are non-statutory).

	Financial institutions (\$)	Government agencies (\$)	Other (\$)	Total (\$)
<b>2017/18</b>				
Cash and cash equivalents	379,040	22,804,865	1,000	23,184,905
Contractual receivables	-	138,699	10,312	149,011
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS 2017/18</b>	<b>379,040</b>	<b>22,943,564</b>	<b>11,312</b>	<b>23,333,916</b>
<b>2016/17</b>				
Cash and cash equivalents	255,273	27,193,665	800	27,449,738
Contractual receivables	-	915,024	77,891	992,915
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS 2016/17</b>	<b>255,273</b>	<b>28,108,689</b>	<b>78,691</b>	<b>28,442,653</b>
Credit rating	A- 1+	AAA		

### 7.2.2 LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. 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 6.2. Film Victoria manages its liquidity risk by:

- > Maintaining an adequate level of uncommitted funds to meet short-term obligations
- > Careful maturity planning of its term deposits based on current needs and future cash flows
- > Careful monitoring of commitments payable and receivable, and
- > Minimising payables with a payments policy of settling financial obligations within seven days.

### 7.2.3 MARKET RISK

Film Victoria's exposure to market risk relates primarily to interest rate risk. It does not have, nor intend to have, any exposure to foreign currency risk, or equity price risk.

#### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. 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.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Film Victoria has minimal exposure to cash flow interest rate risks through cash and cash equivalents. Film Victoria manages this risk by closely monitoring the movement in interest rates and undertaking sensitivity analysis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and Film Victoria's sensitivity to interest rate risk are set out in the table that follows (amounts disclosed here are non-statutory).

	Weighted interest rate	Carrying amount (\$)	Investment type		
			Fixed rate (\$)	Variable rate (\$)	Non-interest bearing (\$)
2017/18					
Contractual financial assets					
Cash on hand and cash at bank	1.50%	380,040	-	379,040	1,000
Short term/at call deposits	1.97%	22,804,865	-	22,804,865	-
Other receivables		149,011	-	-	149,011
TOTAL FINANCIAL ASSETS		23,333,916	-	23,183,905	150,011
Contractual financial liabilities					
Payables		264,636	-	-	264,636
TOTAL FINANCIAL LIABILITIES		264,636	-	-	264,636
2016/17					
Contractual financial assets					
Cash on hand and cash at bank	1.52%	256,073	-	255,273	800
Short term/at call deposits	1.62%	27,193,665	3,888,800	23,304,865	-
Other receivables		992,915	-	-	992,915
TOTAL FINANCIAL ASSETS		28,442,653	3,888,800	23,560,138	993,715
Contractual financial liabilities					
Payables		249,948	-	-	249,948
TOTAL FINANCIAL LIABILITIES		249,948	-	-	249,948

### Sensitivity disclosure

Considering past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Film Victoria would not expect a movement of more than 100 basis points in market interest rates over the next 12 months.

The estimated total market risk exposure to a shift of 100 basis points up (or down) in interest rates equals an increase (or decrease) in net result of \$231,839 for 2017/18 (2016/17: \$274,489).

### 7.3 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. There are no reportable contingent assets or liabilities at balance sheet date (2016/17: nil).



## 7.4 FAIR VALUE DETERMINATION

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on Film Victoria's results and financial position.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Film Victoria determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes. Film Victoria has only short-term financial instruments such as cash at bank, trade receivables and payables and their carrying amount is a reasonable approximation of fair value. As such, a fair value disclosure on financial instruments is not required.

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

**Level one:** quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level two:** valuation techniques where the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

**Level three:** valuation techniques where the lowest level input that is significant to the fair value measurement is unobservable.

Film Victoria determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

For assets and liabilities for which fair values are determined, the following are disclosed:

- > Carrying amount and fair value (which would be the same for those assets measured at fair value),
- > Which level of the fair value hierarchy was used to determine the fair value, and
- > In respect of those assets and liabilities subject to fair value determination using Level three inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

## Fair value determination: PPE

All PPE assets are classified as Level three in the fair value hierarchy. There have been no transfers between levels during the reporting period. When PPE is specialised in use, such that it is rarely sold other than as part of a going concern (i.e. leasehold improvements), fair value is determined using the depreciated replacement cost method. For all assets measured at fair value, the current use is considered the highest and best use.

There were no changes in valuation techniques throughout the reporting periods.

## Description of significant unobservable inputs to Level three valuations

	Leasehold improvements	Other PPE
<b>Valuation technique</b>	Depreciated replacement cost	Depreciated replacement cost
<b>Significant unobservable inputs</b>	Useful life of the improvement	Useful life of the asset class and cost per unit

Significant unobservable inputs have remained unchanged since 30 June 2017.

Film Victoria applies AASB 2015-7 *Fair Value Disclosures of Not-for-Profit Public Sector Entities*, exempting not-for-profit public sector entities from disclosing 'unrealised gains/(losses) on non-financial assets', quantitative information of significant unobservable inputs and the sensitivity analysis if the assets are held primarily for their current service potential rather than to generate net cash inflows.

## NOTE 8. OTHER DISCLOSURES

**This section includes additional material disclosures required by accounting standards or otherwise, to assist in the understanding of these financial statements.**

### 8.1 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

Members of the Film Victoria 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*.

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

	2017/18 (\$)	2016/17 (\$)
<b>MINISTER FOR CREATIVE INDUSTRIES</b>		
Martin Foley MP	n/a	n/a
<b>BOARD PRESIDENT</b>		
Ian Robertson	30,000 – 39,999	30,000 – 39,999
<b>BOARD MEMBERS</b>		
Debra Allanson	10,000 – 19,999	10,000 – 19,999
Ann Darrouzet	10,000 – 19,999	10,000 – 19,999
Kelly LeFever	10,000 – 19,999	10,000 – 19,999
Lyn Maddock	10,000 – 19,999	10,000 – 19,999
Michael McMahon	10,000 – 19,999	10,000 – 19,999
Leonie Morgan	10,000 – 19,999	10,000 – 19,999
David Parker	10,000 – 19,999	10,000 – 19,999
John Rundell	10,000 – 19,999	10,000 – 19,999
Dan Fill (to 31/08/2016)	nil	up to 9,999
Daryl Talbot (to 21/09/2017)	up to 9,999	10,000 – 19,999
Blake Mizzi (from 22/09/2017)	10,000 – 19,999	nil
Caroline Pitcher (to 17/10/2017)	up to 9,999	10,000 – 19,999
<b>CHIEF EXECUTIVE AND ACCOUNTABLE OFFICER</b>		
Caroline Pitcher (from 11/12/2017)	160,000 – 169,000	nil
Jenni Tosi (to 31/12/2017)	160,000 – 169,000	310,000 – 319,999

## 8.2 REMUNERATION OF EXECUTIVES

The number of Executive Officers, other than the CEO, and their total remuneration during the reporting period are shown in the table below. 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.

Short-term employee benefits include 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.

	2017/18 (\$)	2016/17 (\$)
Short-term benefits	348,352	201,740
Post-employment benefits	33,082	17,576
Other long-term benefits	10,381	4,829
Termination benefits	-	-
<b>TOTAL EXECUTIVE REMUNERATION</b>	<b>391,815</b>	<b>224,145</b>
Total number of executives	2	2
Total full time equivalent (FTE)	2	2

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 (Note 8.3). FTE is based on the time fraction worked as at reporting date.

One new Executive Officer commenced employment with Film Victoria during June 2017, prior to which the position was temporarily filled by a non-executive member of staff.

## 8.3 RELATED PARTIES

Related parties of Film Victoria include:

- > All KMP, their close family members and personal business interests (entities that KMP have significant influence over)
- > All cabinet ministers and their close family members, and
- > All departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

### Remuneration of 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, voting members of the Production Incentives Attraction Fund committee and the Executive Team of Film Victoria. Note that KMP remuneration is also included in the disclosure of responsible officers (Note 8.1) and executive officers (Note 8.2).

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

	2017/18 (\$)	2016/17 (\$)
Short-term benefits	830,082	669,170
Post-employment benefits	70,381	54,277
Other long-term benefits	13,116	15,165
Termination benefits	-	-
<b>TOTAL KMP REMUNERATION</b>	<b>913,579</b>	<b>738,612</b>

## Transactions with Key Management Personnel

Given the breadth and depth of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Transactions within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Transactions with KMP, as detailed in the following table, cover all payments and receipts relating to Film Victoria programs for production investment and attraction, content development, cash flow funding and professional development as well as participation in committees. Program payments are disclosed net of development and professional attachment deductions. Members of Film Victoria's Board, committees, its CEO and staff are bound by the conflict of interest provisions of the *Film Act 2001* (s. 39-42), together with the *Code of Conduct for the Victorian Public Sector* (s. 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 applies to all applicants to the Film Victoria programs.

	KMP	2017/18 (\$)	2016/17 (\$)
<b>PAYMENTS</b>			
League of Geeks Pty Ltd	Blake Mizzi	285,000	-
Jade Productions Pty Ltd	Daryl Talbot	-	12,000
Larry Wonderpup Productions Pty Ltd	Daryl Talbot	100,000	-
WTFN Entertainment Pty Ltd	Daryl Talbot	30,800	119,350
Cascade Films Pty Ltd	David Parker	3,881	6,122
Near Life Productions Pty Ltd	Kelly LeFever	2,921	2,810
Ali's Wedding Production Pty Ltd	Michael McMahon	-	58,000
Barracuda Productions Pty Ltd	Michael McMahon	-	92,000
Matchbox Pictures Pty Ltd	Michael McMahon	22,750	18,750
Matchbox Productions Pty Ltd	Michael McMahon	162,200	78,000
Mighty Mustangs Productions Pty Ltd	Michael McMahon	100,000	-
Nowhere Boys 3 Productions Pty Ltd	Michael McMahon	-	178,252
Nowhere Boys 4 Productions Pty Ltd	Michael McMahon	273,900	-
Perplexing New Reality Pty Ltd	Michael McMahon	112,500	385,625
Seven Types Productions Pty Ltd	Michael McMahon	-	40,000
<b>RECEIPTS</b>			
League of Geeks Pty Ltd	Blake Mizzi	500	-
Jade Productions Pty Ltd	Daryl Talbot	-	500
Matchbox Productions Pty Ltd	Michael McMahon	1,500	500

## Significant transactions with government-related entities

	2017/18 (\$)	2016/17 (\$)
<b>DEDJTR</b>		
Recurrent funding	13,088,000	13,319,000
Events and other initiatives	13,059,864	16,981,541
Funding contribution: Penny Arcade Expo	(30,000)	(60,000)
Other (reimbursements, events)	-	(5,801)
<b>AUSTRALIAN CENTRE FOR THE MOVING IMAGE</b>		
Series Mania funding	(124,000)	(96,000)
Events related costs	(3,038)	(19,328)
<b>TREASURY CORPORATION OF VICTORIA (TCV)</b>		
Total interest earned	478,101	509,967

As at 30 June 2018 the only outstanding balance was \$25,000 from DEDJTR (2016/17: nil). Total balance invested with TCV as at 30 June 2018 was \$22,804,865 (2016/17: \$27,193,665).

#### 8.4 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. 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. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

	2017/18 (\$)	2016/17 (\$)
<b>Net gains/(losses) on non-financial assets</b>		
Disposal of property plant and equipment	(65)	-
<b>Net gains/(losses) from other economic flows</b>		
Revaluation of long service liability	338	10,264
<b>TOTAL OTHER ECONOMIC FLOWS</b>	<b>273</b>	<b>10,264</b>

#### 8.5 REMUNERATION OF AUDITORS

	2017/18 (\$)	2016/17 (\$)
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	27,500	26,100
<b>TOTAL REMUNERATION OF AUDITORS</b>	<b>27,500</b>	<b>26,100</b>

#### 8.6 SUBSEQUENT EVENTS

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

#### 8.7 OTHER ACCOUNTING POLICIES

##### Leases

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 PPE are classified as finance 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 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.

## 8.8 AASS ISSUED THAT ARE NOT YET EFFECTIVE

Film Victoria has adopted all of the new and revised AASBs issued by the AASB that are relevant to its operations and effective for reporting from 1 July 2017. The following AASBs become effective for reporting periods commencing after the operative dates stated:

### **AASB 9 Financial Instruments (effective 01 January 2018)**

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 there will be no significant impact for Film Victoria arising from AASB 9, there will be a change to the way financial instruments are disclosed.

### **AASB 2010-7 Amendments to AASBs arising from AASB 9 (effective 01 January 2018)**

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, and
- > Other fair value changes are presented in profit and 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.

This standard will have an immaterial effect on Film Victoria's annual accounts.

### **AASB 15 Revenue from Contracts with Customers (effective 01 January 2019)**

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 but will have no material impact for Film Victoria. *AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities* has deferred the application period of AASB 15 for not-for-profit entities to the 2019/20 reporting period.

### **AASB 1058 Income of Not-for-Profit Entities (effective 01 January 2019)**

This Standard will replace *AASB 1004 Contributions* and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. This standard will have no effect on Film Victoria's annual accounts as there is no known or planned activity that is covered by this standard.

### **AASB 16 Leases (effective 01 January 2019)**

The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet. The assessment has indicated that as most operating leases will be recognised on the balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. Film Victoria has only one operating lease (Level 3, 55 Collins Street, Melbourne office lease) that meets the criteria to be classified as a right of use asset.



# AUDITOR GENERAL'S REPORT

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report

*To the Board Members of Film Victoria*

<b>Opinion</b>	<p>I have audited the financial report of Film Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• president's, accountable officer's and chief financial officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 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>
<b>Basis for Opinion</b>	<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 <i>APES 110 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>
<b>Board Members' responsibilities for the financial report</b>	<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' 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  
23 August 2018



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# DISCLOSURE INDEX

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

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\*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.

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INSIDE BACK COVER  
ROMPER STOMPER,  
ROADSHOW PRODUCTIONS

A photograph of two women in traditional African clothing. The woman on the left wears a red and gold headwrap and a beaded necklace. The woman on the right has a large afro and wears a red and blue patterned dress. They are standing in front of a building with a large red cross on the wall. The background is slightly blurred, showing other people.

# SUPPORTING THE VICTORIAN SCREEN INDUSTRY

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