

Annual Report 2018/19



**FILM
VICTORIA**
AUSTRALIA

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 2019.

A handwritten signature in black ink, reading "Ian Robertson". The signature is stylized with a large, sweeping flourish at the end.

Ian Robertson AO
President
Film Victoria

August 2019

Cover image:
Ms Fisher's Modern Murder Mysteries, Every Cloud Productions.

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Role

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

Film Victoria invests in projects, businesses and people, and promotes Victoria as a world-class production destination nationally and internationally.

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

Vision

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





Performance



The Cry, Synchronicity Films.

Year in Review

70

Film, television and games projects commenced production with Film Victoria's support via production investment and incentives funding programs*

\$251m

Production expenditure generated for Victoria by these projects, marking a record year, and an increase of 18% on 2017/18*

8,347

Employment opportunities generated for Victoria by these projects*

19

Feature films commenced production or post-production, generating \$55.7 million in direct expenditure in Victoria*

28

Television, online and virtual reality projects commenced production in Victoria, generating \$191 million in direct expenditure*

23

Games projects moved into production, generating \$3.9 million in direct expenditure for Victoria*

\$7.3m

Committed to 37 projects through Film Victoria's Assigned Production Investment - Film and Television program**

\$858,392

Committed in development support for 53 projects through programs, workshops and initiatives

\$3.1m

Invested by Film Victoria into industry and skills development programs and initiatives

46%

Increase in location pitches from Australian and international crews interested in filming in Victoria

381,555

People attended Film Victoria-supported film festivals and events in Melbourne and regional Victoria

165.4m

Australian views generated by Film Victoria-supported content, as seen at the cinema or on free-to-air or pay television

Note: Above-listed economic impact and employment figures are estimates, as these projects have not yet concluded reporting.

**Funding for some projects which commenced production in 2018/19 was committed in previous years.*

***Not all projects funded in 2018/19 commenced production in this financial year.*

A Message from Film Victoria's President



I am pleased to report that 2018/19 was a record year for screen production in Victoria, with a total of 70 projects commencing production with Film Victoria's support, generating an estimated \$251 million in direct production expenditure for the state, and providing 8,347 local job opportunities.

This is an 18 per cent increase in production expenditure compared with the previous year, and represents a return on investment of \$12.90 for every dollar Film Victoria committed to production.

These results were driven by a number of factors, including Film Victoria's increased focus on international markets, such as the US and China. This helped generate a 46 per cent increase in pitch requests from production crews interested in filming in Victoria. It also saw Film Victoria attract a number of international productions to film here, including US television series *Preacher*. The largest television production to film in Victoria in more than a decade, *Preacher* injected an estimated \$50 million into the state, generating 740 jobs for our local industry.

Film Victoria continues to build on Victoria's national and international reputation for high-end television, and this year committed \$5.4 million to support new and returning series through production and development funding. These included Playmaker Media's *Bloom*, which generated record viewers for Stan and has sold widely, Fremantle's *Wentworth*, which will see Australia's longest-running one-hour drama series return for an eighth season, and Matchbox Productions' *Hungry Ghosts*, which will bring new voices from Vietnamese Australian perspectives to our screens.

Children's television remains strong, with highlight projects including *Little J & Big Cuz*, which received the inaugural Screen Diversity and Inclusion Network Award, and *Mustangs FC*, which was nominated for an International Emmy Kids Award.

Filming also commenced on 19 feature films with Film Victoria's support this year, including Made Up Stories' *The Dry*, and Porchlight Films' *True History of the Kelly Gang*, both of which will see regional Victoria feature alongside top talent on and off camera.

Victoria's games industry continues to perform strongly. This year Film Victoria committed more than \$1.5 million to 33 games across two programs, with highlights including *Totem Teller* by Grinning Pickle, which secured a partnership with Microsoft, and *Untitled Goose Game* by House House, which generated viral online audience engagement.

In order to maximise funds and resources available to support the industry, Film Victoria must ensure its programs and services are effective and efficient. To that end, this year Film Victoria completed several independent evaluations of its production investment, incentives, skills and enterprise programs, consulting hundreds of people working across games, film and television who had received or applied for Film Victoria funding. I am pleased to report that Film Victoria's programs were found to be effective in achieving their objectives, efficiently administered, and should continue to receive funding.

Film Victoria's work relies on the support and input of many. I sincerely thank Premier the Hon. Daniel Andrews MP and Minister for Creative Industries Martin Foley MP for the ongoing support they provide to Film Victoria and the Victorian screen industry.

I thank Film Victoria's Board members for their service, including outgoing Board members Michael McMahon and David Parker, and I welcome new Board members Andrea Denholm, Mitu Bhowmick Lange and Greg McLean.

I also thank CEO Caroline Pitcher and her team for delivering Film Victoria's programs, and for continuously working to identify new partnerships and initiatives to generate business and advance the Victorian screen industry's capability.

Finally, I thank the industry for its hard work which contributes not just to our economy, but to our cultural identity, generating engaging content for millions of people at home and abroad. We look forward to another productive year ahead.

A handwritten signature in dark ink, reading "Ian Robertson". The signature is fluid and cursive, with a long, sweeping underline.

Ian Robertson AO
President, Film Victoria

A Message from Film Victoria's CEO



I am pleased to report on Film Victoria's progress and performance over the past year, and from my perspective, two things in particular stand out as highlights.

Firstly, this was a record year for screen production in Victoria, driven by strong local production, and Film Victoria's work in attracting physical production, VFX and post-production from around the world to Victoria.

This result drives up local screen industry jobs, generates increased economic impact for the state, and creates more training opportunities for the next generation of screen practitioners. It also further cements Victoria's global reputation for screen excellence, in turn stimulating business opportunities.

Secondly, Film Victoria is working hard to connect with new people from diverse backgrounds, discovering new and exciting voices. Steps taken include actively removing traditional barriers to Film Victoria's programs, creating screen career pathways for people outside of the industry, and working with organisations which foster and advocate for diversity, helping to find and develop new talent.

While there is still much to do, we firmly believe that the programs and people supported by Film Victoria must reflect the diversity within our communities, and within the audiences we seek to engage.

Gender diversity also remains a key priority. This year women comprised 50 per cent of the producers working on Film Victoria-supported film and television productions, while the 50 per cent target for women writers was exceeded (at 54 per cent).

Women also secured 67 per cent and 84 per cent of Film Victoria's film and television placement and attachment roles respectively – painting a healthy picture for women working across a range of screen roles in the future.

More people are engaging with Film Victoria to access the opportunities it offers. A record number of applicants applied to be considered for film and television placements (up 94 per cent) this year, with 57 people undertaking a placement or attachment on productions ranging from *Neighbours* through to the feature film *The Dry*.

Partnering with industry to create new opportunities and to leverage Film Victoria's investments in productions and people remains a key focus, with highlights this year including a new LA-based producer placement created with Margot Robbie's

LuckyChap Entertainment, a new impact producer role created with the team behind 2040, GoodThing Productions, and a Beijing/Melbourne-based games business development placement delivered with Yodo1.

Film Victoria also continues to partner with major industry conferences, festivals and events – such as the Melbourne International Film Festival, Series Mania Melbourne, Screen Forever, the Indian Film Festival of Melbourne and the Australian International Documentary Conference – to foster industry connections, facilitate business opportunities, and bring renowned screen leaders to Victoria to share insights from the international market.

Connecting and engaging audiences with screen content is vital to fostering a strong screen culture in Victoria. This year, content which Film Victoria supported generated 165.4 million views throughout Australia at cinemas and across free-to-air and pay television, while 381,555 people attended Film Victoria-supported film festivals and events in Melbourne and regional Victoria.

There are many people to acknowledge for the reach, scope and impact of Film Victoria's work.

The steadfast support of the Victorian Government through the Minister for Creative Industries, Martin Foley MP, and Creative Victoria, is critical in helping Film Victoria deliver jobs and economic impact for the industry and for communities throughout Victoria.

I thank Film Victoria's President, Ian Robertson AO, and the Board for their commitment to leading the organisation's strategic direction, and I thank staff for their diligence and work in serving the industry.

And finally, I sincerely thank the full spectrum of the Victorian screen industry, whose hard work continues to propel Victoria's reputation for creativity and screen excellence internationally.

Caroline Pitcher
CEO, Film Victoria



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.

Fiction Features

OVERVIEW

In a rapidly changing landscape for content creation, Film Victoria continues to support Victorian content creators to deliver compelling fiction feature projects that demonstrate world-class storytelling and strong potential for domestic and global impact.

Film Victoria's development and production investment programs provide funding to projects which reflect diversity in Australian stories and creative voices, which showcase Victoria on screen and which deliver social and cultural benefits to Victorian audiences.

In 2018/19, Film Victoria committed over \$1.9 million in development and production investment funding for fiction features.

DEVELOPMENT HIGHLIGHTS

Film Victoria's Development on Demand program supports experienced content creators to deliver narrative projects for any release platform, including cinema, television, online and virtual reality.

Feature projects supported this year had bold visions and high impact, ranging from classic/historical Australian true stories, *Lennie* and *The Margaret Dupre Story*, through to international stories on an ambitious scale, *The Variations* and *Cartagena*, and a female-driven narrative about survival in the face of extraordinary challenges, *Judeth*.

Film Victoria's Project Development program – with its open eligibility criteria – seeks to identify diverse filmmakers with a passion for storytelling and an original and authentic creative voice. This year, Film Victoria supported *Shelter*, the breakout screenplay from emerging writer Nora Niasari.

PRODUCTION HIGHLIGHTS

Film Victoria's Assigned Production Investment (API) program funds the production of premium features by experienced teams with a track record of success, as well as emerging talent shaping their long-form voices.

Projects which were funded or commenced production this year included the following:

Miss Fisher and the Crypt of Tears – this film marks the big screen sequel to the highly successful *Miss Fisher's Murder Mysteries* franchise from Every Cloud Productions, and is set for release in early 2020.

Measure for Measure – crafted by Victorian director Paul Ireland and co-written by the late Damian Hill, this contemporary reimagining of Shakespeare's morality play will premiere at the 2019 Melbourne International Film Festival.

Relic – a psychological horror from debut feature director Natalie Erika James, *Relic* was produced by Melbourne-based Carver Films, with filming undertaken in Melbourne and regional Victoria.

Run Rabbit Run – a modern-day ghost thriller, this film marks director Daina Reid's return to Australia after successful stints overseas on *The Handmaid's Tale* and *The Spanish Princess*. It also sees the screenwriting debut of award-winning Australian author Hannah Kent, with production expected to commence in late 2019.

True History of the Kelly Gang – directed by Justin Kurzel, this bold film based on the story of Australia's most notorious bushranger, Ned Kelly, filmed in Victoria from July to September 2018.

\$1.8m

Committed in production funding to eight fiction features through API – Film and Television

\$148,000

Committed in content development funding to seven fiction features



Case Study

True History of the Kelly Gang

Porchlight Films

"I discovered hidden gems in Victoria I didn't think existed. Locations which have become a third character in the film and so important in creating the world of True History of the Kelly Gang. I have never filmed in Victoria before and it was one of the most inspiring experiences - cinematic and evocative. Thanks to Film Victoria for their support which went way beyond what I could have imagined, as they were always working hard to give us the impossible."

Justin Kurzel, Director, True History of the Kelly Gang

Image:
True History of the Kelly Gang,
Porchlight Films. © Punk Spirit
Holdings 2019. Image by Ben King.

THE PRODUCTION

Inspired by Peter Carey's Man Booker Prize-winning novel, *True History of the Kelly Gang* is a feature film which focuses on the life behind Australia's most notorious bushranger.

The creative team behind the award-winning *Snowtown* - director Justin Kurzel (*Macbeth*, *Assassin's Creed*) and Victorian writer Shaun Grant (*Jasper Jones*, *Berlin Syndrome*) - bring their bold, unflinching style to the film. Australians Russell Crowe (*Gladiator*, *A Beautiful Mind*) and Essie Davis (*The Babadook*), and the UK's Nicholas Hoult (*Mad Max: Fury Road*, *X-Men*) and George Mackay (*Captain Fantastic*, *The Boys Are Back*), led the quality ensemble cast.

A UK-Australian co-production, *True History of the Kelly Gang* is produced by Kurzel, Porchlight Films' Liz Watts (*Mary Magdalene*, *Animal Kingdom*), Daybreak Pictures' Hal Vogel (*Hyde Park on Hudson*, *Endgame*) and Paul Ranford (*Storm Boy*).

THE FUNDING

True History of the Kelly Gang was supported from development through to production via Film Victoria's Fiction Development On Demand and Assigned Production Investment programs. Film Victoria supported the production to film in regional Victoria through its Regional Location Assistance Fund.

THE OUTCOME

Shot from July to September 2018, the production filmed for 29 days in regional Victorian locations, including extensive shoots around Marysville, Lake Mountain and the Cathedral Ranges, and created large set builds in the Dandenong Ranges and the Winton Wetlands, between Benalla and Wangaratta.

Filming also took place at the Old Melbourne Gaol and the State Library of Victoria.

These dramatic and iconic Victorian locations are showcased throughout the film, and are therefore expected to generate tourism opportunities for Victoria's High Country.

Over 400 employment opportunities were generated by the production, including for animal wranglers, riding doubles, construction workers, extras and assistants across production. Local businesses also provided services such as accommodation, transport and catering.

IMPACT

Economic impact	\$8.1m
Jobs generated	427
Skills development	
– Art department attachment	1
– Costume department attachment	1

Fiction Series

OVERVIEW

Victoria has a strong legacy for television production, and this year was no exception, with a busy production schedule, an impressive list of new series underway, and Victorian-made shows enjoying success in Australia and across the globe. Film Victoria has continued to contribute to the state's consistent production pipeline, and its reputation for producing first-rate fiction series, by supporting the development and production of high quality, diverse and engaging content.

This year, Film Victoria supported Victorian-centred stories with global appeal, high-end dramas, web series and a variety of children's television productions.

Film Victoria committed \$5.4 million in development and production funding for 40 fiction series in 2018/19.

SUPPORTING LOCALLY PRODUCED CONTENT

Film Victoria's development and production programs continued to support locally made, quality productions for Australian and international audiences. These included the following projects, which either received funding or commenced production in 2018/19: *Wentworth* Season 8, *Hungry Ghosts*, *Five Bedrooms*, *Get Krack!n* Season 2 and *Ms Fisher's Modern Murder Mysteries*. In children's television, titles included *Mustangs FC* Seasons 2 and 3, *Little J & Big Cuz* Season 3 and *The InBESTigators*.

DISCOVERING NEW VOICES

Film Victoria is committed to supporting engaging content from emerging and experienced practitioners, and to ensuring that new voices have access to funding. Film Victoria's Project Development program, which no longer requires screen credits for eligibility, received a large number of applications, with funding committed for the following fiction series: *Benny's Game*, *Carmenta*, *Guests* and *The Future is Now*.

PARTNERING ON NEW PROGRAMS

In November 2018, Film Victoria partnered with Australian streaming platform Stan to launch the Stan and Film Victoria Development Fund. Open to both emerging and established creatives, the program called for bold, disruptive high-end drama. A total of 114 applications were received for the first round of the two-year program, with Film Victoria committing development support to four projects.

SUPPORTING WEB SERIES

Film Victoria works hard to be agile, and to respond to audience trends. This year marked the first time it supported a web series without a traditional broadcaster – *Internment* – seeing an emerging team create their first longer-form web series for YouTube. Film Victoria also supported *Girl, Interpreted*, a 5 x 5-minute bilingual comedy web series born out of the Australian Film Television Radio School (AFTRS) Talent Camp in 2017.

PROJECT HIGHLIGHTS

Projects which were funded or commenced production this year included the following:

Wentworth – the award-winning Fremantle production announced its eighth season, which will see Australia's longest running one-hour drama series reach 100 episodes and remain on air until 2021.

Five Bedrooms – marking a new drama by Hoodlum, *Five Bedrooms* achieved 726,000 national viewers on release night and has been lauded by critics and audiences alike. *The Age* described it as "a breath of fresh air in the world of commercial television, a home-grown drama with a good dollop of comedy that addresses some of the hot-button issues of our time".

Hungry Ghosts – this new series by Matchbox Pictures centres on three generations of Vietnamese Australian families touched by the effects of war. Led by a strong and diverse creative team, the four-part series is set to be an exciting production that shares a unique story, never before seen on Australian screens.

\$4.9m

Committed in production funding for 15 fiction series through Assigned Production Investment – Film and Television

\$475,736

Committed in development funding for 23 fiction series

\$24,000

Additional funding committed to support the production of two web series with AFTRS Talent Camp



Case Study

Bloom

Playmaker Media

"It was an amazing experience working with the creative team on Bloom, and we couldn't be prouder of the results. Bloom demonstrates Stan's commitment to creating world-class drama here in Australia, and with Film Victoria's support, we shot the series in stunning regional towns such as Clunes - adding to the ethereal feel of this high-end production. Bloom has resonated with audiences at home and abroad, sparking a second series to commence production in 2019."

Nick Forward,
Chief Content Officer,
Stan

Image:
Bloom, Playmaker Media.

THE PRODUCTION

Bloom is a mystery drama about the scarcity of time and the choices we make. Set in an idyllic country town one year after a devastating flood kills five locals, a mysterious new plant appears with the power to restore youth.

The six-part series is a Stan Original, adding to Stan's growing slate of high-end, fresh and diverse productions. *Bloom* stars Jacki Weaver, Bryan Brown, Phoebe Tonkin and Ryan Corr, and was filmed across the state of Victoria, including Clunes, which stood in for the fictional town of 'Mullan', putting regional Victoria on screens both locally and across the globe.

Bloom is a Playmaker Media production for Stan, created by Glen Dolman and produced by Sue Seear. Episodes 1-3 of the series were directed by John Curran, with Mat King directing episodes 3-6.

THE FUNDING

Bloom received financial support from Film Victoria's Assigned Production Investment - Film and Television program, as well as its Regional Location Assistance Fund.

THE OUTCOME

Bloom was released on New Year's Day 2019, receiving a fantastic response from Stan subscribers and achieving record-breaking viewing numbers for the streaming platform.

The series has sold widely to international markets, distributed by Sony Pictures Television. The UK's Channel 5 also acquired the show for its VOD service My5.

Bloom enjoyed a double win at the 2019 Logies - awarded Most Outstanding Miniseries and Most Outstanding Supporting Actress for Jacki Weaver.

Based on its success, Stan has announced that *Bloom* will have a second season, produced by Playmaker Media.

IMPACT

Economic impact	\$7.3m
Jobs generated	483
Skills development	
– 3rd Assistant director attachment	1
– Camera attachment	1

Documentary

OVERVIEW

Despite ongoing finance and distribution challenges, documentary filmmaking is prospering. For Film Victoria this has meant a strong year working with a lively and engaged local industry, receiving a host of exciting applications and seeing a number of projects release to critical success. There has been an increase in feature documentaries, as well as virtual reality (VR) titles, and documentary making continues to generate profound social impact.

Continuing its commitment to supporting high quality, diverse and engaging content from new voices, as well as from experienced practitioners, Film Victoria revised its Project Development program, allowing applicants with no screen credits to apply for development funding. Seven documentaries were supported through this program in 2018/19.

Film Victoria committed over \$900,000 to documentary development and production funding in 2018/19.

SUPPORTING FEATURES

This year saw an increase in feature-length documentaries and projects made for cinema, with Film Victoria supporting titles at both development and production stage. Notable projects which Film Victoria committed funding to, or which moved into production, include *Suzi Q*, *The Bikes of Wrath* and *The Australian Dream*, which will premiere at the 2019 Melbourne International Film Festival.

COLLABORATING TO SUPPORT SHORT FORM INITIATIVES

Film Victoria partnered with NITV on the Treaty initiative, committing production support for four short documentaries by emerging Indigenous filmmakers and creatives. Film Victoria also supported *Inside Out*, which will screen through NITV's Our Stories series, which features short documentaries by emerging Indigenous and Torres Strait Islander filmmakers.

SOCIAL IMPACT

The importance of the meaningful stories told by documentaries, and the social impact they can have, continued to solidify this year. Geeta will share the story of an Indian acid attack survivor, *The Bikes of Wrath* draws viewers' attention to inequality and immigration in America through the lens of Steinbeck's novel, *The Grapes of Wrath*, while *Aftermath: Beyond Black Saturday*, looks at the impact of the worst bushfire disaster in Australia, 10 years on.

PROJECT HIGHLIGHTS

Projects which were funded or commenced production this year included the following:

The Bikes of Wrath – this thought-provoking documentary by Doss Flamingoss garnered the People's Choice Award at BANFF Mountain Film and Book Festival in November 2018. It has also won numerous other awards, has screened at eight festivals to date, and has released theatrically on 300 screens across the globe.

Suzi Q – a bio-pic of legendary pioneer musician Suzi Quatro, this documentary by The Acme Film Company draws on privileged access to personal archives, promising a high-energy portrayal of a remarkable musical life. *Suzi Q* will premiere at the 2019 Melbourne International Film Festival.

Geeta – marking a directorial debut for Emma Macey-Storch, this feature documentary by Colour Films and Some Kind of Squirrel Productions shares a gripping human tale about a mother's inspiring and transformative love for her daughters, and the change that follows. Researched and shot over four and a half years in India, with incredible access to both Geeta and her husband, *Geeta* is set to be a rare and intimate exploration of an acid attack survivor. Due for release in the first half of 2020.

Rone – this 360° film and interactive virtual reality (VR) art gallery by Studio Bento has had a successful and award-winning run at festivals around the world, including SXSW, Cannes XR, The New York Film Festival and Beijing Film Festival. This distinctive portrait, which captures the titular street artist's work in VR, will release across most online VR platforms in September 2019.

\$712,325

Committed in production funding for 14 documentary projects through API – Film and Television

\$198,500

Committed to 19 features, series and VR projects through documentary development programs

\$21,000

Additional production support committed to five short documentaries

8

Projects supported in production were documentary features, while six were television, online or VR/AR projects



Case Study

2040

GoodThing Productions

"Film Victoria had faith in our director and his vision from the outset. 2040 is undoubtedly stronger and more impactful thanks to the financial and creative support of Film Victoria throughout production. 2040 has a very strong Victorian DNA – the filmmakers thank Melbourne's world-class creatives and technicians who helped realise the film."

**Virginia Whitwell,
Head of Production,
GoodThing Productions**

Image:
2040, GoodThing Productions.

THE PRODUCTION

Following the success of *That Sugar Film*, writer and director Damon Gameau has created 2040. The feature documentary is a compelling exploration of what the future could look like by 2040 if we embraced the best environmental solutions already available to us to improve our planet.

2040 is aimed at a broad audience, from children to their parents. Sharing serious information delivered with irreverence and humour, the film blends traditional documentary with dramatised sequences and high-end visual effects.

It also executed a vast, strategic social impact campaign, driving social change through the documentary and beyond it.

Produced by GoodThing Productions, the team includes Nick Batzias, Anna Kaplan, Virginia Whitwell and Damon Gameau. Documentary producer Kim Ingles also worked on 2040 during her Film Victoria-supported placement with GoodThing Productions.

THE FUNDING

Film Victoria initially supported 2040 to create a pitch document and teaser for Good Pitch Australia. 2040 subsequently received development and Assigned Production Investment funding from Film Victoria, impressing the Evaluation and Advisory Committee with a strong team, a rich visual approach and a clear aim to be educational and entertaining, while inspiring positive action around climate change.

THE OUTCOME

After its world premiere at the Berlin Film Festival in February 2019, 2040 had its Australian premiere at the Gold Coast Film Festival. It was also invited to the Edinburgh International Film Festival and Seattle International Film Festival, among others.

2040 released in Australia in May 2019, and by 26 June had reached \$1 million at the box office. It is now ranked in the top 10 highest grossing Australian feature documentaries ever at the Australian box office.

The film's launch has been bolstered by a strategic, diverse audience engagement campaign and national education program, including a national Q&A tour and a 'free tickets for students' initiative.

IMPACT

Economic impact	\$1.8m
Jobs generated	97
Skills development	
– Impact producer placement	1

Games

OVERVIEW

It was another outstanding year for games, with Film Victoria receiving a record number of funding applications, and the talented Victorian industry creating high quality, internationally celebrated games. New trends included more games with accessibility measures and a greater focus on diversity, as well as an increase in virtual reality (VR) titles. Games developers are also becoming more strategic in planning for multiple release platforms from the outset.

Film Victoria is committed to responding to industry trends and needs, and this year revised its Games Release program – which supports the marketing and release of games – to be available on demand. This model allows studios to individually determine the best time to release their games, providing cut-through in a competitive local and international market.

In total, Film Victoria committed more than \$1.5 million to games production investment and release funding in 2018/19.

SUPPORTING GAMES PRODUCTION AND RELEASE

Record-breaking Funding Rounds

Film Victoria's Assigned Production Investment (API) – Games program generated a record-breaking number of submissions from a range of applicants, from new companies making their first project, through to experienced companies creating larger and more elaborate games. Film Victoria committed \$1.3 million to games production in 2018/19, supporting smaller projects such as *Kana Quest*, through to the internationally acclaimed *The Forgotten City*.

Supporting Narrative Games

This year saw an increase in narrative-driven projects with more diverse and complex stories, as a result of Film Victoria's support across both API – Games and Games Release programs helping Victorian companies stay ahead in this growing area. Highlight projects include *Wayward Strand*, *Necrobarista*, *Beyond the Veil*, *The Forgotten City* and *Stone*.

SUPPORTING TRAVEL, CONFERENCES AND EVENTS

Film Victoria supports Victorian games practitioners, developers and studios to share, develop and pitch their work locally

and internationally, securing partnerships and publishing deals for the industry, and furthering Victoria's reputation internationally for innovation and excellence.

This year, Film Victoria supported 52 games practitioners to travel to festivals and events – including San Francisco's Games Developers Conference and Germany's gamescom – to promote their games, businesses and skills.

Film Victoria again supported activities at Melbourne International Games Week (MIGW), including funding the Games Developers' Association of Australia (GDAA) to bring five internationally renowned speakers to the Games Connect Asia Pacific (GCAP) conference.

Film Victoria also supported PAX during MIGW – which saw local developers exhibit to more than 73,000 people – and again hosted a Game for Change lunch for games developers and professionals who identify as women or non-binary.

Film Victoria's support of the Melbourne Global Games Jam helped 254 games developers create, collaborate and innovate over 48 hours.

PROJECT HIGHLIGHTS

Projects which were funded or commenced production this year included the following:

Dead Static Drive – this project by Team Fancub secured a partnership with Microsoft, as did *Totem Teller* by Grinning Pickle. Both were spotlighted at LA's E3 games expo, reaching games companies, buyers and media from over 100 countries.

Hyper Jam – this project by Bit Dragon utilised Games Release funding to execute an ambitious and community-focused marketing strategy, securing coverage in 100 local and international publications.

Untitled Goose Game – this project by House House generated a viral audience through social media and community engagement, and secured a deal with the Epic Games Store. The game will also launch on Nintendo Switch later in 2019.

The Forgotten City – this project by Modern Storyteller was selected by Microsoft to premiere its trailer at E3, gaining exposure among top talent and media.

\$1.3m

Committed to 23 games through API – Games funding

\$287,653

Committed to 10 games through Games Release funding

52

Games practitioners were supported to travel to international festivals, conferences and awards events



Case Study

The Gardens Between

The Voxel Agents

“API - Games funding allowed us to be more ambitious in our craft and to refine our project much further, leading to the game’s ultimate success. We hired Josh Bradbury to overhaul character animations with Inverse Kinematics, bringing fidelity to their personalities when responding to the world and each other. The funding enabled us to shoot for a multi-platform release; for example, we added Nintendo Switch late, but it ultimately became our highest revenue platform.”

Simon Joslin, Co-Founder, Executive Producer and Level Designer, The Voxel Agents

Image:
The Voxel Agents, the team behind
The Gardens Between.

THE PROJECT

The Gardens Between, by Melbourne-based The Voxel Agents, is a single-player adventure-puzzle game about memories, friendship and time. Centred on Arina and Frendt - as they fall into a series of vibrant, dreamlike island gardens, and embark on a journey that examines their friendship - *The Gardens Between* sees players manipulate time, solve puzzles and illuminate a bittersweet narrative along the way.

Initially released on PC, Mac and Linux via Steam, followed by iOS devices, Nintendo Switch, PlayStation 4 and Xbox One, *The Gardens Between* successfully pulls together art, story and gameplay - with a compelling storyline and universal themes, vibrant, storybook-inspired art and intricate, original puzzles.

Peppered throughout the game are many everyday objects and pieces of Australiana - such as the typical green garden hose - making the game instantly recognisable to local players, and transporting Australian culture to players overseas.

THE TEAM

The Gardens Between is the work of a vast and talented team, including game director Henrik Pettersson, executive producer and level designer Simon Joslin, and narrative designer and writer Brooke Maggs - also a previous Film Victoria Women in Games Fellow. The art director was Jon Swanson of Soft Science, the designer and animator was Josh Alan Bradbury, and Tim Shiel composed

the music. Contributions also came from Matt Clark, David Little, Jessica Brett, Daniel Olsen, Jackson Wood, Sam Wong and Maya Kerr.

THE FUNDING

The Gardens Between received API - Games funding in 2015, and was released in September 2018.

THE OUTCOME

The Gardens Between has been highly successful, generating strong sales and receiving extensive critical acclaim, with *The Guardian* describing it as a ‘masterwork’. The game has won more than 20 awards, including the coveted Apple Design Award at WWDC and the Mac Game of the Year in Apple’s ‘Best of 2018’. It also won Game of the Year at the Australian Game Developer Awards 2018, was a finalist for Excellence in Visual Art at the Independent Games Festival, and won the Puzzle Game Category at the Webby Awards 2019.

IMPACT

Economic impact	\$1.4m
Jobs generated	9

Production Attraction and Regional Assistance

OVERVIEW

Victoria has long been popular for producers and directors seeking a destination that ticks all the boxes for footloose productions: incentives, locations, sound stages, talent, crew, VFX studios, post-production facilities, plus a vibrant city in which to live while filming.

This year, Film Victoria attracted six productions to film in Victoria through its Production Incentive Attraction Fund (PIAF), including the film adaptation of Jane Harper's bestselling novel *The Dry*, and US television series *Preacher* – the largest television production to film in the state in over a decade.

INTERNATIONALLY ACCLAIMED VFX STUDIOS

Victoria's world-class VFX studios continue to produce some of cinema's most iconic VFX scenes, including scenes in this year's box office hits *Aquaman*, *Christopher Robin* and *Mary Poppins Returns*. Film Victoria helped secure this VFX work for Melbourne-based studios, Luma Pictures and Method Studios, through its Production Incentive Attraction Fund – Post, Digital and Visual Effects (PIAF PDV). In 2018/19, Film Victoria supported two projects through PIAF PDV, including Marvel's latest superhero movie, *Spider-Man: Far from Home*.

BRINGING THE BENEFITS OF FILMING TO REGIONAL VICTORIA

Filming in regional Victoria sparks employment for locals, generates economic activity for local businesses such as cafes and hotels, and stimulates tourism. Eight film and television projects which shot in regional Victoria during 2018/19 – *Bloom*, *The Whistleblower*, *True History of the Kelly Gang*, *The Dry*, *Relic*, *Aussie Gold Hunters Season 4*, *Paper Champions* and *Secret Bridesmaids' Business* – are expected to have injected over \$5.7 million into regional Victoria, generating over 1,000 regional employment opportunities.

PROMOTING VICTORIA INTERNATIONALLY

Film Victoria participated in Ausfilm missions to Shanghai, Los Angeles and New York in 2018/19, promoting Victoria's creative talent and diverse locations, generating production leads, and fostering relationships with

international producers and companies to help create a continuous pipeline of screen projects for Victoria.

PITCHING VICTORIA'S LOCATIONS AND ASSETS

Interest in filming in Victoria increased dramatically this year, with a 46 per cent increase in location pitches compared with last year. This was spurred by a lower Australian dollar, as well as the Australian Government's \$140 million top-up of the Location Offset, and its decision to extend eligibility for the Location and PDV Offsets to subscription video-on-demand (SVODs), taking advantage of the explosion of content developed for online streaming platforms.

PROJECT HIGHLIGHTS

Projects which were funded or commenced production this year included the following:

The Whistleblower – from acclaimed producer Bill Kong (*Crouching Tiger, Hidden Dragon*), *The Whistleblower* marks the largest official Australian-Chinese co-production ever to film in Victoria. Commencing in late June 2018, filming took place in various locations in 2018/19, including Werribee, Geelong and the decommissioned Hazelwood power station in the Latrobe Valley. The film will showcase Melbourne and regional Victoria to millions of people when released in China and around the world in late 2019.

Escape from Pretoria – the VFX, music composition, sound and picture post-production for *Escape from Pretoria* was undertaken by Melbourne's Soundfirm, thanks to the support of Film Victoria's PIAF PDV program. Producers cited Soundfirm's premium post facilities, and outstanding talent in sound design mixing, editing and colour grading as their reasons for choosing Victoria.

Secret Bridesmaids' Business – this female-driven romantic thriller starring Abbie Cornish found its perfect location in the wineries of Victoria's Mornington Peninsula. Marking the first original TV drama from Melbourne-based Seven Studios, the series was filmed entirely on location in Victoria over 12 weeks from April to June 2019, including 15 days on the Peninsula.

\$152m

Economic impact for Victoria generated by the 10 PIAF, PIAF PDV and RLAF projects* supported by Film Victoria in 2018/19**

\$1.8m

Economic impact for regional Victorian communities generated by the four RLAF projects supported by Film Victoria in 2018/19**

186

Days spent filming eight film and television productions in regional Victoria

**The Dry* and *Secret Bridesmaids' Business* received both PIAF and RLAF (Regional Location Assistance Fund) grants.

**These are estimated figures, as some projects have not yet concluded reporting.



Case Study

Preacher

Sony Pictures Television

"Working in Melbourne was an unbelievable experience – top notch crews, world-class city, and I had one of the best times of my life both personally and creatively."

"Working at Docklands Studios Melbourne was also amazing, with state-of-the-art facilities, and stages which could handle anything we needed. I would love to film in Melbourne again, and highly recommend it to others."

**Sam Catlin, Showrunner/
Writer, *Preacher***

Image:

Crew working on the set design for *Preacher* Season 4, Sony Pictures Television, at Docklands Studios Melbourne.

THE PRODUCTION

Preacher is a high-end US television series based on the supernatural comic by DC Comics. The series follows a conflicted preacher who, during a crisis of faith, gains extraordinary power.

Developed by writer and producer Sam Catlin (*Breaking Bad*), with executive producers Evan Goldberg and Seth Rogen, the series has gained a global cult following since it premiered in 2016, and now averages 1 million US viewers per episode.

Preacher is produced for the US network AMC (available in 100 million US households) – one of the first non-premium cable networks to commission high-calibre drama, including *Mad Men* and *Breaking Bad*.

THE FUNDING

Film Victoria attracted *Preacher* Season 4 to film in Victoria through its Production Incentive Attraction Fund (PIAF) and additional support from the Victorian Government.

THE OUTCOME

Preacher Season 4 is the largest budget television series to be filmed in Australia since Steven Spielberg's *The Pacific* for HBO in 2007, which also filmed in Victoria.

The project undertook pre-production, filming and elements of post-production in Victoria from December 2018 to June 2019.

Preacher Season 4 is expected to inject \$50 million into the Victorian economy and generate 740 employment opportunities. Many of the jobs were highly skilled, creative

or technical screen industry roles, such as heads of department, lighting and set design roles, location management, and roles across art and costume, special effects, make-up, visual effects and post-production.

More than 200 local businesses serviced the production, including construction, hospitality and catering, travel, freight and logistics, and art supply businesses.

During the seven months of pre-production and filming, Docklands Studios Melbourne was a bustling centre of activity, with the production utilising multiple spaces at the studios, including warehouse facilities, production offices and sound stages.

Part of the plotline of *Preacher* Season 4 is set in Melbourne, featuring iconic landmarks such as Luna Park, Flinders Street Railway Station and the Yarra River which will be seen by millions of viewers worldwide, as will regional areas such as Castlemaine, Daylesford and Gembrook.

Preacher Season 4 will premiere on AMC in the US, and on Stan in Australia, in August 2019.

IMPACT

Economic impact	\$50m*
Jobs generated	740*
Skills development	
– Director placements	3

**These are estimated figures as the project has not yet concluded reporting.*



Case Study

The Dry

Made Up Stories

*"It's been an incredible gift in my career to work with such a talented team to adapt Jane Harper's wonderful detective thriller *The Dry* for the screen, and to work with a stunning cast of established and emerging actors. The added bonus was filming in my home of Victoria, and the exceptional landscape depicted in the book. We're incredibly grateful for the support of Film Victoria in making this outstanding project a reality."*

Robert Connolly, Director, *The Dry*

Image:
The Dry, Made Up Stories.
Image by Sarah Enticknap.

THE PRODUCTION

The Dry is a Victorian feature film based on the worldwide bestseller by Victorian novelist Jane Harper. The winner of the 2015 Victorian Premier's Literary Award for an Unpublished Manuscript, *The Dry* tells the story of Aaron Falk, who returns to his drought-stricken hometown after an absence of 20 years to investigate an apparent murder-suicide committed by his childhood friend.

Producing partners Reese Witherspoon and LA-based Australian Bruna Papandrea – who together produced *Big Little Lies*, *Wild* and *Gone Girl* – optioned the filming rights to the novel, which has sold more than 1 million copies globally. Directed by Robert Connolly (*Balibo*, *Paper Planes*), and starring actor and executive producer, Eric Bana (*Romulus*, *My Father and Munich*), the film was produced by Papandrea's company, Made Up Stories.

Filming took place in regional Victoria across 33 days in 17 locations, capturing towns, countryside and sweeping panoramas to create the fictional community of 'Kiewarra'. The harsh yet beautiful landscapes of Victoria's Wimmera and Mallee regions formed a key character in *The Dry*.

THE FUNDING

Film Victoria attracted *The Dry* to film in Victoria through its Production Incentive Attraction Fund (PIAF) and Regional Location Assistance Fund (RLAF).

THE OUTCOME

With filming and post-production spanning four months, *The Dry* is expected to inject more than \$8 million into Victoria's economy

and generate 499 employment opportunities, including for locals in the Wimmera and Mallee regions employed as extras and in small speaking parts. The production utilised over 40 local businesses and service providers, including local cafes and accommodation in regional Victoria.

As a story that is both set and filmed in Victoria, and with the novel having sold in more than 20 countries, *The Dry* offers a unique opportunity for regional Victoria to be promoted on the global stage. It is the first Australian film to shoot large format to capture the vast beauty of this uniquely Victorian landscape, with the potential for enormous flow-on effects for local tourism.

The Dry has made an extraordinary and lasting impact on the local communities in which it filmed, with these communities playing an integral role in the production.

The Dry filmed in Victoria from March to April 2019, and is scheduled for release in 2020.

IMPACT

Economic impact	\$8.3m*
Regional economic impact	\$1.2m*
Jobs generated	499*
Skills development	
– Art department attachment	1
– Director placement	1

**These are estimated figures as the project has not yet concluded reporting.*

Developing Skills and Recognising Industry Excellence

OVERVIEW

Developing the professional and business skills of the Victorian screen industry continues to be a priority for Film Victoria, furthering the state's reputation for screen excellence both within Australia and abroad, and ensuring the industry is skilled to meet future needs.

In total, Film Victoria committed more than \$3.1 million in 2018/19 to support a slate of industry development and skills development programs and initiatives for screen practitioners – from pitching programs and business training, to placements and internships.

SUPPORTING SCREEN CONFERENCES, WORKSHOPS AND EVENTS

Series Mania Melbourne

Victoria continues to build its international reputation as Australia's home for high-end television, including by hosting Series Mania Melbourne. Supported by Film Victoria in partnership with ACMI, Melbourne is the only city outside of France to host Series Mania – lauded as the 'Cannes of television'. Industry Day forms a key component of Series Mania Melbourne, attracting top local and international television creatives, writers, producers, executives and performers to share candid insights, and discuss opportunities for collaborations. In 2018, speakers included UK screenwriter David Nicholls, and Australian performer Hugo Weaving, who discussed their BBC TV series, *Patrick Melrose*. Overall, 310 screen professionals attended Series Mania Melbourne Industry Day in 2018.

Melbourne International Film Festival (MIFF)

Skills development forms an important part of Film Victoria's support of MIFF. Industry-focused events include MIFF 37°South Market, which connects Australian producers who have market-ready, feature-length projects with key international film co-financiers, and Accelerator Lab, which this year provided workshops, screenings and networking events for nine Victorian short film directors seeking to transition into feature film making.

Screen Forever

Screen Producers Australia's Screen Forever 2018 conference saw 825 delegates from around the world meet in Melbourne to share

industry insights, and do business. Leveraging its principal partnership with Screen Forever, Film Victoria held additional sessions for Victorian practitioners to hear from renowned international speakers, including Deborah Liebling, executive producer of *South Park*, Sascha Rothchild, co-executive producer and writer of *Glow*, and Dominic Minghella, writer and producer of *Doc Martin* and *Hamish Macbeth*. Film Victoria also supported emerging practitioners to attend the conference, providing networking and development opportunities.

Australian International Documentary Conference (AIDC)

AIDC attracted more than 750 delegates in 2019 – a 27 per cent increase since it moved to Melbourne in 2016. As AIDC's principal partner, Film Victoria's support helped to attract preeminent practitioners, alongside a strong contingent of local and international broadcasters, buyers, distributors and filmmakers.

Film Victoria also supported 15 Victorian emerging practitioners to attend AIDC, the majority of whom identified as Indigenous or culturally and linguistically diverse, and presented The FACTory, which saw 10 projects, including Victorian projects, pitch to a range of potential funders.

SUPPORTING EARLY-CAREER SKILLS DEVELOPMENT

Training Programs and Workshops

Film Victoria supported a range of programs and initiatives for emerging practitioners in 2018/19 including: Compton School, which saw 18 participants learn to improve and pitch their projects; the Documentary Australia Foundation's Storyworks program, which supported 20 practitioners to learn skills in securing funding and partnerships; Cinespace's Story Lab, which saw 40 writers from diverse and under-represented communities participate in development workshops; and CG Futures, which saw 300 delegates attend VFX workshops and talks.

Film Victoria also partnered with Changer Studios and the Department of Jobs, Precincts and Regions to support Victoria's Digital Creators Program, upskilling emerging online content creators in creating content for YouTube and developing sustainable business models.

\$2.1m

Committed to supporting 35 conferences, programs and other activities for screen practitioners through industry development programs and initiatives*

\$994,302

Committed to supporting skills development programs*

8,287

Screen practitioners and professionals attended 39 industry events supported or held by Film Victoria

**These figures denote funding committed in 2018/19, with some programs, initiatives, placements and attachments scheduled to take place in 2019/20.*

Placements and Attachments

Film Victoria offers significant hands-on experience via paid placements and attachments in order to: foster skills and professional development for early- to mid-career practitioners; boost the number of Victorian content creators; fill industry skills gaps; and build more sustainable screen businesses.

This year, a record number of applicants applied to be considered for placements on film and television productions which were supported by Film Victoria (up 94 per cent on 2017/18), with a total of 57 people selected for a placement or attachment on productions including: 13 placements/attachments on *Neighbours*; three director placements on *Preacher*; and a writer/showrunner placement on *Glitch Season 3*.

Fostering gender equality remains a key priority. Film Victoria awarded 67 per cent of placements and 84 per cent of attachments on film and television productions to practitioners who identify as women. One placement was awarded to a practitioner who identified as non-binary, as was one attachment.

This year Film Victoria offered four company placements in partnership with Australian and international production companies and businesses. These included a producer placement with LuckyChap Entertainment based in Los Angeles, and Australia's first screen agency-supported impact producer role with GoodThing Productions.

Film Victoria also committed funding to support games development companies to provide five professional industry placements for early-career games practitioners, and supported a games business development placement based in Beijing and Melbourne with Yodo1.

Film Victoria partnered with Creative Victoria to launch a new VFX placements program, with 12 practitioners to be based within the Melbourne studios of Luma Pictures and Method Studios over the next two years.

SUPPORTING ATTENDANCE AT FESTIVALS AND EVENTS

International Travel Grants

This year, Film Victoria supported 78 film, television and games practitioners and professionals to attend some of the world's largest and most influential screen conferences and events to pursue business opportunities, increase their networks, develop skills, attract business to Victoria, and build Victoria's reputation for screen excellence globally.

These included Berlin International Film Festival, Toronto International Film Festival, HotDocs and Sundance, through to the Games Developers Conference and gamescom.

PROFESSIONAL DEVELOPMENT

Intimacy Training with Ita O'Brien

Continuing its commitment to safe workplaces in the Victorian screen industry, Film Victoria supported the Equity Foundation in partnership with Creative Victoria, Arts Centre Melbourne and the Wellbeing Collective to present workshops and seminars on best practice approaches to intimacy and nudity on set, delivered by the world's leading intimacy coordinator, Ita O'Brien.

CELEBRATING EXCELLENCE AND ACHIEVEMENT

The 2019 Film Victoria Screen Awards celebrated industry achievement, and recognised four preeminent Victorian screen practitioners. Andrew Knight received the Jan Sardi Award for his significant achievements as a screenwriter. Daina Reid received the Fred Schepisi Award for significant achievement in directing. Antony (Tony) Reed received the John Howie Award for outstanding leadership, achievement and service to the screen industry, recognising his contribution to the games industry. Claire Dobbin AM received the Jill Robb Award for outstanding leadership, achievement and service to the screen industry, including in her role as Chair of the Melbourne International Film Festival (MIFF).

75

Practitioners were supported to undertake attachments, placements or internships on productions or with a company, spanning the games, film and television sectors*

40

Practitioners were supported to attend Melbourne-held industry conferences, events and workshops through the Early Career Skills Development program

7

Screen businesses were supported to attend business planning workshops through Business Matters

**These figures denote funding committed in 2018/19, with some programs, initiatives, placements and attachments scheduled to take place in 2019/20.*



Case Study

Neighbours

Fremantle

"It's almost unheard of to have the opportunity to direct a full episode of television as part of a placement program. It has been the highlight of my career to date and is a huge stepping stone towards further TV credits."

Tenika Smith, Director Placement, Neighbours

Image:
Directors Guy Strachan and
Tenika Smith on the set of
Neighbours, Fremantle.

THE PRODUCTION

First airing in 1985, *Neighbours* has become an Australian icon and the longest-running drama series in Australian television, amassing an impressive 8,140 episodes in its 35-year history.

The Melbourne-based series has launched the international careers of performers including Kylie Minogue, Delta Goodrem, Natalie Imbruglia, Guy Pearce and Margot Robbie, and has provided employment for thousands of local screen practitioners, from directors and editors to set builders and camera operators.

Produced by Fremantle for Network 10, the series is watched in more than 60 countries around the world, making it one of Australia's most successful media exports. It has achieved huge popularity in the UK since it first screened there in 1986.

THE FUNDING

Film Victoria leveraged its production support of *Neighbours* to create skills development opportunities for early- and mid-career Victorian practitioners.

THE OUTCOME

In 2018, Film Victoria partnered with Fremantle on a four-year skills and talent development partnership to deliver career-boosting opportunities for Victorian practitioners. The initiative sees early- and mid-career writers, directors and technical crew gain practical, hands-on experience, learning from some of the best in the business.

The first round of writer and director placements – which saw six people placed on set – resulted in ongoing roles for four practitioners. Directors Tenika Smith and Guy Strachan, and writers Beth King and Eugénie Muggleton, joined the *Neighbours* team in early 2019.

The series also brings significant tourism benefits to Victoria. Set in 'Ramsay Street' in the fictional Melbourne suburb of 'Erinsborough', *Neighbours* is intrinsically linked to Melbourne in the minds of fans around the world, many of whom have visited Pin Oak Court in Vermont South – the real cul-de-sac that has doubled for Ramsay Street since the very beginning.

IMPACT

Economic impact	\$32.2m*
Jobs generated	247*
Skills development	
– Director placements	3
– Writer placements	6
– Camera attachment	1
– Edit attachments	2
– Digital content producer attachment	1

**These are estimated figures as the production has not yet concluded reporting.*

Fostering and Strengthening Diversity

OVERVIEW

Film Victoria is committed to promoting, supporting and championing equality, diversity and inclusiveness within the screen sector, and through its own programs.

This year Film Victoria supported a number of programs and initiatives to improve diversity across the screen sector, targeting practitioners who identify as Indigenous, women, LGBTIQ and culturally and linguistically diverse, as well people from regional and low socio-economic backgrounds.

While Film Victoria acknowledges that there is more to do towards increasing industry diversity, it is actively taking important steps to assist with this, by incorporating diversity into all assessment criteria, and by looking at ways to remove traditional barriers, including reviewing eligibility and screen credit requirements for its general development program.

Film Victoria is also working with screen industry partners, and leading organisations within the Indigenous, multicultural and disability sectors, to increase its impact in these key areas.

INCREASING GENDER EQUALITY

Supporting Women in Film and Television

This year 48 per cent of the writers, directors and producers on film, television and documentary projects supported by Film Victoria's development and production investment identified as women – within reach of achieving the 50 per cent target by 2020.

Additionally, Film Victoria awarded 67 per cent of placements and 84 per cent of attachments on film and television productions to practitioners who identify as women.

Overall, of the practitioners working on film, television and documentary productions supported by Film Victoria in 2018/19, those identifying as women comprised 54 per cent of writers, 36 per cent of directors and 50 per cent of producers.

Each of these figures demonstrates an increase from Film Victoria's baseline of 36 per cent, 27 per cent and 48 per cent respectively (with baseline figures representing averages from 2014–2016).

Championing Inclusion in the Games Sector

Recognising the need for greater diversity in the games industry, this year Film Victoria supported 59 games practitioners who identified as women or non-binary to advance their careers and leadership potential through the Girl Geek Academy Games Career Incubator.

Film Victoria also hosted its annual Game for Change lunch during Melbourne International Games Week, providing a forum to celebrate and create connections for games developers who identify as women or non-binary.

CREATING PATHWAYS FOR DIVERSE TALENT

Victorian Screen Development Internships

Film Victoria's new Victorian Screen Development Internships provide screen career pathways for Indigenous and traditionally under-represented Victorian creative talent. Created with the ABC, Matchbox Pictures and Princess Pictures, this program did not require screen credits, instead calling for creatives with a passion for storytelling. Two internships will run for 12 months, with interns spending up to four months with each partner.

Talent Camp

Film Victoria committed funding to deliver the next Victorian edition of Talent Camp with AFTRS, set to take place in October 2019. This week-long workshop, followed by mentoring, will provide career pathways for up to 15 practitioners from diverse backgrounds.

SHARING DIVERSE STORIES ON SCREEN

Short Blacks

Film Victoria provided production funding to two Victorian short films by Indigenous filmmakers – *Ties That Bind* and *Elders* – as part of Screen Australia's Short Blacks film initiative, with both screening at Sydney Film Festival in June 2019.

Scripted Shorts

The SBS/Film Victoria Scripted Short Initiative enabled two Victorian-made original short films to go into production, each exploring multiculturalism and diversity from fresh perspectives. *Amar* is by Arab Australian writer/director Fatima Mawas. *Out of Range* is by Melbourne-based Indigenous production company, Brown Cabs, with John Harvey as writer/director and Lydia Fairhall as producer. These productions will be delivered in 2019/20.

48%

Of writers, directors and producers employed on Film Victoria-supported development and production projects identify as women

84%

Of attachments on film and television productions were awarded to practitioners who identify as women

59

Games practitioners who identify as women or non-binary were supported to participate in the Girl Geek Academy Games Career Incubator

19%

Of creatives working on Film Victoria-supported games projects identify as women



Case Study

Treaty

NITV

"This incredible collective of stories documenting the issues around Treaty in Victoria brings previously unheard voices to the screen. It was a privilege to work with this group of emerging Indigenous filmmakers on four inspiring, poetic and sometimes funny short films that probe deeply at a complex and sometimes misunderstood movement. I can't wait to share this formative series with engaged audiences."

Beck Cole, Executive Producer, Treaty

Image:
Young Mob Questioning Treaty, NITV.

THE PRODUCTIONS

Four Victorian-made short documentaries exploring the theme of Treaty were funded in 2018/19 with the support of Film Victoria and NITV.

The Treaty initiative supported Indigenous Victorian filmmakers to create an original short film about what Treaty means to them and their local community.

What If, from writer/director Daniel King, brings five Victorian community members together to contemplate what if a Treaty had been signed in 1788, when the first British ships arrived in Botany Bay.

In *Unceded*, by musician and filmmaker Robbie Bundle (*Keeping Harmony: The Earth Songlines & Mixing It Up*), three Aboriginal men meet in a recording studio to discuss what a Treaty is all about and record a song titled 'Unceded'.

Tarneen Onus and Paul Gorrie teamed up on *Young Mob Questioning Treaty*, asking young Aboriginal people who are traditional custodians in Victoria to share their insights into what has been happening and what they believe needs to happen in the Treaty process.

Social commentator and screenwriter Nayuka Gorrie wrote and directed *Treaty Now?*, reflecting on their own position on a Treaty, alongside that of their grandmother Aunty Sandra Onus and friend Oscar Monaghan.

The filmmakers were supported through the development of their idea and into production under the mentorship of executive producer Beck Cole (*Redfern Now*, *The Warriors*, *First Australians*), series producers Tony Briggs and Damien Pradier of Typecast Entertainment (*The Sapphires*, *The Warriors*) and Philippa Campey and Samantha Dinning of Film Camp (*Bastardy*, *Words from the City*).

THE FUNDING

Treaty projects received development support and production funding from Film Victoria and NITV.

THE OUTCOME

Treaty will screen on NITV during NAIDOC Week 2019.

IMPACT

Practitioners supported	5
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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.

Promoting Screen Culture

OVERVIEW

Film Victoria's screen culture funding supports a variety of events to connect audiences with local and international screen content and culture.

Film Victoria's Audience Engagement program supports activities including festivals, curated screening programs and one-off public events related to the film, television, games and virtual reality industries.

By providing opportunities for Victorian audiences to access and engage with the high quality content produced in Victoria, Film Victoria continues to deliver on its commitment to enhance Victoria's reputation as the creative state and a vibrant hub for screen activity and culture.

Film Victoria's funding of festivals also enables local audiences to access culturally diverse content from around the world, helping to promote equality and diversity through engagement with screen content, and delivering cultural and social value for Victorians.

KEY FESTIVALS

This year, 381,555 audience members attended 22 rich and diverse screen events supported by Film Victoria including the following.

Melbourne International Film Festival – offering a highly anticipated program of international content and exceptional Australian films, MIFF 2018 screened 375 films, including five films supported by the MIFF Premiere Fund. A total of 198,000 people attended MIFF in 2018.

St Kilda Film Festival – this annual audience favourite offers a diverse selection of short films from around the country, with 40 per cent made in Victoria, alongside international showcases, special events and a Filmmaker Development Program.

Melbourne Queer Film Festival – offering a curated program of the best LGBTIQ content from around the globe, MQFF aims to educate, entertain and celebrate diversity, attracting a record-breaking audience of 26,000 in 2019.

Indian Film Festival of Melbourne – a major event on Victoria's cultural calendar, IFFM showcases the best cinema from India and the subcontinent, alongside a program of special events and celebrations.

Human Rights Arts and Film Festival – offering film, art, music and forums, HRAFF explores diverse and inspiring social justice and human rights issues.

Melbourne Women in Film Festival – celebrating Australian women working across all areas of screen production, MWFF exhibits works of all styles and genres and showcases the diversity of women's perspectives through storytelling and conversation.

Series Mania Melbourne – this event offers general public and industry audiences premiere Australian and international television screenings, along with cast and crew panels. It is delivered by Film Victoria in partnership with ACMI, and 3,591 people attended in 2018.

REACHING REGIONAL AUDIENCES

Film Victoria committed funding for six regional film festivals, four of which took place in 2018/19: Briagolong Film Festival, Shepparton Short Film Festival, Castlemaine Documentary Film Festival and Peninsula Film Festival.

Regional Victorian audiences also had access to the MIFF Travelling Showcase and St Kilda Film Festival Victorian Tour, ensuring film fans around the state had the opportunity to enjoy a curated selection of festival highlights.

These festivals are a highlight on local events calendars, reflecting the importance and popularity of regional screen events.

\$2.8m

Committed to supporting 22 festivals and screening programs

381,555

People attended festivals or screening programs supported by Film Victoria

11,649

People attended a regional film festival supported by Film Victoria



Case Study

Birrarangga Film Festival

"In 2019, the International Year of Indigenous Languages, it was an honour for us to bring to Victoria the inaugural Birrarangga Film Festival. We were proud to introduce a film festival that unites the stories of Indigenous people from around the globe, highlighting their languages, beauty and the unification of people through the humanity of their cultures. A festival that we hope will contribute to, enlighten, fulfil and enrich our community."

Tony Briggs, Artistic Director, Birrarangga Film Festival

Image:
Minister for Creative Industries
Martin Foley MP with Birrarangga
Film Festival Executive Producer
Damienne Pradier and Artistic
Director Tony Briggs, and Film
Victoria CEO Caroline Pitcher.

THE FESTIVAL

The inaugural Birrarangga Film Festival was produced by Typecast Entertainment in partnership with Film Victoria, Creative Victoria and presenting partner ACMI.

Curated by Wurundjeri (Woiwurrung)/Yorta Yorta screen creative and actor Tony Briggs, the festival showcased unique Indigenous stories from around the world to Victorian audiences.

With an impressive program of more than 60 short and feature-length films by Indigenous filmmakers from across the globe, spanning the USA, Canada, Greenland, Peru, New Zealand and Australia, the festival presented an exceptional opportunity for audiences to experience the stories, perspectives and voices of diverse Indigenous cultures.

Highlights of the program included the Australian premiere of Canadian film *SGaawaay K'uuna (Edge of the Knife)*, the first film made entirely in language by the Haida Gwaii community, and the Victorian premiere of *Falls Around Her*, starring legendary Canadian actress, Tantoo Cardinal, in her first lead role.

The festival also incorporated the final sessions of the Film Victoria-supported skills development program BLAK Masterclasses for Victorian Indigenous filmmakers. These masterclasses had been progressing in the months leading up to the festival, and culminated in participants pitching to industry leaders, further connecting emerging creatives with some of Australia's most respected film industry leaders, and providing participants with new insights and tools to create content which breaks through barriers.

The festival also featured a series of panel discussions with local and international Indigenous creatives, generating conversations around culture and community, and included a sold-out In Conversation event with actor and activist Gary Foley.

THE FUNDING

The Birrarangga Film Festival received funding as part of Film Victoria's support for screen culture.

THE OUTCOME

The festival ran from 26-29 April 2019, and was attended by 1,398 people.

In addition to the film program, the festival included three In Conversation panels and two virtual reality projects.

THE IMPACT

The Birrarangga Film Festival has provided a new platform for Indigenous storytelling, increasing visibility for emerging and established filmmakers and creating opportunities for audiences to engage with Indigenous content.



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 of Film Victoria and reinforces the 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.

Providing Effective and Efficient Services

OVERVIEW

Film Victoria is committed to providing effective and efficient services to support the industry.

The Board, management and staff work to improve customer service and minimise risk, committing to a culture of accountability and performance.

SERVICING INDUSTRY

Program Evaluations

Film Victoria engaged independent consultants to undertake several major evaluations of its production investment, incentives, skills and enterprise programs. Spanning more than a year, and completed in late 2018, the evaluations consulted hundreds of people working in the games, film and television sectors who had received or applied for Film Victoria funding. The evaluations found that Film Victoria's programs are effective in achieving their objectives, are efficiently administered, and should continue to receive funding.

Fostering a Film Friendly State

Film Victoria works with local councils, permitting authorities, and government agencies to ensure that projects filming in Victoria have a positive experience and receive the logistical support they need. In addition to maintaining and creating working relationships with industry and government, Film Victoria this year undertook a stakeholder survey assessing filming needs and trends from industry and permitting perspectives.

Eighty-seven per cent of councils and agencies indicated that filming activity in Victoria has increased in recent years. Based on needs identified in the survey, Film Victoria created a number of new tools this year to assist with filming in Victoria, including drone filming guidelines and a guide to filming on roads and with vehicles. Film Victoria continues to look for ways to support the industry's needs, in turn upholding Victoria's reputation as a place which values and fosters a film friendly environment.

STAFF SUPPORT AND PROCESS IMPROVEMENTS

Film Victoria undertook a number of new initiatives in 2018/19 to support staff and industry needs. Employee development was a priority, with the management team participating in a tailored leadership program linked with delivering Film Victoria's business plan.

Film Victoria conducts quarterly surveys to measure and monitor its employee Net Promotor Score, which gauges staff perceptions and loyalty. This score increased and then stabilised across the year, indicating a rise in employee sentiment.

All HR and OHS policies and guidelines were updated to ensure compliancy and ease of use.

Creating a more flexible working environment was also a priority.

A significant improvement to internal information systems was implemented in 2018/19, allowing the automated transfer of application data into our grants management system. This improvement has resulted in greater data quality and has allowed faster application processing times.

SHARING INFORMATION WITH STAKEHOLDERS

Film Victoria communicates with a wide range of stakeholders across the film, television and games industries, both in Victoria and around the world. It also connects and communicates with other government bodies, as well as audiences - whether they are attending festivals, or watching or playing content made possible with Film Victoria's support.

In addition to its key communications platforms, such as the website and monthly e-news, this year Film Victoria expanded its social media reach to Facebook and Instagram, complementing its well-established Twitter following. Creating new content was a top priority, with a record number of video and written interviews generated this year, providing a platform for practitioners who received support to share their stories, funding models, creative approaches and top tips for others to reference.

In total, Film Victoria has 48,736 followers across social media and YouTube, and in the past year its website attracted 240,287 visits from 173 countries.

48,736

Film Victoria followers across social media and YouTube

240,287

Visitors to Film Victoria's website from 173 countries





Governance and Report of Operations

Establishment and Function

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

Film Act 2001

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

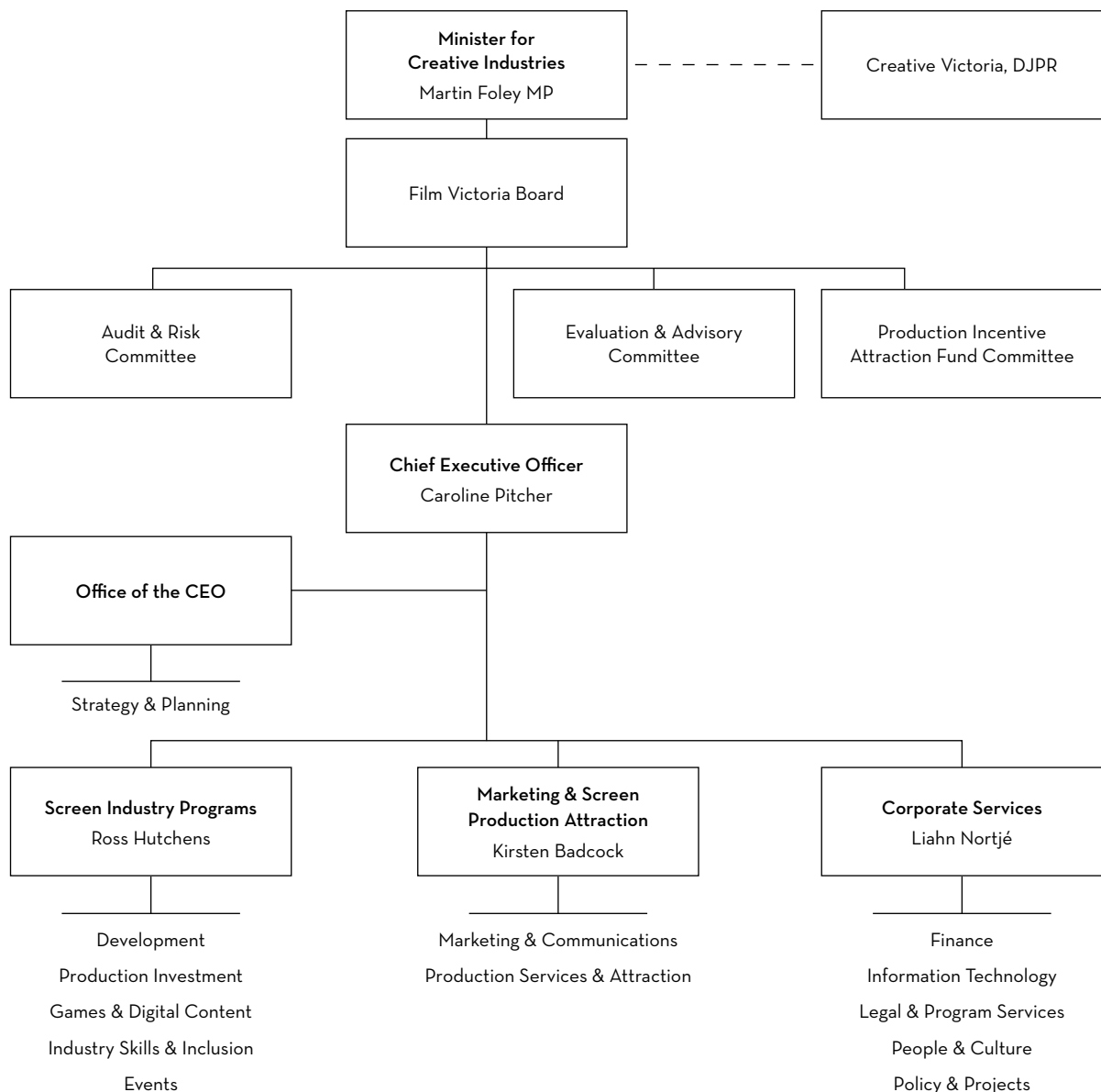
g) Advise the Minister on matters relating to the film, television and multimedia industry in Victoria

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.

Film Victoria contributes 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.

Governance and Organisational Structure

In 2018/19 Film Victoria reported to the Minister for Creative Industries, Martin Foley MP, and worked closely with Creative Victoria in the Department of Jobs, Precincts and Regions (DJPR).



Note: as at 30 June 2019.

Film Victoria's 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 an advisor to screen, media technology and creative industry businesses. A pioneer of digital media developments, Debra co-founded Ish Media which built the VUI customisable video platform used to prototype video sharing sites for children and secondary schools. She is a mentor at the University of Melbourne's Melbourne Accelerator Program and for participants in the Foundry658 Accelerator run by ACMI and the State Library, was Executive Producer for Digital Futures at Fed Square and was founding CEO for ScreenWest.



Mitu Bhowmick Lange

Since July 2018

Mitu is the Director of Mind Blowing Films, a film production and distribution company that specialises in the distribution of Indian films in Australia, New Zealand and Fiji. It provides local production support to Indian films shot in Australia and New Zealand. Mitu is also the director of Mind Blowing World, an independent film distribution company that specialises in the distribution of quality local content to Australian, New Zealand and Fijian audiences.



Andrea Denholm

Since July 2018

Andrea is an experienced creative producer, executive producer and story producer of scripted screen content, and Deputy Chair of the Australian Children's Television Foundation. She has worked in the independent production sector for 20 years, as an executive in large international organisations and as a partner in boutique independent production companies. Andrea's recent producing credits include the award-winning *Wrong Kind of Black*, based on the life of Boori Monty Pryor, ground-breaking screen opera *The Divorce*, popular comedy series *How to Stay Married* and *It's A Date*, landmark documentary *Sporting Nation* with John Clarke, and Indigenous comedy series *8MMM Aboriginal Radio*. Her other producing credits include *Stand Up @ Bella Union*, *Outland*, *Tripping Over*, *SeaChange*, *After the Deluge*, *CrashBurn* and *Worst Best Friends*.



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.



Greg McLean

Since September 2018

Australian writer, director and producer Greg McLean's filmmaking career began when he created the horror smash hit *Wolf Creek*, which premiered at the Sundance and Cannes Film Festivals. This was followed by *Rogue*, which starred Sam Worthington and Mia Wasikowska. In 2013 he directed *Wolf Creek 2*, the sequel to his breakout film which was selected to screen at the Venice Film Festival. In 2014 Greg directed the supernatural thriller *The Darkness* for Blumhouse Productions. In 2015 he directed *The Belko Experiment* for MGM, followed by *Jungle*, a thriller feature based upon a real-life survival story starring Daniel Radcliffe. In 2016 he was the creator and showrunner of a six-part *Wolf Creek* spin-off series for streaming network Stan, followed by a second season in 2017. In 2019 he directed four episodes of the ABC International TV series, *The Gloaming*.



Blake Mizzi

Since September 2017

Blake is the commercial and design director at League of Geeks, as well as being one of its three co-founders. League of Geeks is an independent, Melbourne-based game development studio, which publishes its own IP. Blake is also a Board member of the Game Developers' Association of Australia, the GDAA, which manages The Arcade in Melbourne, a co-working space for game industry creatives, and GCAP, Australia's leading game development conference. Blake provides industry-specific strategic insights, with global awareness of trends, movements and challenges facing Victoria's creatives. He's driven by the pursuit of best practice, continual assessment and iteration, with a growing concern for ethics in creative practices and content. Blake is a champion of change and uplifting others and is excited by the potential of Victoria's creative screen industries.



Leonie Morgan AM

Since September 2016

Leonie works across 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, mentoring 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. Leonie holds a Masters of Education, is a Director of Holmesglen TAFE Institute and is a former SYN Media Board member.



RETIRED MEMBERS

Michael McMahon

February 2010 - February 2019

David Parker

September 2010 - August 2018

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, particularly in Asia. John has over 30 years of experience in accounting across 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 past 12 years, he has been a director of a number of Victorian Government statutory entity boards and chaired departmental audit and risk committees.

Committees and Assessment Panels

BOARD SUB-COMMITTEES

Film Victoria has sub-committees that review and assist agency performance and assess funding applications.

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

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the Film Victoria Board. The purpose of the committee is to assist Film Victoria achieve its strategic objectives in an efficient and effective manner.

The committee achieves this through independently reviewing and assessing the effectiveness of Film Victoria's systems and controls for financial management, performance, sustainability, risk management and any other matters referred to it by the organisation. The committee also oversees and reviews the internal and external audit functions, including considering recommendations made by these functions and monitoring the implementation of remedial actions.

All five current members are independent:

- Lyn Maddock, Board member (Chair)
- Debra Allanson, Board member
- John Rundell, Board member
- Blake Mizzi, Board member (from August 2018)
- Liz Grainger, external member.

The committee met on seven occasions in 2018/19 and maintains regular communication with the internal and external auditors.

Evaluation and Advisory Committee

This committee consists of the Film Victoria CEO, two Board members, and suitably qualified and experienced film and television practitioners to consider applications to the Assigned Production Investment – Film and Television program, providing recommendations to the Board. A minimum of five members must be convened from the following:

- CEO (Chair)
- Kelly Lefever, Board member
- David Parker, Board member (until August 2018)
- Greg McLean, Board member (from 29 November 2018).

External members:

- Imogen Banks
- Chris Corbett
- Fiona Eagger (until 31 December 2018)
- Clea Frost
- Alan Hardy
- Amanda Higgs
- Richard Lowenstein (until 31 December 2018)
- Stephen Luby
- Anna McLeish (until 5 June 2019)
- Stuart Menzies
- Sonya Pemberton
- Andrew Wiseman (until 19 July 2018).

The Evaluation and Advisory Committee met on six occasions and recommended 34 from a total of 42 applications.

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 2018/19 the committee assessed applications for Strategic Content Partnerships funding. 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 CEO, Head of Corporate Services or Head of Screen Industry Programs)
- David Hanna, external member.

The committee met on 11 occasions and approved 12 from a total of 17 applications.

OTHER ASSESSMENT

In addition to Board sub-committees, Film Victoria has a number of assessment panels. These 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. Film Victoria staff also undertake independent internal assessment for lower value programs in their areas of expertise.

Staff members who participated in the assessment of applications in 2018/19 were:

- CEO, Caroline Pitcher
- Head of Screen Industry Programs, Ross Hutchens
- Development and Investment Manager, Franco Di Chiera (until 20 July 2018)
- Games and Digital Content Officer, Meredith Hall (from 19 November 2018)
- Incentives and Investments Manager, Joe Brinkmann
- Industry Programs Coordinator, Madeline Getson
- Industry Programs Officer, Chris Barker
- Industry Skills and Inclusion Manager, Jana Blair
- Junior Development Executive, Erin Bretherton (from 17 September 2018 to 17 May 2019)
- Manager - Fiction Development, Erin Stam (until 21 September 2018)
- Manager - Fiction Development, Katherine Slattery (from 6 May 2019)
- Manager - Games and Digital Content, Liam Routt
- Manager - Production Investment, Cathy Rodda (until 28 June 2019)
- Production Executive, Alicia Brown
- Production Executive, Andrew Wiseman (from 24 July 2018).

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 approval. The panel must comprise a minimum of four members for API Games and three for Games Release and includes Film Victoria staff and external members from the following:

- Joshua Boggs
- Lauren Clinnick (until 9 November 2018)
- Laura Crawford
- Cherie Davidson (from 15 October 2018)
- Kate Inabinet
- Sam Izzo
- Lisy Kane
- Trevor Powell (until 9 November 2018)
- Neil Rennison (until 9 November 2018)
- Nicole Stark (until 17 February 2018)
- Andy Sum.

The panel met on 10 occasions and approved 33 from a total of 70 applications.

Documentary Development Assessment Panel

This panel assesses applications to the Project Development - Documentary and the Development on Demand - Documentary programs, providing recommendations to the CEO or Head of Screen Industry Programs for approval. The panel must comprise a minimum of three people and may include external assessors. External assessors utilised in 2018/19 were:

- Britt Arthur
- Philippa Campey
- Beck Cole.

The panel met on nine occasions and approved 19 from a total of 37 applications.

Fiction Development Assessment Panel

This panel assesses applications to the Project Development - Fiction and Development On Demand - Fiction programs, providing recommendations to the CEO or Head of Screen Industry Programs for approval. In 2018/19 the panel also assessed applications to the Stan and Film Victoria Development Fund.

The panel must comprise a minimum of three including at least one internal staff member. External script development assessors utilised in 2018/19 included:

- Ranald Allan
- Elizabeth Coleman
- Leah Estrin
- David Hannam (from 2 November 2018)
- Alan Hardy
- Emma Jensen (from 30 October 2018)
- Kelly Lefever (Board member)
- Erin Stam (from 26 October 2018)
- Brian Udovich.

The panel met on 18 occasions and approved 26 from a total of 220 applications.

In addition, the Manager - Fiction Development undertook one independent internal assessment, approving two applications.

Business and Skills Assessment

The International Business and Festival Travel, Games Company Placements, Key Talent Production and Company Placements, Professional Attachments, Business Matters and other special initiatives relevant to business and skills development were largely assessed via staff undertaking independent assessments and making recommendations to the CEO or Head of Screen Industry Programs for approval.

Staff undertook 88 independent internal assessments, together assessing 686 applications, of which 370 were approved.

A special assessment panel was convened to assess applications for the Screen Development Internships initiative, and comprised:

- Industry Skills and Inclusion Manager
- A representative from ABC
- A representative from Princess Pictures
- A representative from Matchbox Pictures.

This special assessment panel met on four occasions and approved two of 65 applications.

Industry and Audience Development Assessment

The Industry Development, Early Career Skills Development and Audience Engagement programs were assessed by either individual staff or a panel comprised of a minimum of three staff. Each requires recommendations to either the CEO or Head of Screen Industry Programs for approval.

Panels met on 11 occasions and staff undertook 40 independent internal assessments, together assessing 38 applications, of which 34 were approved.

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 2018 under the *Financial Management Act 1994* and Instructions.



Ian Robertson AO
President
Film Victoria

22 August 2019

Overview of Financial Performance and Position During 2018/19

Five Year Financial Summary

	30-Jun-19 \$'000	30-Jun-18 \$'000	30-Jun-17 \$'000	30-Jun-16 \$'000	30-Jun-15 \$'000
Income from the Victorian Government	29,474	26,148	30,301	25,373	19,871
Other revenue	935	789	994	1,116	1,436
Program costs	(24,075)	(24,945)	(21,004)	(18,274)	(15,853)
Operating expenses	(7,166)	(6,799)	(6,650)	(6,727)	(6,258)
Other economic flows	(18)	0	10	(5)	(9)
Comprehensive result	(850)	(4,807)	3,651	1,483	(813)
Total assets	23,814	24,677	29,680	26,065	24,846
Total liabilities	(1,339)	(1,352)	(1,548)	(1,584)	(1,848)
Net worth	22,475	23,325	28,132	24,481	22,998
Net cash inflow/(outflow)	(500)	(4,265)	4,115	1,006	(1,267)

Income from the Victorian Government

Film Victoria is predominantly funded through recurrent funding from the Victorian Government. Of the total \$29.5 million funding package from government to Film Victoria in 2018/19, \$12.9 million related to recurrent annual funding and the remainder related to funding for specific initiatives and events plus additional funds secured for attracting high-value footloose projects to Victoria.

Program Costs

Program costs are payments made to approved funding recipients for Film Victoria's programs and initiatives. A total amount of \$24.1 million was expended on projects in 2018/19.

Program costs are recognised when commitments become payable, i.e. when contracts are executed and recipients 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.

Operating Expenses

The majority of operating expenses are employment related. Film Victoria maintains its workforce employed below 38 full time equivalent staff members and the increased cost is driven mostly by annual CPI and progression increases as per the *Film Victoria Enterprise Agreement 2016*.

Comprehensive Result

The timing factor of the recognition of program related costs has been a large contributor to the deficits in the current and prior year. With ministerial approval, funds dedicated for the Cash Flow Facility (CFF)* have been used to support and fund these deficits.

Balance Sheet

Assets are largely comprised of cash and cash equivalents which include funds dedicated for the CFF. As a result of more attractive market place offerings, demand for the CFF has declined, with no applications being received for several years. With ministerial approval, the CFF was closed during the year, the remaining \$2m balance of the facility will be applied to support programs in 2019/20.

Significant liabilities relate to provisions associated with the operating lease for office accommodation and employee benefits.

Net Cash Flow

Cash flows are impacted by the timing of program related payments. The cash outflow in the current year is attributable to the deficit result.

Subsequent Events

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

**The CFF is a revolving loan facility that is restricted to the provision of producer loans.*

Employment Related Disclosures

Workforce Data

Table 1: Full time equivalent (FTE) staffing trends from 2015 to 2019

2019	2018	2017	2016	2015
36.5	35.6	34.1	36.6	33

Table 2: Employment status of employees

	Employees (Headcount)	Full Time (Headcount)	Part Time (Headcount)	Ongoing Employees FTE	Fixed Term and Casual Employees FTE
June 2019	29	22	7	25	11.5
June 2018	27	22	5	24.6	11

Table 3: Workforce composition

	June 2019			June 2018		
	Ongoing	Fixed Term and Casual Employees		Ongoing	Fixed Term and Casual Employees	
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
Gender						
Male	10	9	3.6	7	6.8	5.2
Female	19	16	7.9	20	17.8	5.8
Self-described*	0	0	0			
Age						
Under 25	1	1	1.3	0	0	0.2
25-34	4	4	3	7	6	3
35-44	14	10.6	4	12	11	2.6
45-54	8	7.4	1.2	7	6.6	3.4
55-64	2	2	2	1	1	1.8
Classification						
VPS 2	0	0	1.3	0	0	0.2
VPS 3	7	6.4	3	8	6.4	3.8
VPS 4	9	6.4	2	9	8.8	1
VPS 5	5	4.8	4.2	5	4.6	6
VPS 6	4	3.4	1	2	1.8	0
Executives	4	4	0	3	3	0
Total	29	25	11.5	27	24.6	11

Table 4: Executive Officer data

Class	June 2019				June 2018			
	All	Women	Men	Self-described*	All	Women	Men	Self-described*
EO1	0	0	0	0	0	0	0	n/a
EO2	1	1	0	0	1	1	0	n/a
EO3	3	1	2	0	2	0	2	n/a
Total	4	2	2	0	3	1	2	n/a

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 and temporary staff employed by employment agencies.

Employees have been correctly classified in workforce data collection.

*Data was not collected for this category in 2017/18.

In 2018/19 on-boarding processes for new employees were updated to allow for capture of gender descriptor preferences.

Employment And Conduct Principles

Film Victoria abides by the public sector values outlined in the *Public Administration Act 2004*. These values are:

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

All staff members are provided with a copy of the Code of Conduct for the Victorian Public Sector upon joining Film Victoria. Further information regarding the organisation's ethical and professional values is outlined in the *Film Victoria Enterprise Agreement 2016*, which can be found at www.film.vic.gov.au.

The *Film Act 2001* also provides guidance for the Board, its executive and other staff on conflict of interest issues.

Film Victoria is an equal opportunity employer and is 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*.

Film Victoria is committed to applying merit and equity principles when appointing staff. Film Victoria provides position descriptions to all employees and potential candidates and has 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

Film Victoria works 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. Film Victoria is responsible for ensuring that, where practicable, the workplace is safe and without risk to the health and safety of all staff members. Its Occupational Health and Safety Committee, which meets quarterly, has employee representation from management and staff.

	2018/19	2017/18	2016/17
Reported hazards/ incidents/near misses	0	1	1
Number of claims	0	0	0
'Lost time' standard claims	0	0	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 2018/19.

Film Victoria reports to government on two budgetary and performance outputs with associated targets. Results for the 2018/19 reporting period are below.

Performance Indicator	2017/18 Actual	2018/19 Target	2018/19 Actual	2018/19 Variance
Value of film, television and digital media production supported by Film Victoria	\$213m	\$207m	\$251m	21.3%*
Additional employment from production supported by Film Victoria	8,245	8,880	8,347	(6%)**

Notes

* The 2018/19 actual is higher than the target due to an additional large-scale project supported by the Victorian Government.

** The unpredictability of screen production cycles, including variation between different projects funded and production delays, has yielded a lower than expected result.

Consultancies Over \$10,000

In 2018/19 there were three consultancies where the total fees payable to the consultant were \$10,000 or greater. The total expenditure incurred during 2018/19 in relation to these consultancies was \$167,230 (excluding GST).

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (\$)	Expenditure 2018/19 (\$)	Future Expenditure (\$)
BYP Group	Lapsing Production program evaluation	Apr-18	Nov-18	119,800	99,480	0
BYP Group	Lapsing Skills program evaluation	Sep-18	Nov-18	27,000	27,000	0
First Person Consulting Pty Ltd	Lapsing Business program evaluation	Sep-18	Nov-18	40,750	40,750	0

Consultancies Under \$10,000

In 2018/19 Film Victoria did not engage any consultancies where the total fees payable to the consultants were less than \$10,000.

Government Advertising Expenditure

Film Victoria's expenditure on government advertising in the 2018/19 reporting period did not exceed \$100,000.

Information and Communications Technology (ICT) Expenditure

For the 2018/19 reporting period, Film Victoria had a total ICT expenditure of \$810,000 (excluding GST), with the details shown below.

ICT Expenditure 2018/19	Expenditure (\$)
Operational expenditure	
Business as usual	530,000
Non-business as usual	170,000
Total ICT operating expenditure	\$700,000
Capital expenditure	
Business as usual	90,000
Non-business as usual	20,000
Total ICT capital expenditure	\$110,000

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

Non-BAU ICT expenditure relates to extending or enhancing Film Victoria's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Note that employment costs are included in the above.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

Film Victoria completed no procurement activities to which the Local Jobs First Standard, VIPP or MPSG applied during the reporting period.

Office Based Environmental Impacts

Film Victoria endeavours to reduce its environmental impact where possible, noting it has limited control over some impacts as a tenant of a shared office building. For instance, Film Victoria encourages recycling, uses recycled or carbon neutral paper, and uses a timer to automatically switch off the lights and heating during the evenings and weekends.

Indicator	2018/19	2017/18
Total units of copy paper purchased (reams)	145	185
Percentage of purchased reams that were either 100% recycled content or carbon natural (%)*	97	100
Percentage of 50% recycled content copy paper purchased (%)	3	0
Average daily energy usage (kWh)	163.3	165.9
Average quarterly greenhouse gas emissions (tonnes)	16.1	16.4
Percentage of electricity matched by renewable sources (%)	100	100

*The Film Victoria default white A4 paper is now carbon neutral. Previously the default was 100 per cent recycled.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Film Victoria continues to apply the competitive neutrality principles 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 Act allows the public a right of access to documents held by Film Victoria. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by Film Victoria.

The Act allows Film Victoria to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to Film Victoria in confidence.

From 1 September 2017, the Act was amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

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 Officer at Film Victoria, as detailed in section 17 of the *Freedom of Information Act 1982*. When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought and are accompanied by the statutory fee of \$29.60. Access charges may also be payable if the document pool is large, and the search for material is time-consuming.

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

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

FOI Applications

During 2018/19 Film Victoria received one FOI request from the media. The request was not finalised as the applicant did not provide an access charge deposit to pursue the request.

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.

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (Vic) encourages and assists people in making 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 Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

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

Film Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

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 Victoria 3000

Phone: 1300 735 135
Mail: IBAC, GPO Box 24234,
Melbourne Victoria 3001
Internet: www.ibac.vic.gov.au

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 2018 under the *Financial Management Act 1994*, 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 its 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 its services
- i) Details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) A general statement on industrial relations within the organisation and details of time lost through industrial accidents and disputes
- k) A list of major committees sponsored by Film Victoria, the purposes of each committee, and the extent to which the purposes have been achieved
- l) Details of all consultancies and contractors including:
 - Consultants/contractors engaged
 - Services provided; and
 - Expenditure committed to each engagement.

This information is available on request from:

Head of Corporate Services
Film Victoria
Level 3, 55 Collins Street
Melbourne Victoria 3000



Financial Statements

DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for Film Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2019 and financial position of Film Victoria at 30 June 2019.

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 22 August 2019.



Ian Robertson AO
President
Film Victoria

Melbourne
22 August 2019



Caroline Pitcher
Chief Executive Officer
Film Victoria

Melbourne
22 August 2019



Liahn Nortjé
Chief Financial Officer
Film Victoria

Melbourne
22 August 2019

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2019

	Notes	2018/19 (\$)	2017/18 (\$)
CONTINUING OPERATIONS			
Income from transactions	2.1		
Income from the Victorian Government	2.2	29,474,000	26,147,864
Interest	2.3	448,706	486,343
Other income	2.4	485,927	303,242
Total income from transactions		30,408,633	26,937,449
Expenses from transactions	3.1		
Program costs	3.2	24,074,824	24,945,116
Employee expenses	3.3	4,919,491	4,564,075
Depreciation	4.2	225,662	225,708
Other operating expenses	3.4	2,020,512	2,009,520
Total expenses from transactions		31,240,489	31,744,419
Net result from transactions (net operating balance)		(831,856)	(4,806,970)
Other economic flows included in net result	8.4		
Net gains/(losses) from disposal of property, plant and equipment		2,459	(65)
Net gains/(losses) from revaluation of long service leave liability		(20,509)	338
Total other economic flows included in net result		(18,050)	273
Net result from continuing operations		(849,906)	(4,806,697)
COMPREHENSIVE RESULT		(849,906)	(4,806,697)

BALANCE SHEET

As at 30 June 2019

	Notes	2018/19 (\$)	2017/18 (\$)
ASSETS			
Financial assets			
Cash and cash equivalents	6.1	22,684,689	23,184,905
Receivables	5.1	178,678	459,106
Total financial assets		22,863,367	23,644,011
Non-financial assets			
Property, plant and equipment	4.1	791,596	877,419
Prepayments		159,482	155,794
Total non-financial assets		951,078	1,033,213
Total assets		23,814,445	24,677,224
LIABILITIES			
Payables	5.2	270,287	264,636
Employee related provisions	3.3.2	461,889	390,986
Other provisions	5.3	606,919	696,346
Total liabilities		1,339,095	1,351,968
Net assets		22,475,350	23,325,256
EQUITY			
Accumulated surplus/(deficit)		(5,272,624)	(4,422,718)
Contributed capital		27,747,974	27,747,974
NET WORTH		22,475,350	23,325,256

CASH FLOW STATEMENT

For the financial year ended 30 June 2019

	Notes	2018/19 (\$)	2017/18 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from the Victorian Government		30,024,500	27,375,435
Receipts from other entities		534,517	369,289
Interest received		560,899	477,668
Goods and services tax received from the ATO (net receipts)		2,058,176	1,879,828
Total receipts		33,178,092	30,102,220
Payments			
Payments to industry applicants		(26,376,763)	(27,307,078)
Payments to suppliers and employees		(7,168,174)	(6,994,440)
Total payments		(33,544,937)	(34,301,518)
Net cash flows from operating activities	6.1	(366,845)	(4,199,298)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(133,371)	(65,717)
Sales of non-financial assets		-	182
Net cash flows from investing activities		(133,371)	(65,535)
Net increase/(decrease) in cash and cash equivalents		(500,216)	(4,264,833)
Cash and cash equivalents at beginning of the year		23,184,905	27,449,738
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6.1	22,684,689	23,184,905

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Accumulated surplus (deficit) (\$)	Contributions by owner (\$)	Total (\$)
Balance at 30 June 2017	383,979	27,747,974	28,131,953
Net result for the year	(4,806,697)	-	(4,806,697)
Balance at 30 June 2018	(4,422,718)	27,747,974	23,325,256
Net result for the year	(849,906)	-	(849,906)
Balance at 30 June 2019	(5,272,624)	27,747,974	22,475,350

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 associated with the item measured on a different basis.

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 2019, and comparative information presented in these financial statements for the year ended 30 June 2018. 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.

The notation used in the tables is as follows:

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

NOTE 2. FUNDING THE DELIVERY OF SERVICES

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

2.1 Summary of income that funds the delivery of services

	Notes	2018/19 (\$)	2017/18 (\$)
Income from the Victorian Government			
Recurrent funding	2.2	12,948,000	13,088,000
Events and other initiatives	2.2	16,526,000	13,059,864
Total income from the Victorian Government		29,474,000	26,147,864
Interest			
Interest on cash and cash equivalents	2.3	448,706	486,343
Total interest		448,706	486,343
Other income			
Development investment repayments	2.4	409,375	207,836
Application fees	2.4	62,000	69,500
Other revenue		14,552	25,906
Total other income		485,927	303,242
TOTAL INCOME FROM TRANSACTIONS		30,408,633	26,937,449

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 Jobs, Precincts and Regions (DJPR), formerly 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 funding for major screen events and other initiatives granted by DJPR and Creative Victoria for specific purposes for a set period of time, usually one to four years. Income from the Victorian Government is recognised when the amount is due and payable to Film Victoria.

2.3 Interest

Interest income comprises interest on cash and cash equivalents earned on cash at bank and term deposits. 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. This is recognised as a program expense when the commitment becomes payable (see Note 3.2). Development funding becomes repayable to Film Victoria and is recognised as income only in circumstances where the project progresses into production.

Application fees

Film Victoria charges a nominal flat fee for all funding applications to its Assigned Production Investment programs.

NOTE 3. HOW 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 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 services

	Notes	2018/19 (\$)	2017/18 (\$)
Program costs	3.2	24,074,824	24,945,116
Employee expenses	3.3	4,919,491	4,564,075
Depreciation	4.2	225,662	225,708
Other operating expenses	3.4	2,020,512	2,009,520
TOTAL EXPENSES FROM TRANSACTIONS		31,240,489	31,744,419

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 Film Victoria's 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 recipients satisfy certain conditions. Program commitments are detailed in Note 6.2.

3.3 Employee expenses

3.3.1 Employee expenses in the comprehensive operating statement

	Notes	2018/19 (\$)	2017/18 (\$)
Wages, salaries, annual leave and long service leave		4,533,140	4,212,876
Defined contribution superannuation expense	3.3.3	386,351	351,199
TOTAL EMPLOYEE EXPENSES		4,919,491	4,564,075

Employee expenses include all costs directly related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, termination payments, payroll tax and WorkCover premiums. There were no termination payments made in 2018/19 (2017/18: nil).

3.3.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of 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.

	2018/19 (\$)	2017/18 (\$)
CURRENT PROVISIONS		
Annual leave		
Unconditional and expected to settle within 12 months	198,213	185,694
Unconditional and expected to settle after 12 months	9,565	11,943
Long service leave		
Unconditional and expected to settle within 12 months	27,540	36,626
Unconditional and expected to settle after 12 months	47,072	29,899
Provisions for on-costs		
Unconditional and expected to settle within 12 months	12,079	11,894
Unconditional and expected to settle after 12 months	3,016	2,226
Total current provisions for employee benefits	297,485	278,282
NON-CURRENT PROVISIONS		
Long service leave	156,055	106,981
On-costs	8,349	5,723
Total non-current provisions for employee benefits	164,404	112,704
TOTAL EMPLOYEE RELATED PROVISIONS	461,889	390,986

Reconciliation of movement in on-cost provision

	2018/19 (\$)	2017/18 (\$)
Opening balance	19,843	28,318
Additional provisions recognised	19,563	14,390
Change due to variation in discount rates	1,042	(17)
Reductions arising from payments	(17,004)	(22,848)
CLOSING BALANCE	23,444	19,843
Represented by:		
Current	15,095	14,120
Non-current	8,349	5,723
CLOSING BALANCE	23,444	19,843

Wages, salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised 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 as a payable in the balance sheet at remuneration rates which are current at the reporting date (Note 5.2). 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 provision 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 and workers compensation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits.

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 flows included in net result'.

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.

3.4 Other operating expenses

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

	Notes	2018/19 (\$)	2017/18 (\$)
Operating leases	6.2	495,407	474,212
Information and technology management		399,315	397,457
Corporate expenses		372,562	374,076
Professional services		329,430	271,122
Marketing and communications		203,014	237,612
Travel		132,930	135,346
Event delivery		87,854	119,695
TOTAL OTHER OPERATING EXPENSES		2,020,512	2,009,520

NOTE 4. 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 (\$)
2018/19			
Leasehold improvements	1,642,196	(1,014,041)	628,155
Audio visual equipment	71,826	(44,961)	26,865
Computer equipment	289,049	(167,118)	121,931
Furniture and fittings	126,090	(113,778)	12,312
Office equipment	26,524	(24,191)	2,333
TOTAL AT 30 JUNE 2019	2,155,685	(1,364,089)	791,596
2017/18			
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
TOTAL AT 30 JUNE 2018	2,066,745	(1,189,326)	877,419

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.

Initial recognition

Items of PPE are measured initially at cost. 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.

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.

Reconciliation of movements in carrying amount of PPE

	Leasehold improvements (\$)	Audio visual equipment (\$)	Computer equipment (\$)	Furniture and fittings (\$)	Office equipment (\$)	Total (\$)
2018/19						
Opening balance	799,512	10,968	54,194	9,632	3,113	877,419
Additions	-	20,141	112,735	6,963	-	139,839
Depreciation	(171,357)	(4,244)	(44,998)	(4,283)	(780)	(225,662)
CLOSING BALANCE AT 30 JUNE 2019	628,155	26,865	121,931	12,312	2,333	791,596
2017/18						
Opening balance	943,110	4,926	58,460	23,041	2,494	1,032,031
Additions	25,788	7,673	32,165	2,504	3,213	71,343
Disposals	-	-	(247)	-	-	(247)
Depreciation	(169,386)	(1,631)	(36,184)	(15,913)	(2,594)	(225,708)
CLOSING BALANCE AT 30 JUNE 2018	799,512	10,968	54,194	9,632	3,113	877,419

4.2 Depreciation

	Estimated useful life	2018/19 (\$)	2017/18 (\$)
Leasehold improvements	*10 years	171,357	169,386
Audio visual equipment	4 years	4,244	1,631
Computer equipment	3-4 years	44,998	36,184
Furniture and fittings	5 years	4,283	15,913
Office equipment	5 years	780	2,594
TOTAL DEPRECIATION		225,662	225,708

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.

4.3 Impairment

All PPE assets are held for their current service potential rather than to generate net cash inflows. The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that *AASB 136 Impairment of Assets* does not apply to such assets that are regularly revalued.

NOTE 5. OTHER ASSETS AND LIABILITIES

This section describes those assets and liabilities, including receivables and payables, that arise from Film Victoria's controlled operations including receivables and payables that are short-term in nature and provisions associated with the operating lease for office accommodation.

5.1 Receivables

	2018/19 (\$)	2017/18 (\$)
Contractual		
Debtors	2,415	27,500
Accrued interest	-	111,199
Other receivables	13,558	10,312
Total contractual receivables	15,973	149,011
Statutory		
Net statutory receivables	162,705	310,095
Total statutory receivables	162,705	310,095
TOTAL RECEIVABLES	178,678	459,106

All receivables for 2018/19 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 'financial assets at amortised costs'. 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, but are not classified as financial instruments.

Details about Film Victoria's impairment policies and exposure to credit risk are set out in note 7.2.

5.2 Payables

	2018/19 (\$)	2017/18 (\$)
Contractual		
Trade creditors	-	2,160
Other payables	166,090	178,346
Salaries and wages	104,197	84,130
TOTAL PAYABLES	270,287	264,636

All payables as at the reporting date for 2018/19 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. Trade creditors represent liabilities for goods and services provided to Film Victoria prior to the end of the financial year that are unpaid. Creditors have an average credit period of seven days.

5.3 Other provisions

	2018/19 (\$)	2017/18 (\$)
Current		
Lease incentive	89,427	89,427
Non-current		
Lease incentive	237,492	326,919
Make good provision (lease)	280,000	280,000
TOTAL OTHER PROVISIONS	606,919	696,346

Reconciliation of movements in other provisions

	Lease incentive (\$)	Make good (\$)	Total (\$)
Opening balance 2018	505,773	280,000	785,773
Provision written back	(89,427)	-	(89,427)
Opening balance 2019	416,346	280,000	696,346
Provision written back	(89,427)	-	(89,427)
CLOSING BALANCE	326,919	280,000	606,919

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 FILM VICTORIA'S OPERATIONS

This section includes disclosures of financial assets (cash and cash equivalents) that are used in financing Film Victoria's operations. This section also includes commitments for expenditure arising from contractual agreements relating to program funding and operating leases. 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 Assistant Treasurer. As of 14 February 2019 this required Film Victoria to hold all funds in the State Centralised Banking System. Film Victoria therefore no longer holds term deposits with the Treasury Corporation of Victoria.

	2018/19 (\$)	2017/18 (\$)
Cash on hand	1,000	1,000
Cash at bank	22,683,689	379,040
Short-term deposits	-	22,804,865
TOTAL CASH AND CASH EQUIVALENTS	22,684,689	23,184,905

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

	2018/19 (\$)	2017/18 (\$)
Net result from continuing operations	(849,906)	(4,806,697)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(2,459)	65
Depreciation and amortisation of non-current assets	225,662	225,708
Movements in assets and liabilities		
Decrease/(increase) in receivables	282,623	575,449
Decrease/(increase) in prepayments	(3,688)	7,934
Increase/(decrease) in payables	(553)	9,062
Increase/(decrease) in provisions	(18,524)	(210,819)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(366,845)	(4,199,298)

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 (\$)	Total (\$)
2018/19			
Program commitments	35,024,522	6,479,436	41,503,958
Operating lease commitments	663,054	1,897,256	2,560,310
Total commitments (incl. GST)	35,687,576	8,376,692	44,064,268
Less: GST recoverable	(3,240,325)	(761,517)	(4,001,842)
TOTAL COMMITMENTS (EXCL. GST)	32,447,251	7,615,175	40,062,426
2017/18			
Program commitments	24,200,770	13,882,000	38,082,770
Operating lease commitments	636,971	2,537,836	3,174,807
Total commitments (incl. GST)	24,837,741	16,419,836	41,257,577
Less: GST recoverable	(2,255,099)	(1,492,712)	(3,747,811)
TOTAL COMMITMENTS (EXCL. GST)	22,582,642	14,927,124	37,509,766

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 10-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. 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*.

From 1 July 2018, Film Victoria applies *AASB 9 Financial Instruments* and classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms.

7.1.1 Financial assets

	Notes	2018/19 (\$)	2017/18 (\$)
Cash and cash equivalents	6.1	22,684,689	23,184,905
Contractual receivables	5.1	15,973	149,011
TOTAL CONTRACTUAL FINANCIAL ASSETS		22,700,662	23,333,916
<i>Net holding gain/(loss):</i>			
<i>Interest income</i>		448,706	486,343

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as 'fair value through net result':

- The assets are held by Film Victoria to collect the contractual cash flows, and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Film Victoria recognises the following assets in this category (these were previously recognised as loans, receivables and cash under *AASB 139 Financial Instruments*):

- Cash and cash equivalents; and
- Contractual receivables.

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised 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.

7.1.2 Financial liabilities

	Notes	2018/19 (\$)	2017/18 (\$)
Contractual payables	5.2	270,287	264,636
TOTAL CONTRACTUAL FINANCIAL LIABILITIES		270,287	264,636

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 in this category.

A financial liability is de-recognised 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 de-recognition 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 2018/19 or 2017/18.

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 due to the value and nature of the debtors. Film Victoria does not engage in hedging for its contractual financial assets and mainly has contractual financial assets that are on fixed interest, except for cash and deposits.

Provision for impairment of 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 and changes in debtor credit ratings.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery.

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 2018/19.

From 1 July 2018, Film Victoria has applied AASB 9's expected credit loss approach to assessing impairment losses, replacing AASB 139's incurred loss approach. Film Victoria's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Cash and cash equivalents, contractual and statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months' expected losses. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

Bad debts considered as written off by mutual consent are classified as transaction expenses. No debt was written off in 2018/19 (2017/18: nil).

The average credit period for receivables from debtors is 30 days. 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.

Credit quality of financial assets under AASB 9

	Financial institutions (\$)	Government agencies (\$)	Other (\$)	Total (\$)
2018/19				
Cash and cash equivalents	22,683,689	-	1,000	22,684,689
Statutory receivables	-	162,705	-	162,705
Contractual receivables	-	-	15,973	15,973
TOTAL FINANCIAL ASSETS 2018/19	22,683,689	162,705	16,973	22,863,367
<i>Credit rating</i>	<i>A- 1+</i>	<i>AAA</i>		

Credit quality of contractual financial assets that are neither past due nor impaired under AASB 139

	Financial institutions (\$)	Government agencies (\$)	Other (\$)	Total (\$)
2017/18				
Cash and cash equivalents	379,040	22,804,865	1,000	23,184,905
Contractual receivables	-	138,699	10,312	149,011
TOTAL FINANCIAL ASSETS 2017/18	379,040	22,943,564	11,312	23,333,916
<i>Credit rating</i>	<i>A- 1+</i>	<i>AAA</i>		

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 on 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 monitoring of commitments payable and receivable, and
- Careful maturity planning of program payments based on forecasts of future cash flows.

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	Variable interest rate (\$)	Non-interest bearing (\$)	Total carrying amount (\$)
2018/19				
Contractual financial assets				
Cash on hand and cash at bank	1.65%	22,683,689	1,000	22,684,689
Other receivables		-	15,973	15,973
TOTAL CONTRACTUAL FINANCIAL ASSETS		22,683,689	16,973	22,700,662
Contractual financial liabilities				
Payables		-	270,287	270,287
TOTAL CONTRACTUAL FINANCIAL LIABILITIES		-	270,287	270,287
2017/18				
Contractual financial assets				
Cash on hand and cash at bank	1.50%	379,040	1,000	380,040
Short-term at call deposits	1.97%	22,804,865	-	22,804,865
Other receivables		-	149,011	149,011
TOTAL CONTRACTUAL FINANCIAL ASSETS		23,183,905	150,011	23,333,916
Contractual financial liabilities				
Payables		-	264,636	264,636
TOTAL CONTRACTUAL FINANCIAL LIABILITIES		-	264,636	264,636

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 \$226,837 for 2018/19 (2017/18: \$231,839).

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 (2017/18: 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.

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 current replacement cost method. For all assets measured at fair value, the current use is considered the highest and best use. Assets are held primarily for their current service potential rather than to generate net cash inflows.

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

Description of significant unobservable inputs to Level Three valuations

	Leasehold improvements	Other PPE
Valuation technique	Current replacement cost	Current replacement cost
Significant unobservable inputs	Useful life of the improvement	Useful life of the asset class and cost per unit

Significant unobservable inputs have remained unchanged since 30 June 2018.

NOTE 8. OTHER DISCLOSURES

This section provides other information and disclosures required by accounting standards or otherwise, to assist in the understanding of these financial statements. These disclosures include responsible persons remuneration, related parties and significant events occurring after the reporting date.

8.1 Responsible persons

In accordance with the Standing Directions issued by the Assistant Treasurer 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 received by the Minister for Creative Industries. 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.

	2018/19 (\$)	2017/18 (\$)
MINISTER FOR CREATIVE INDUSTRIES		
Martin Foley MP	n/a	n/a
BOARD PRESIDENT		
Ian Robertson	30,000–39,999	30,000–39,999
BOARD MEMBERS		
Debra Allanson	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
Leonie Morgan	10,000–19,999	10,000–19,999
John Rundell	10,000–19,999	10,000–19,999
Mitu Bhowmick Lange (from 03/07/2018)	10,000–19,999	nil
Andrea Denholm (from 03/07/2018)	10,000–19,999	nil
Greg McLean (from 01/09/2018)	10,000–19,999	nil
Blake Mizzi (from 22/09/2017)	10,000–19,999	10,000–19,999
Ann Darrouzet (to 30/06/2018)	nil	10,000–19,999
Michael McMahon (to 15/02/2019)	10,000–19,999	10,000–19,999
David Parker (to 31/08/2018)	up to 9,999	10,000–19,999
Caroline Pitcher (to 17/10/2017)	nil	up to 9,999
Daryl Talbot (to 21/09/2017)	nil	up to 9,999
CHIEF EXECUTIVE AND ACCOUNTABLE OFFICER		
Caroline Pitcher (from 11/12/2017)	300,000–309,999	160,000–169,000
Jenni Tosi (to 31/12/2017)	nil	160,000–169,000

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.

No termination benefits were paid for 2018/19 and 2017/18.

	2018/19 (\$)	2017/18 (\$)
Short-term benefits	490,066	348,352
Post-employment benefits	45,129	33,082
Other long-term benefits	12,807	10,381
TOTAL EXECUTIVE REMUNERATION	548,002	391,815
<i>Total number of executives</i>	3	2
<i>Total full time equivalent (FTE)</i>	3	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.

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 KMP

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.

	2018/19 (\$)	2017/18 (\$)
Short-term benefits	944,669	830,082
Post-employment benefits	82,201	70,381
Other long-term benefits	17,865	13,116
TOTAL KMP REMUNERATION	1,044,735	913,579

Transactions with KMP

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 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 (Vic.)* (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. Transactions are only disclosed for the period during which an individual was a KMP of Film Victoria. Normal citizen type transactions are not disclosed.

	KMP	2018/19 (\$)	2017/18 (\$)
PAYMENTS			
Australian Children's Television Foundation	Andrea Denholm	250,000	-
Princess Pictures Holdings Pty Ltd*	Andrea Denholm	747,481	-
League of Geeks Pty Ltd	Blake Mizzi	180,000	285,000
Larry Wonderpup Productions Pty Ltd	Daryl Talbot	-	100,000
WTFN Entertainment Pty Ltd	Daryl Talbot	-	30,800
Cascade Films Pty Ltd	David Parker	-	3,881
Near Life Productions Pty Ltd	Kelly LeFever	11,200	2,921
Matchbox Pictures Pty Ltd*	Michael McMahon	806,186	671,350
Mind Blowing Films Pty Ltd	Mitu Bhowmick Lange	210,000	-
RECEIPTS			
Princess Pictures Holdings Pty Ltd*	Andrea Denholm	2,379	-
League of Geeks Pty Ltd	Blake Mizzi	-	500
Matchbox Pictures Pty Ltd*	Michael McMahon	-	1,500
COMMITMENTS OUTSTANDING AT REPORTING DATE			
Australian Children's Television Foundation	Andrea Denholm	50,000	-
Princess Pictures Holdings Pty Ltd*	Andrea Denholm	462,750	-
League of Geeks Pty Ltd	Blake Mizzi	35,000	215,000
Larry Wonderpup Productions Pty Ltd	Daryl Talbot	-	100,000
Matchbox Pictures Pty Ltd*	Michael McMahon	-	1,101,338
Mind Blowing Films Pty Ltd	Mitu Bhowmick Lange	100,000	-

*Includes payments and/or commitments to/from subsidiaries.

Significant transactions with government related entities

	2018/19 (\$)	2017/18 (\$)
DJPR / DEDJTR		
Recurrent funding	12,948,000	13,088,000
Events and other initiatives	16,526,000	13,059,864
Funding contribution: Penny Arcade Expo	(30,000)	(30,000)
AUSTRALIAN CENTRE FOR THE MOVING IMAGE		
Series Mania funding	(60,000)	(124,000)
Events related costs	(2,150)	(3,038)
TREASURY CORPORATION OF VICTORIA (TCV)		
Total interest earned	248,521	478,101

As at 30 June 2019 there were no outstanding balances due from government related entities (2017/18: \$25,000 from DEDJTR). The total balance invested with TCV as at 30 June 2019 was nil (2017/18: \$22,804,865).

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. This includes net gain/(loss) on disposal of property, plant and equipment and gains/(losses) from the revaluation of the present value of the long service leave liability due to changes in bond interest rates.

8.5 Remuneration of auditors

	2018/19 (\$)	2017/18 (\$)
Victorian Auditor General's Office		
Audit of the financial statements	28,200	27,500
TOTAL REMUNERATION OF AUDITORS	28,200	27,500

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 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

The following AASs become effective for reporting periods commencing on or after 1 July 2019:

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. *AASB 2016–8 Amendments to Australian Accounting Standards — Australian implementation guidance for NFP entities (AASB 2016–8)*, provides guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector. The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements, the extent of the impact will vary depending on further assessment of the Standard and transactions that occur during 2019/20.

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 16 Leases (effective 01 January 2019)

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

Film Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. Film Victoria will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

Film Victoria has performed a detailed impact assessment of AASB 16 and the potential impact on the closing balances for the 2019/20 financial year has been estimated as follows:

- Increase in RoU (\$1,332,000),
- Increase in related depreciation (\$499,000),
- Increase in lease liability (\$1,382,000),
- Increase in related interest (\$57,000) calculated using effective interest method, and
- Decrease in rental expense (\$507,000).

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 material effect on Film Victoria's annual accounts as there is no known or planned activity that is covered by this standard.

AASB 2018–7 Amendments to AASs — Definition of material (effective 01 January 2020)

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The standard is not expected to have a significant impact on Film Victoria.

Auditor-General's Report



Independent Auditor's Report

To the Board of Film Victoria

Opinion	<p>I have audited the financial report of Film Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board 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 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 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
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board 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
28 August 2019



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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Published by Film Victoria
Melbourne Victoria Australia
September 2019

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

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This report is printed on Splendorgel SPI. Splendorgel is an FSC Mix certified paper, which ensures that all pulp is derived from well-managed forests and controlled sources. It is elemental chlorine free and is manufactured by an ISO 14001 certified mill.

Film Victoria
ABN 30 214 952 770
Level 3, 55 Collins Street
Melbourne Victoria 3000
Australia

contact@film.vic.gov.au
film.vic.gov.au

