

NEW SOUTH WALES FILM AND TELEVISION OFFICE **ANNUAL REPORT 2001/2002**

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MISSION

**TO FOSTER AND FACILITATE
CREATIVE EXCELLENCE
AND COMMERCIAL GROWTH IN THE
FILM AND TELEVISION INDUSTRY
IN NEW SOUTH WALES**



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9.00am - 5.30pm Monday - Friday

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NEW SOUTH WALES FILM AND TELEVISION OFFICE ANNUAL REPORT 2001/2002

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LETTER TO THE PREMIER

The Hon RJ Carr
Premier of New South Wales
Minister for the Arts and Minister for Citizenship
Parliament House
Sydney NSW 2000

Dear Premier

Pursuant to the provisions of Section 10 of the *Annual Reports [Statutory Bodies] Act 1984 (NSW)*, we have pleasure in submitting to you the Annual Report of the New South Wales Film and Television Office for the year ended 30 June 2002 for tabling in Parliament in accordance with the provisions of the Act.

Yours sincerely


Shane Simpson
Chair


Jane Smith
Chief Executive

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06 MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE



THE ORIGINAL MERMAID



DIRTY DEEDS



PAINTING WITH LIGHT IN A DARK WORLD

The year in review has been one of innovation and achievement for the FTO.

AURORA

We turned our attention to the critical development phase of every film – the script. We developed and launched an Australian first, the Aurora intensive script workshop program. Aurora breaks new ground by emphasising the creative team.

Aurora was designed to accelerate the development process and increase the likelihood of certain films receiving production funding and achieving commercial success. Four projects were chosen to participate in the inaugural workshop, and were announced by the Premier and Aurora patron, Jane Campion, in April.

CHINA

We achieved significant progress in fostering relationships between the NSW film and television industry and China. The Deputy Chair, Laurie Patton, led a delegation of Australian filmmakers to the *Shanghai International Film Festival and TV Market*, on behalf of the Premier.

Since becoming a member of the World Trade Organisation, China has increased the number of foreign films imported for cinema release, providing a critical opportunity for Australian product to gain prominence in the marketplace. The Festival is an important showcase of film product, with audience responses significantly influencing buyers of foreign film.

Five Australian films were submitted by the FTO and selected into the Festival; **Mullet** screened in competition, with **The Bank**, **The Man Who Sued God**, **Lantana** and **Beneath Clouds** showing in the Panorama section. This was the first time Australian films had screened in the six-year history of the Festival.

The FTO and eight NSW companies were represented at the TV Market and achieved great interest in Australian programming and post-production. The FTO also hosted a highly successful seminar showcasing the work of NSW post-production and digital effects companies. The companies won over \$500,000 worth of business to date with more likely to follow. The success of the trip was consolidated by David Caesar winning Best Director for his film **Mullet**.



THE MATRIX ON LOCATION IN SYDNEY



CAVE IN THE SNOW



IF AWARDS – LANTANA (PHOTO TESSA PENI)

TECHNOLOGICAL DEVELOPMENTS

Digital Effects: In October, the FTO delivered the first in a series of seminars on digital effects technologies, and how to achieve effective solutions by the most affordable means.

The program was developed in partnership with leading digital effects houses, and challenged common perceptions that digital technologies are only appropriate for large budget films. Aptly titled *How Long is a Piece of String*, the seminar was a sell-out success, and planning for the next in the series is already underway.

New Delivery Platforms: Throughout the year the FTO has also been considering the issue of content development for new delivery platforms, and the issues facing Australian filmmakers in this environment of rapid change. We will continue to investigate these issues in the coming months.

Locations Database Online: In accordance with the Government's Electronic Service Delivery requirements the Office has implemented some sophisticated technology solutions. The locations library has been catalogued and digitised, providing a comprehensive, searchable database of NSW locations. This service will be available online in early 2003.

Website: A new website was launched featuring improved navigation and information design. Visits to the new site have increased by 235%, allowing faster and more efficient information delivery to local and international filmmakers.

CRITICAL ACCLAIM

A number of NSW films achieved critical acclaim this year. **Lantana** won a total of seven AFI Awards, including Best Film and Best Direction, and five IF Awards including Best Feature and Best Script.

Beneath Clouds and **Walking On Water** premiered at the *Berlin International Film Festival*, with **Beneath Clouds** securing the Premier First Movie Award, and the Piper Heidsieck New Talent Award for actor Danielle Hall.

Young Filmmakers Fund projects continued to enjoy local and international success, with **Contemporary Case Studies** screening at the *New York Film Festival* and **Tree** showing to a full house at *Sundance*. The first YFF short feature, **New Skin**, achieved theatrical release and won the prestigious 'Fiction Over 15 Minutes' category at the *2002 Dendy Awards*.

STATE OF THE NSW INDUSTRY

Improving the production environment is a key priority for the FTO, and a number of strategic issues have been tackled this year. The Long Report reviewing the state of the NSW film and television production industry identified additional infrastructure as an important requirement for Sydney. This issue is currently being discussed with Government.

The FTO has developed a Meta Protocol in collaboration with the Premier's Department, which will result in a blueprint to assist all state government agencies in the development of filming policies. The Office also monitored the implementation of the Local Government Filming Protocol introduced in 2000. The protocol has been adopted by 50% of NSW councils, and many others are in the process of reviewing their filming policies. We will continue to encourage the uptake of this policy in the coming year.

08 MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE (CONTINUED)



NED



STAR WARS – ATTACK OF THE CLONES



THE PACT

STUDIO DEVELOPMENT

One of the very real difficulties facing the NSW industry is the shortage of studio space. More studios are required to meet the demands of both local and offshore production. The Government has recognised that the industry needs more facilities in NSW and the Premier's Office, NSW Department of State and Regional Development and the Ministry for the Arts are actively working with the FTO on the available alternatives. This will continue to be a priority focus for the FTO.

FUNDING STRATEGIES AND LEVELS

The Office reviewed its funding strategies for the Industry & Audience Development Program and will now provide triennial funding for key organisations which significantly contribute to the development of the local industry. Additional funding was also secured from Treasury for this program, to strategically assist the expansion of film activities and training in Western Sydney and regional NSW.

While production levels have remained high compared to other States, the NSW share of total production has dropped to around 50% for the second year in a row. This decrease is driven by a number of factors – the relative cost of filming in Sydney, the increased amount of government support in Victoria and Queensland and the lack of available infrastructure in NSW. This year has also seen an unprecedented demand on the FTO's Production Investment funds, which have remained at \$2 million since 1995.

The Regional Filming Fund has proved an important incentive for productions considering filming outside the metropolitan region, with eight projects being funded this year. The FTO estimates that funded productions have contributed \$3.6 million and over 1,000 jobs to the regional economy since 2001. This represents over six times the value of the grant funds committed by the FTO.

The Regional Cinema Program has achieved another productive year supporting cinema projects in rural and remote areas of the state. A Distribution Guide to assist regional exhibitors develop more effective relationships with film distributors was commissioned and will be published shortly. Training for projectionists was identified as an important element in sustainable cinema development, and the FTO secured additional funding to design and deliver a training program in film projection.

As part of a wider strategy aimed at delivering shared corporate services across the arts portfolio the FTO is piloting the provision of accounting and HR services by the Powerhouse Museum. The move to the Powerhouse will be effective at the start of the new financial year.

THIS WOULD NOT HAVE BEEN POSSIBLE WITHOUT...

In closing, we acknowledge the dedication of the Board who give their time so generously to the FTO and the NSW industry. To outgoing members Geoffrey Atherden and Stephen Basil-Jones we extend our thanks and best wishes, and we welcome the re-appointment of Megan McMurchy and the appointment of Robert Connolly and Libby Rhys-Jones.

We offer our thanks and congratulations to the staff of the FTO, for their support, efforts and commitment throughout the year. We are proud of our achievements and look forward to working for and with the NSW industry in the year ahead.


Shane Simpson
Chair


Jane Smith
Chief Executive



The Board of the FTO is constituted by Section 6 of *The NSW Film and Television Office Act, 1988 (NSW)*, amended 1996.

Section 6 stipulates that 'the Board is to consist of seven members nominated by the Minister and appointed by the Governor. At least one of the members is to be from outside the film and television industry. Of the other members, one is to be appointed Chairperson of the Board (whether by the instrument of the member's appointment as a member or by another instrument executed by the Governor). The Chairperson is to be a member appointed from outside the film and television industry.'

The FTO Board was appointed on 1 January 1997. The Members of the Board as at 30 June 2002 are:

01 Mr Shane Simpson (Chair) Appointed for 3 years from 1 January 2000

Principal of Simpson's Solicitors, founder and former executive director of the Arts Law Centre of Australia; director of the National Association for the Visual Arts, the Australian Society of Authors' appointee to the board of Copyright Agency Ltd; director of the Freedman Foundation.

02 Mr Robert Connolly Appointed for 3 years from 1 January 2002

Director and writer of *The Bank*, and producer of the award winning *The Boys* and *The Monkey's Mask*.

03 Ms Sarah Dowland Appointed for 1.5 years from 22 June 2001

Visual Effects Producer at Animal Logic. Currently working on *Matrix 2*. Also a board member of AusFILM.

04 Ms Sue Masters Appointed for 3 years from 1 January 2001

Head of Drama at Network Ten and former national commissioning editor of TV Drama, ABC.

05 Ms Megan McMurchy Reappointed for 3 years from 1 January 2002

Independent producer and former Executive Producer at Film Australia. Produced *Hybrid Life* series for SBS Independent in 2001. Currently series producer of the 13-part multi-platform drama series *Fat Cow Motel*.

06 Mr Laurie Patton (Deputy Chair) Reappointed for 3 years from 1 January 2000

Chief Executive of PharmaNet Online Limited. Former television executive (Seven Network) and founding CEO of PAN TV – producer of World Movies pay television channel.

07 Ms Libby Rhys-Jones Appointed for 1.9 years from 15 February 2002

Director of the film distribution and marketing consultancy, Libby Rhys-Jones and Associates. Former General Manager of Roadshow Film Distributors, and Marketing Manager prior to this. Former Senior Marketing Consultant with Prue MacSween & Associates.

10 ORGANISATIONAL CHART AS AT JUNE 30 2002

The Young Filmmakers Fund (YFF) is coordinated by Needeya Islam and is administered through the FTO. The YFF is funded by the NSW Government. The FTO's work was assisted through the year by a number of industry people. They were:

Mary Balthrop, Miro Bilbrough, Kya Blondin, Charles Bracewell, Sienna Brown, Penny Bulgin, Luke Burland, Jessica Debrodt, James Dehaviland, Megan Gardiner, Tony Grierson, Dee Hallett, Milvia Harder, Michelle Harrison, Scott Herford, Kerry Herman, Ali Malone, George Mannix, Shilo McClean, Danielle McGuigan, Kate McLoughlin, Jill Moonie, Jeremy Rice, Kate Rice, Lisa Scope, Danni Townsend, Edna Wilson and Belinda Yong.

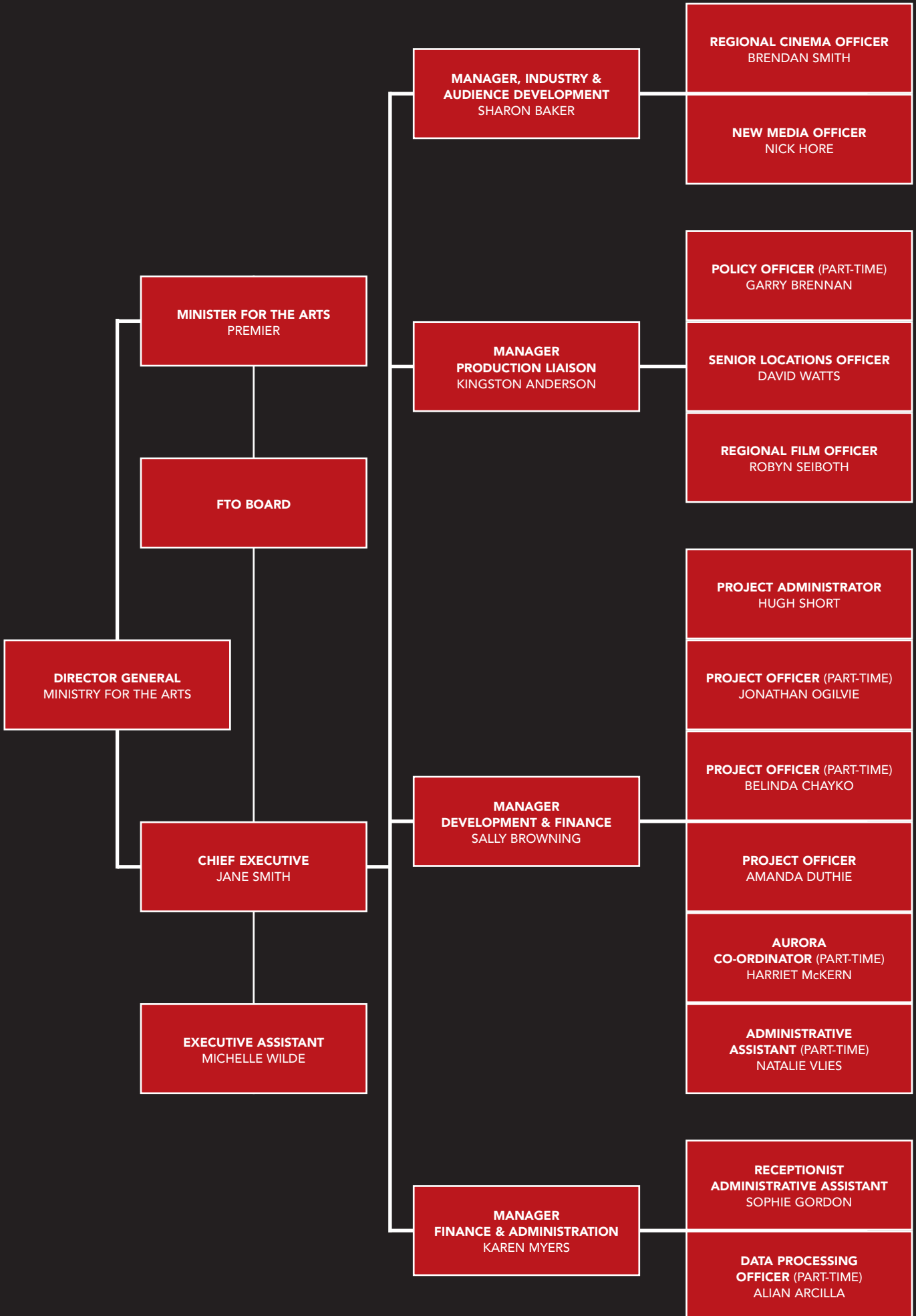
BACK (l-r) Garry Brennan, Hugh Short, David Watts, Nick Hore, Brendan Smith

MIDDLE (l-r) Belinda Chayko, Kingston Anderson, Amanda Duthie, Robyn Seiboth, Harriet McKern, Sharon Baker, Needeya Islam

FRONT (l-r) Sophie Gordon, Michelle Wilde, Jane Smith, Karen Myers

NOT PICTURED Sally Browning, Jonathan Ogilvie, Allan Arcilla, Natalie Vlies

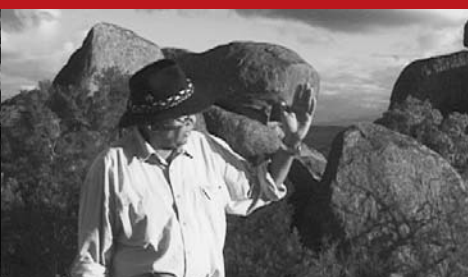




12 FINANCIAL OVERVIEW



DIRTY DEEDS



DREAMING TRACKS



TEMPTATION

The Government's recurrent funding appropriation to the FTO in 01/02 was \$6.996M, an increase of \$1.313M over the previous year. This increase included initial funding for the Aurora Script Development Workshop program and for the digitisation of the location images library, a full year allocation to the Regional Filming Fund and an increment to operating expenses to support the additional activities and programs of the FTO.

EXPENDITURE

The FTO's total expenditure for 01/02 was \$7.834M – divided between operating expenses of \$3.539M and Grants and Subsidies of \$4.295M.

TABLE 1 TOTAL EXPENDITURE

	01/02 \$,000	00/01 \$,000	VARIANCE %
Operating Expenses	3,539	2,830	25
Grants and Subsidies	4,295	4,969	-13
TOTAL EXPENDITURE	7,834	7,799	

The Operating Expenses in Table 1 show an increase of 25% over the previous year. The increase in this area consists of costs involved in the closing of the Government Documentary Division, digitisation of the location images library, expenses incurred in holding the Aurora Script Development Workshops and unbudgeted costs to accept the invitation to officially attend the *Shanghai International Film Festival and TV Market*.

The Operating Expenses also include costs that relate to the use of external assessors and other expenses directly associated with Grants and Subsidies in other funding programs.

Grants and Subsidies expended in 01/02 are 13% below that of the previous year. This variation is due to timing differences in contractual terms for the payments of grants and subsidies. The actual commitments of Grants and Subsidies, together with grant related expenses, total \$6.268M and are listed below by program area in Table 2.

The office also administers a \$5M Production Loan Finance Fund (Revolving Fund) that is not included in the Grants and Subsidies allocations.



BUENAS MEMORIAS DE CUBA



THE NUGGET



KABBARLI

GRANTS AND SUBSIDIES

Total funds committed to Grants, Subsidies and Related Expenses in Table 2 was \$1.378M more than the amount in appropriations from the NSW Government. The program areas that this primarily relates to are Production Investment and Project Development, and continued funding for Other Industry Promotion, which is not covered by an appropriation.

This increased level was possible through the use of returns on investment from previous Project Development and Production Investment Grants and Subsidies, and through the Board's endorsement of the use of interest and agency reserves to supplement the FTO's activities in meeting the increased demand for funding.

TABLE 2 GRANTS, SUBSIDIES AND RELATED EXPENSES COMMITMENTS

	GRANTS AND RELATED EXPENSES \$'000	GOVERNMENT APPROPRIATION \$'000
Young Filmmakers Fund	332	350
Industry & Audience Development	390	390
Project Development	986	890
New Media	154	150
Regional Cinema	100	100
Other Industry Promotion (includes Creative Initiatives)	485	0
Production Investment Fund	2,711	1,900
Australian Childrens' Television Foundation	110	110
Regional Filming Fund	500	500
Aurora Script Development Workshops	500	500
TOTAL GRANTS AND SUBSIDIES	6,268	4,890

Government Appropriations for programs such as Regional Cinema, Young Filmmakers Fund, Regional Film Fund, New Media, Industry & Audience Development, Project Development, Production Investment and Aurora contain provisions for specific expenses directly related to the delivery of Grants and Subsidies to be included as part of the expenditure for that program.

As such, the figures used in Table 2 represent amounts committed during the year for grants and subsidies, together with amounts for expenses either paid or committed to be paid, that directly relate to the provision of that program.

14 CHARTER



TURN AROUND (PHOTO MARK ROGERS)



THE FOUNDATION



PAINTING WITH LIGHT IN A DARK WORLD

The New South Wales Film and Television Office (FTO) is a statutory authority established under *The NSW Film and Television Office Act, 1988* (NSW), amended 1996 ('the Act').

The main functions of the Office, set out in Section 6 of the Act (1996), are inter alia:

- A** to provide financial and other assistance to the film and television industry in carrying out the industry's activities in New South Wales and to disseminate information about those activities;
- B** to provide financial and other assistance for persons (including directors, producers, actors, writers and technicians) whose work in the film and television industry merits encouragement;
- C** to provide financial and other assistance for script and project development for film and television;
- D** to contribute, financially and otherwise, to the work of film festivals and markets;
- E** to assist in the promotion of public interest in film as a medium of communication and as an art form and in the development of an informed and critical film audience;
- F** to provide policy and support services and advice to Government agencies on the production of films and sound recordings;
- G** to advise the Minister on the operation of the film and television industry in New South Wales;
- H** to undertake the production of films or sound recordings on its own behalf or for any other person, body or organisation (including any Government agency);
- I** to carry out such obligations and responsibilities determined by the Minister as may be necessary for the maintenance and administration of the film catalogue vested in the Office.

TO SUPPORT AND ENCOURAGE TALENTED PEOPLE
AND QUALITY PROJECTS IN THE FILM AND TELEVISION INDUSTRIES.

DEVELOPMENT



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16 PROJECT DEVELOPMENT



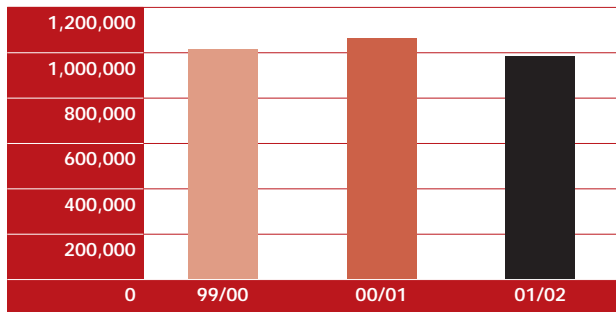
DIRTY DEEDS



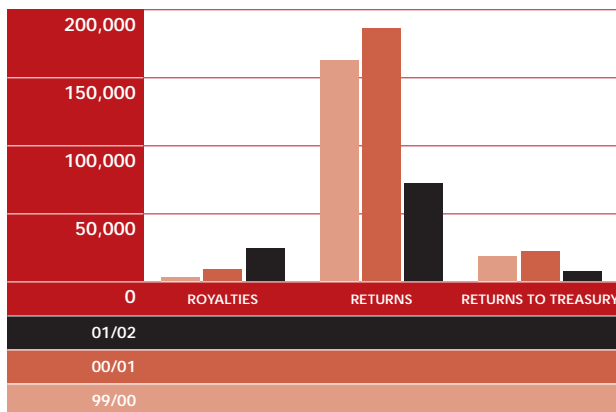
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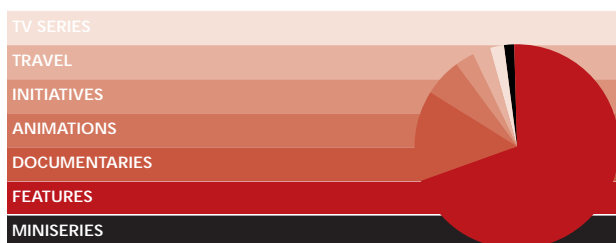
BECOMING JULIA



PROJECT DEVELOPMENT COMMITMENTS



PROJECT DEVELOPMENT RETURNS



PROJECT FUNDING BREAKDOWN

The creative process of script development plays a vital role in the future of the film and television industry in NSW. The development process can take several years as a script is refined and made ready for production. The FTO invests in a range of film and television projects to ensure this process receives the financial and creative support it requires and regards this as an essential part of maintaining a diverse and sustainable film and television production industry.

The FTO's support includes fees for professional film collaborators such as writers, producers, script editors and directors, and travel for the purposes of raising production finance. Assistance is also available to teams whose projects need preliminary casting, location searches and the preparation of final budgets and schedules. Applications for funding are assessed on their quality, creativity, potential viability and economic benefit to NSW.

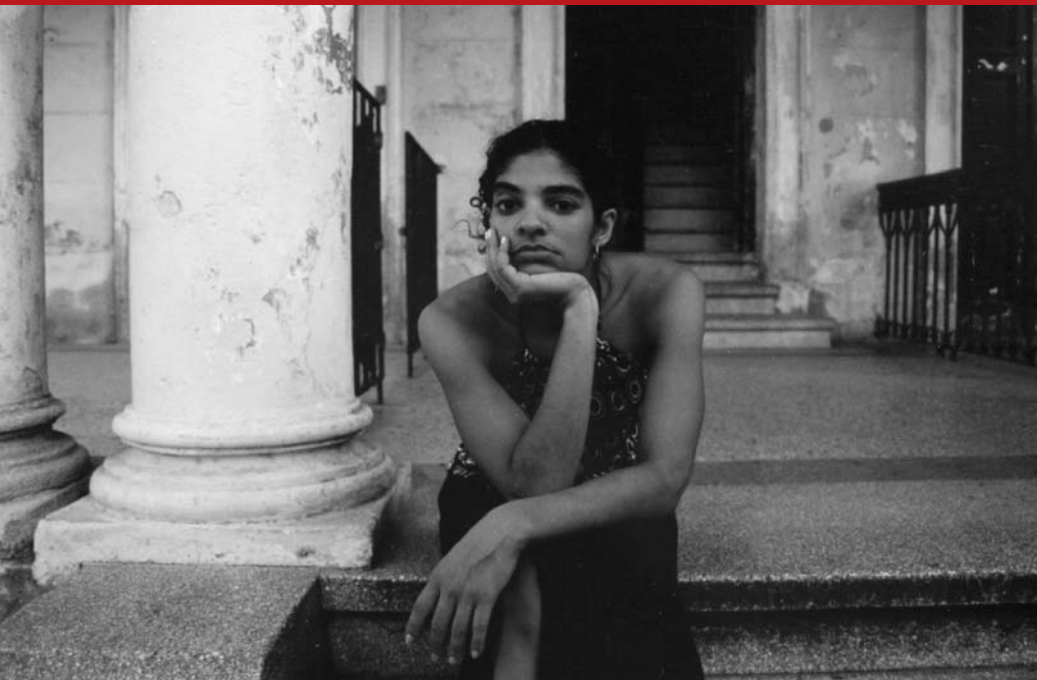
Each year, the FTO investigates new opportunities to support the professional development of practitioners, and thereby increase the strength and capacity of the NSW industry. In July, the Manager Development & Finance accepted an invitation to observe the Screen Strategy Scotland course held south of Edinburgh. This high-level, intensive course provides business development training for producers. Designed and organised by Olsberg/SPI, UK-based specialists in this type of training, the course was funded by Scottish Screen and Scottish Enterprise with 15 producers in attendance. The four-day course assisted the FTO in refining its plan to pilot a business development program in partnership with other agencies. The Office sought additional funds from the NSW Government to pilot a similar workshop for NSW producers but was unsuccessful. However, this remains an important training initiative for the sustainability of the local industry and the FTO continues to explore delivery options.

IMPROVING THE QUALITY OF THE SCRIPT DEVELOPMENT PROCESS

Development serves two purposes – the first is to escalate a script's chances to attract production finance by providing early investment to allow the development process to proceed, and the second is to support the professional development of writers and creative teams in NSW. The ability of an individual project to attract finance and progress into production is often a result of this support during the critical development phase. Not all scripts developed will be made, but this process affords practitioners a chance to refine and explore their craft whilst providing the marketplace with a range of projects from which to choose.

The FTO funds scripts on a draft-by-draft basis and recognises different needs at different stages. In the early stages, the writer may approach the FTO for script development support with only one key collaborator, such as a script editor. As the script progresses, other creative collaborators such as a producer and director will join the writer. By the second draft of a script, the FTO would expect a producer to be attached.

Throughout the stages of development, the FTO is conscious of the need to assess a project according to its own ambitions, and funding is provided accordingly. For instance, when a script is at first draft stage, writer and script editor fees will be the main focus and as the project progresses, a higher level of support is needed to cater for additional creative personnel and the development costs associated with financing a script.



BUENAS MEMORIAS DE CUBA



COWBOYS OF THE SEA

POLICY REVIEW

Each year the FTO reviews the development guidelines and makes changes in response to the needs of the industry. The guidelines are intended to best suit the majority of NSW filmmakers by assisting them to realise their projects in terms of development, production and festival support. Key industry personnel, organisations and stakeholders are consulted for their feedback on these changes. This year the most significant changes in the development guidelines review included:

- : The introduction of a new scheme for emerging writers. The New Feature Film Writer's Scheme will be conducted in two rounds with around five scripts funded per round. Funded writers will be teamed with a script editor and receive one-on-one feedback from two other script experts.
- : A major revision of definitions used for eligibility of a writer resulting in the redefined categories of New Writer, Developing Writer and Experienced Writer which will allow applicants to more clearly identify their eligibility and the requirements in each stage of development.
- : The maximum funding level for each stage of development has been made explicit to assist applicants in preparing their development budgets.
- : An expansion of the criteria and requirements for all stages of development and a reorganisation of this information into a new, easier-to-follow format.
- : The removal of the \$10,000 'no frills' development due to the lack of interest from applicants in this funding. Those eligible for 'no frills' (experienced writers) will be able to apply for any of the stages of development except the New Feature Film Writer's Scheme.
- : Clarification of the FTO cap on market fees that can be requested under Travel Assistance.
- : Clarification of eligibility for Travel Assistance to markets.

The staff of the Development & Finance Unit are also active in appraising their own criteria upon which projects are assessed and decisions made. This year, staff devised a glossary of criteria which can be used to benchmark decision-making at the various stages of development. This internal glossary will be revised each year, in line with the annual guidelines review.

The FTO also implemented new procedures to improve the collection of data on ethnicity of applicants in order to support accountability and improved performance. The revised development application forms seek this information from new applicants which is kept confidential and used for statistical purposes only. FTO representatives also attended a Cultural Diversity in the Arts seminar exploring different approaches to achieving diversity within government and marketplace organisations. The FTO will continue to monitor developments in cultural diversity and funding in the coming year.

EXTERNAL READERS

This year the FTO was required to call for expressions of interest for suitably qualified people to be included on the external readers list. External readers are commissioned to provide an analytical script report which forms part of the decision-making process for funding. If a script has indigenous content the FTO commissions an additional report from an indigenous reader to analyse these elements.

The FTO concurrently increased the number of indigenous readers in order to develop a broader base of skills and experience. Indigenous readers will be commissioned to provide an overall analysis of scripts rather than concentrating exclusively on indigenous content. This is to support the FTO's commitment to developing and encouraging indigenous talent within the NSW film and television industry.

The FTO advertised widely and received a large number of expressions of interest. An industry panel was convened to review each application and decide the final list. The panel included Chris Warner, Bridgid Ikin and Sally Browning (FTO). The FTO's reader list is now closed until the next expression of interest scheduled to be advertised in early 2003.

18 PROJECT DEVELOPMENT (CONTINUED)



CAVE IN THE SNOW



KABBARLI

DEVELOPMENT FUNDING

The FTO funds new and experienced writers and a range of productions including feature films, telemovies, documentary, television series and animation. This year the FTO received 287 applications for development assistance and provided support to 75 projects. Most development requests are for feature films (84%) followed by documentary (8%). The other areas of expenditure include grants for filmmakers to attend festivals, and co-funded initiatives with other partners such as broadcasters.

\$986,289 was invested in development comprising of an allocation of \$890,000 and revenues of \$96,289. Funding was allocated across a range of projects and the percentage of investment was 70% feature, 14% documentary, 6% animation, 2% television series, 3% travel, 2% miniseries and 3% initiatives.

This year the following projects developed with FTO investment in past years were financed into production: feature films **The Night We Called It A Day**, **The Rage In Placid Lake** and **Travelling Light**; and documentaries **Island At The Bottom Of The World**, **The Original Mermaid**, **Cave In The Snow** and **The Foundation**.

TRAVEL ASSISTANCE

As finance for films becomes increasingly competitive, producers need to look beyond Australia for increased involvement by the international market. That said, the international market has experienced its own crises in the past year, with the collapse of the European market and the impact of the events of September 11 affecting the ability of distributors to commit to high distribution advances. However, the FTO recognises that filmmakers, and producers in particular, need to travel to both the organised film markets in Cannes and Rotterdam, and television markets such as MIP-TV to maximise their opportunity to attract finance. It is also important that producers are able to secure individual meetings with financiers outside of the frenetic nature of markets to give focus to their own particular projects and the FTO has been supportive of travel beyond the organised markets for these purposes.

The FTO also provides travel grants where a filmmaker has been invited to significant overseas festival with a completed film in which the FTO has participated. This can often lead to new opportunities for future films by raising the profile of the filmmaker.

Six filmmakers and one actor were provided travel assistance to accompany their films to high profile festivals and markets. These included the international film festivals held in Sundance in Utah, USA, and markets such as MIP-TV and Cannes in France, and the *Antipodean Film Festival* in St Tropez.

FTO FELLOWSHIPS

The FTO was able to commit funds again this year to an important Creative Initiative, the FTO Fellowships. The Fellowship program is not part of a separate funding allocation from Government but utilises funds that become available as a result of revenue returned from the efforts of filmmakers previously supported by the FTO through its Development and Production Investment programs.

Fellowships provide recognition to both the past contribution of mid-career filmmakers and their plans to take new and exciting projects forward. Some filmmakers use their Fellowships to write, others to collaborate with like-minded directors or writers, others to travel and research a slate of documentary films, or consolidate script skills – but all are given an opportunity to take a step forward in their career as a result of the Fellowship. This year the Fellowships were decided in one competitive round.

The successful filmmakers who received Fellowships from the FTO in this round were: Script Editors: Greg Woodland and Nicki Roller; Documentary Filmmakers: Tom Zubrycki, Martha Ansara and Curtis Levy; Producers: Esben Storm and Liz Watts; Directors: Tom Cowan, Christina Andreef and Monica Pellizzari; and Writer: Shirley Barrett.

Panel members included: Rachel Landers, Nick Torrens, Moya Wood, Nicholas Parsons, Sue Murray, Robert Connolly, Marian MacGowan, Chris Warner and FTO representatives: Sally Browning, Jonathan Ogilvie and Miro Bilbrough.

AURORA



AURORA LAUNCH (PHOTOS STARFISH STUDIO)

In 2001 the FTO secured funding from the State government to provide intensive script development workshops for a selected number of Australian scripts. The resultant program – Aurora – is a unique development initiative and the first of its kind in Australia.

Aurora was designed to address problems with existing development models where many Australian projects are under-funded and pushed to seek production finance before they are ready. The average time between a feature film project in Australia receiving development investment and that project going into production is 4.8 years. The intensive workshop process is intended to substantially reduce that time for a greater number of projects.

The format was developed by the FTO after consultation with key industry representatives, and though based on the successful models used at *Sundance* (USA), *Moonstone* (UK) and *eQuinox* (France), it breaks new ground in its approach by emphasising the collaborative team. Aurora also provides significant development funds for the team to advance to the next stage and a formal feedback process as part of the follow-up workshop.

Applications for the first round closed on 4 February. The FTO received a total of 43 applications, of which 39 were eligible. The selection process was two-tiered with each script being read by three of the six qualified industry panelists. The panel of readers consisted of Sue Murray, Claire Dobbin, Sam Jennings, Martin Williams, Keith Thompson and Karin Altman. The shortlist of ten scripts were read by the Australian advisors Jan Chapman and Alison Tilson and FTO representative Sally Browning, to arrive at the final selection of four scripts.

Aurora's patron is the acclaimed international writer/director Jane Campion (**The Piano, Sweetie, Holy Smoke, An Angel At My Table, Portrait of a Lady**) and the initiative was officially launched by the Hon. Bob Carr, Minister for the Arts and Premier of NSW, on 21 March in Sydney. The four successful teams were:

TITLE	APPLICANTS
Fables	Richard Lindsell (writer), Gav Barbey (director) and Megan Harding (producer)
Axe-Fall	Lynne Vincent McCarthy (writer), Neil Mansfield (director) and Sally Regan (producer)
Tracey Heart	Jacquelin Perske (writer), Rowan Woods (director) and Vincent Sheehan (producer)
More Than Scarlett	Cate Shortland (writer/director) and Anthony Anderson (producer)

The **More Than Scarlett** team were unable attend the workshop week. The advisors generously agreed to give Cate Shortland two hours each prior to their departure from Sydney.

Aurora workshops are held once a year in two parts, and mentored by Australian and international filmmakers. The first residential workshop was held on the South Coast of NSW in April and provided participants with a unique opportunity to work intensively on projects in collaboration with high-profile advisors. A second, follow-up session will be held in November in Sydney at which the teams receive feedback on the new scripts and information about the finance and marketing of the projects.

Experienced international and Australian mentors provided feedback to writers and their teams about their script in individual sessions that aimed to intensively accelerate the development process. The program is tailored to the needs of each participating team and coordinated by the Artistic Director. Duncan Thompson, a European script consultant now based in Australia and most recently a Project Manager at the Australian Film Commission (AFC), was appointed as the 2002 Artistic Director.

The Advisors for the April workshop were: Rob Festinger (Academy Award nominee and co-writer of the successful US independent feature **In The Bedroom**); Jan Chapman (award-winning producer and creative collaborator of **Lantana, The Piano, Love Serenade** and **The Last Days Of Chez Nous**); Alison Tilson (writer of **Road To Nhill, Japanese Story**, and script editor of **Rabbit-Proof Fence**); and Geoff Stier (producer with Sydney Pollack and Anthony Minghella's Mirage Enterprises who has been involved in the development of **The Firm, Sabrina, Random Hearts** and **The Talented Mr Ripley**).

The inaugural workshop was deemed highly successful by the participants, who acknowledged that the intensive discussions provided an opportunity to effectively cut several drafts from the development process prior to rewriting.

20 YOUNG FILMMAKERS FUND



MONGREL'S GHOST



SEARCH



CONTACT

Over the past seven years, the Young Filmmakers Fund (YFF) has disbursed 67 grants to new and emerging filmmakers in NSW who have produced a wide range of projects, from short drama to documentaries, animation and experimental films. The Fund is now well established within the film and television industry and receives continued recognition for its role as a unique avenue for young filmmakers to gain and develop skills in a competitive environment. It is also a showcase for new creative talent in NSW from which the wider industry can benefit.

YFF grants are available to NSW residents aged between eighteen and thirty-five for production or post-production costs. There is no restriction on format or type of film. Applications are accepted in fixed funding rounds and a panel comprised of industry representatives (including at least one previous grant recipient) and an FTO project officer assess the applications.

In response to increases in production costs, the YFF increased the maximum amount for each grant to \$30,000. This year nine projects were funded through Rounds 10 and 11, four DIYtv projects were screened on SBS television and YFF films achieved a strong presence at significant international and local film festivals.

ROUND 10

Round 10 closed on 28 May. The FTO received 91 applications, including 71 drama projects, 14 documentaries, 4 experimental, 2 animation and 1 web movie. The assessment panel consisted of George Catsi (distributor/exhibitor/producer), Mark Forstmann (writer/director), Harriet McKern (editor/writer/producer) and Round 2 DIYtv recipient producer Anita Sheehan (**In The Swim**). The FTO representative was Sally Browning.

Rachel Ward, actress and award winning director of the short film **The Big House**, announced the successful YFF projects (along with recipients of the FTO Digital Visual FX Traineeships) on 20 September. They were:

TITLE	TYPE	AMOUNT	APPLICANT/S
Contact	Drama	\$25,000	Andrew Arbuthnot
Life Study	Drama	\$25,000	Sotirios Dounoukos
Museum of Dreams	Animation	\$10,000	Gregory Godhard
Search	Drama	\$25,000	Bronwyn Kidd/Hannah Hilliard
The Great Dark	Drama	\$25,000	Rebecca O'Brien

ROUND 11

Round 11 closed on 18 February. Applicants submitted 83 projects, including 60 dramas, 12 documentaries, 5 experimental, 4 comedy and 2 animation. The projects were assessed by Matthew Duchesne (writer/director), Amanda Duthie (FTO representative), Claude Gonzalez (director), producer and former YFF recipient Fotini Manikakis and digital effects specialist Rachael Turk.

The four projects selected were:

TITLE	TYPE	AMOUNT	APPLICANT/S
A Natural Talent	Drama	\$30,000	Tamara Popper/Louise Fox
Stray Heart	Drama	\$30,000	Jason di Rosso
The Easter Tide	Drama	\$30,000	Danielle Boesenberg
Le Violon d'Ingres	Experimental	\$30,000	Adam Sebire/Fiorenza Zito

Comedy performer, television personality and former YFF recipient Paul McDermott announced the successful applicants on 20 June.



TREE



LAQUIEM



ROUND 11 ANNOUNCEMENT (PHOTO STARFISH STUDIO)

MARKETING ALLOWANCES

YFF marketing allowances provide funds towards the costs of marketing and distributing completed films. The criteria for funding includes the quality of the delivered film, sound marketing strategies being in place and the likelihood of the project being invited to significant local and international festivals. Applications are assessed by the FTO Chief Executive and the Manager, Development and Finance following the recommendations of the YFF Coordinator.

This year marketing allowances were provided to **Contemporary Case Studies**, **Super Glue And Angel's Wings**, **Beach Story**, **Gate**, **Tree**, **New Skin** and **Mongrel's Dog**. Funds were provided for travel to international festivals, film prints, promotional material and public screenings.

Marketing allowances have played an integral role in the strong presence of YFF films at prestigious film festivals around the world. Among the many successes of the reporting period were **Warbling Matilda**, which screened at the *Saint Tropez Antipodes Film Festival*; **Tree**, which screened to a full house at the *Sundance Film Festival 2002*; and **Gate**, which was screened in cinemas across Australia with the acclaimed short feature **One Night The Moon**.

Laquiem and **Contact** screened at the *2002 St Kilda Film Festival* and the *Commonwealth Film Festival* in Manchester; **My Old China** screened at the *17th Los Angeles Asian Pacific Film Festival* following a US premiere at the *San Francisco International Asian American Film Festival*; and **Search** screened at the *Sydney Film Festival* and the *Melbourne International Film Festival* in 2002.

The first YFF short feature **New Skin** achieved a limited release at the Valhalla Cinema in Sydney and received considerable press attention. It also won the prestigious *Dendy Awards 'Fiction over 15 Minutes'* category at the *2002 Sydney Film Festival*.

DIYtv

DIYtv was a joint initiative between the FTO and SBS Independent to produce creative, subversive and innovative television by filmmaking teams who fit the YFF eligibility criteria.

The four successful projects from the second round of the initiative screened on SBS in January. The projects were **Video Dare**, **Let's Vote**, **Bloodsports** and **In The Swim**. **Let's Vote** and **Video Dare** have since been licensed to international distributors and the FTO is delighted with their success.

PROMOTION

The YFF is promoted widely through a variety of media and closing dates are advertised in industry electronic bulletins and print journals. Young filmmakers in Western Sydney and regional NSW are targeted through advertising in regional press, community cultural organisation newsletters and mailouts to educational institutions. YFF rounds are also promoted through multicultural arts organisations such as Community Cultural Development NSW (CCDNSW) and publications with a significant multicultural readership such as ArtsWest.

The Fund was promoted to the film and television industry by FTO staff at *SPAA Fringe*, *Byron All Screens Celebration Film Festival*, at seminars at the Australian Film Television and Radio School (AFTRS) as well as through the distribution of YFF information at short film events such as *Flickerfest*. A YFF Showreel was produced including highlights of many funded projects and a selection of successful examples of each genre in their entirety, in order to further promote the YFF at conferences and seminars.

In addition, a YFF information and resources showbag is being developed to assist young and emerging filmmakers with the practical components of film production, as well as contact listings of industry organisations, facilities and service providers.

22 INDUSTRY & AUDIENCE DEVELOPMENT



TROPFEST



IF AWARDS (PHOTO TESSA PENI)



METRO SCREEN MOBILE UNIT (TAMWORTH)

The FTO provides funding in support of projects and initiatives that develop and encourage an innovative and sustainable environment for film, television and new media practice to occur in NSW. Initiatives and projects supported under this program fall into two broad categories:

Industry development: professional development activities such as seminars, conferences, workshops, publications, awards, mentorship and attachment programs; and skills development opportunities for established and emerging practitioners via technical facilities, training programs and research.

Audience development: activities such as festivals, screenings, exhibitions, seminars, forums and touring programs that increase public appreciation, recognition and knowledge of film, television and new media.

Industry and audience development activities provide the context and environment for screen production to occur in NSW. Assistance for these initiatives fosters excellence and growth, and ensures a dynamic, innovative and sustainable film and television industry. Through this program the FTO delivers support to a diverse range of communities and constituencies (such as regional cultural development, multicultural and indigenous cultural development and Western Sydney), identifying areas of priority and encouraging applications that address these priorities.

Throughout the year the FTO continued to promote an active working relationship with funding recipients, particularly with regard to the management and promotion of their activities. This process assists increased professionalism within the sector, and ensures the FTO is kept informed of industry issues and developments.

In the coming year the FTO will undertake the production of resource materials to assist funded organisations in the effective management of their programs and will investigate options to address the professional development needs of the sector. Areas under consideration include business and strategic planning, marketing and promotion, financial and accounting skills and writing grant applications.

INDUSTRY & AUDIENCE DEVELOPMENT REVIEW

In 2001 the FTO undertook a strategic review of the Industry & Audience Development program to ensure its efficacy and relevancy to the needs of industry. A key priority for this process was to determine how the currently available FTO funds could be put to most suitable use, and provide adequate support for the broad range of activities occurring across NSW.

Tony Grierson Consulting was engaged and undertook extensive industry consultation, both with other funding bodies operating in the sector, and with a range of projects, events and organisations funded by the FTO.

The review identified a number of enhancements to current funding strategies and procedures whilst maintaining the integrity and principles of the fund. Recommendations were ratified by the FTO Board in November, and new guidelines and application procedures were developed. The new arrangements will take effect in the new financial year. The key changes are as follows:

Funding Categories: Funding will be split into two categories – the Organisation Program and the Events & Projects Program.

The Organisation Program will provide triennial funding to selected organisations whose core activities significantly contribute to industry and/or audience development in NSW. Eligible organisations will have a significant track record of achievement and must be membership based, not-for-profit organisations with an independent professional board.

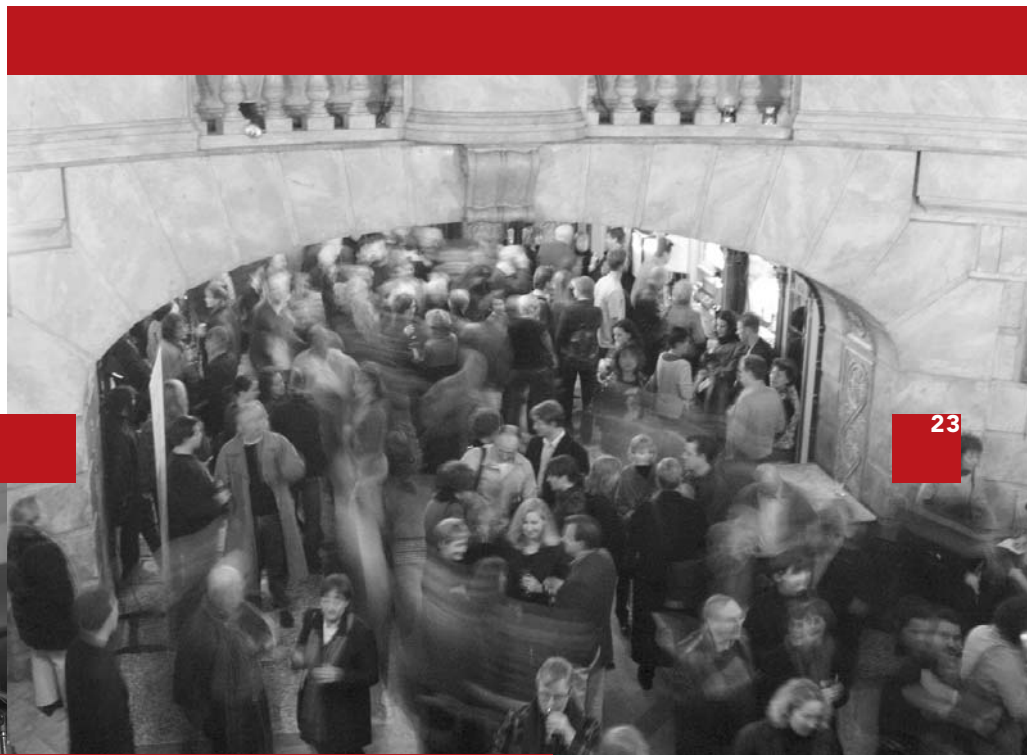
The Events & Projects program is available for projects held annually, or on a one-off basis.

Guidelines: The funding guidelines were substantially revised providing a comprehensive overview of the type and format of information required by the FTO. Acquittal forms will also be developed to assist applicants in the acquittal of funded projects.

Funding Rounds: The FTO will reduce the number of advertised funding rounds to one per year, which will close in May. This will allow for more effective budgeting of resources, and reduce administrative costs associated with holding two rounds per year.



AWGIES



SYDNEY FILM FESTIVAL

INDUSTRY & AUDIENCE DEVELOPMENT FUNDING

This year the FTO received 68 applications for funding with requests totalling \$934,416, and funded 55 projects with a total expenditure of \$418,470. A full list of projects funded can be found at Appendix 5.

	97/98	98/99	99/00	00/01	01/02
Funds Requested	\$554,529	\$909,668	\$863,342	\$831,828	\$934,416
Funds Approved	\$457,000	\$349,400	\$424,000	\$418,102	\$418,470

* all figures (including requests) are exclusive of the \$110,000 for the Australian Childrens' Television Foundation.

BUDGET ENHANCEMENT

In 2001 the FTO sought a budget enhancement from NSW Treasury for a Regional NSW and Western Sydney Community Development Program to augment the oversubscribed Industry & Audience Development funds.

In recent years this program has been under considerable pressure from the high level of activity in NSW and the correspondingly high demand for funds from many different organisations. The Office has tried to meet the growing demand by offering an increasing number of applications limited amounts of funding.

The FTO has also noted a considerable increase in the number of applications received from regional NSW – 20% of the total budget was expended on regional activities in 01/02 (compared with 17.5% in 00/01 and 8.5% in 99/00). This is due in part to the success of the Regional Cinema Program providing a more effective FTO presence in regional NSW and the appointment of the Regional Cinema Officer. As awareness of the FTO and its programs becomes more widespread it is expected that the demand on the fund will continue to increase.

The FTO currently supports 50-60 projects a year through the Industry & Audience Development program with an annual budget of \$425,000. In the last three years the fund has received applications for double the available budget. In comparison, the South Australian Film Commission (SAFC) supports around 10 events per year with a budget of \$348,000; and Film Victoria supports around 30 events per year from an annual budget of \$900,000. This means that FTO grants are comparatively small and have remained so for some years, despite costs in managing events and projects rising each year for cultural organisations.

Funding was sought from Treasury for a range of activities to strategically assist the expansion of film-related activities and training outside the Sydney CBD and the FTO was successful in securing additional funds for this package. However, this enhancement has been already reduced in an attempt to recover the shortfall from the Federal Government's application of the GST formula which has led to a \$1.1 billion reduction in the NSW Budget over four years.

Funds will be directed towards the Metro Screen Regional Mobile Training unit, support for the growing number of regional film activities and training programs, and to develop a targeted approach to the delivery of film related activities in Western Sydney. Funding will also be allocated towards the development and delivery of projectionist training for regional cinema operators, and a part time staff member will be appointed to assist in the administration of the program.

The additional funding will take effect in the 02/03 financial year.

24 REGIONAL CINEMA INITIATIVES



OLYMPIA COMMUNITY THEATRE, BOMBALA



TIBOOURRA DRIVE IN

Throughout the year the FTO continued its support for the development of community and volunteer cinema in regional and rural NSW through the provision of information, advice and resources. Community-based cinema projects, often initiated and managed by local volunteers, have proven to be an effective way to ensure that cinema and film is accessible to remote communities, who may have to travel considerable distances to attend multi-screen commercial cinemas in larger regional centres.

Cinema is one of the most popular entertainment activities in Australia. Increasing access to cinema in regional and rural areas of NSW can provide a range of economic, cultural, social and even health-related benefits to local communities and regional youth, as well as providing opportunities for training and skills development.

This year the FTO has continued build upon this important area of regional development and has increased public awareness of the benefits of and opportunities for regional cinema projects.

FLICKS IN THE STICKS

The FTO delivered two *Flicks in the Sticks* workshops – at the Olympia Community Theatre in Bombala (far South East, near Cooma) in December, and the Bellingen Valley Cinema in Bellingen (mid-North Coast, near Coffs Harbour) in April.

Flicks in the Sticks is a series of one-day mini-conferences which offer sessions on a range of issues relevant to community cinemas, such as distribution and programming, cinema management, effective marketing and promotion, insurance, and funding.

Around 40-50 delegates attended each forum, including both local representatives and those from further afield. As well as furnishing delegates with practical information and advice, these forums provide a unique opportunity for community representatives to come together and share their experiences, thereby helping to generate state-wide networks.

REGIONAL CINEMA DATABASE

The FTO in association with the Local Government and Shires Association of NSW (LGSA), designed a survey to measure and evaluate the range of cinema activity occurring throughout NSW. The survey was widely disseminated and covered issues such as population, access to and/or demand for cinema or other screening and cultural activities, frequency of activities, infrastructure, and local council involvement.

The process of collecting and collating data is now underway, and will form the basis for a comprehensive regional cinema database which will be developed in the coming year.

PUBLIC AWARENESS

FTO staff travel throughout NSW to meet with representatives from film societies, community cinema groups, commercial cinema complexes, local Councils and Regional Arts Councils. These visits are coordinated with the local Regional Arts Development Officers and are designed increase awareness of the FTO's regional cinema program and initiatives, and to expand the FTO's regional cinema network.

This year the Regional Cinema Officer visited the Upper Hunter, the far North Coast, the Mid North Coast, the Southern Tablelands and the North West regions.

As part of ensuring that cinema issues are considered in the broader context of community arts and cultural development, the FTO presented a session at the *Culture@Com.unity Conference* in October. The conference was coordinated by Regional Arts NSW and was the first annual combined conference event for the Museums and Galleries Foundation of NSW, Community Cultural Development NSW and the LGSA.

FTO staff also participate in radio interviews to increase public awareness of the FTO's initiatives and the unique developments in regional community and volunteer cinema around the state.

In 2001 the FTO's website underwent a substantial redevelopment and a new Regional Cinema section was added. This section contains a broad range of information designed to assist and support regional communities interested in starting cinema activities in their town or region. The Office has also established a Regional Cinema email list.



BELLINGEN VALLEY CINEMA

DISTRIBUTION

In previous years, the FTO facilitated negotiations with film distribution companies in an attempt to increase their awareness of the difficulties encountered by regional cinema exhibitors, and improve the distribution policies and practices for those operators. This resulted in an agreement by major distribution companies to consider more flexible terms and conditions for regional cinemas, especially those in non-competitive environments. One of the notable outcomes of this agreement was increased access to film circuiting (the sharing of one film print between two or more exhibitors).

In 2001 the Cinema Owners' Association of Australia (COAA) appointed a specialist negotiator/conciliator to assist its members in their dealings and negotiations with distributors and familiarising independent exhibitors with the dispute-handling processes established under the *Code of Conduct for Film Exhibition and Distribution*. COAA is a national organisation representing cinema owners and provides a forum for the discussion of industry issues, for lobbying government on relevant policies, and the promotion of best practice in cinema management and administration. The FTO has since encouraged regional independent cinema operators to consider contacting or becoming members of COAA to gain access to this service.

COAA has also engaged in negotiations with the Motion Picture Distributors Association of Australia, with major distributors undertaking to give attention to the circumstances of smaller cinema operators and to be more open to negotiation of film hire terms for country and regional exhibitors.

The FTO also commissioned the production of a Distribution Guide, to assist independent and community cinemas in regional areas to form better relationships with film distribution companies, and to encourage a greater understanding of the environment and context in which film distribution occurs in Australia. The Guide will be published in the new financial year.

TRAINING

Projectionist training has arisen as an important element in the sustainability of the many small cinema projects emerging in NSW, many as a result of the FTO's Regional Cinema Program.

There are currently no commercial or government courses in projectionist training being run in Australia. Major cinema chains provide in-house training for their employees, but this is specifically for state-of-the-art projection systems used by larger cinemas, which are unlikely to be found in smaller independent or community/volunteer cinemas in country areas. Locating projectionists with relevant or appropriate experience is becoming more difficult, and training is only occurring in the manner of informal 'apprenticeships', which neither ensures comprehensive and reliable skills or transferability of qualifications and experience.

Furthermore, film prints are expensive and easily damaged and it is important that projectionists have the requisite skills and experience to avoid such damage, which will in turn ensure that film distributors are prepared to continue supplying prints to community cinemas.

The FTO has been exploring the possibility of a formal training course in film projection skills for NSW. Such a course would involve a formal training component under the provisions of the relevant industry training package, and a subsequent period of practical work experience with a cinema operator. Some funds from the Industry & Audience Development Budget Enhancement have been allocated to this initiative, and the FTO will work with a registered training organisation to design and deliver a projectionist training program in 02/03.

PUBLIC LIABILITY

The recent public liability insurance crisis in Australia has impacted on many regional arts and cultural groups, who require coverage as part of their legal and/or funding obligations. In the wake of September 11 and the collapse of HIH, insurance companies have become more hesitant about offering coverage to public volunteer or community arts-related organisations. In addition, premiums for coverage have in many cases increased dramatically.

In the past, Regional Arts NSW had arranged public liability coverage for Local Arts Councils and other arts and cultural groups operating under their administrative umbrella. However, in early 2002, they announced that they had been unable to renegotiate the insurance coverage they had previously offered. This resulted in many Regional Arts Boards and affiliated groups being forced to cancel or postpone planned arts and cultural activities including community film screenings, or make alternative arrangements with local councils or regional brokers.

Fortunately, by April Regional Arts announced that they had successfully negotiated a new policy with only moderate increases in annual premiums. This has meant that many groups have been able to reinstate their arts activities without the difficulty of having to negotiate their own insurance policies. However, insurance and increasing premiums remain issues of concern for regional arts and cultural projects, and Regional Arts is coordinating a strategy to effect a long-term solution.

26 NEW MEDIA INITIATIVES



ABC KIDS (IMAGE BY ALEX ZALOUDEK, ZSPACE)

The FTO's New Media program supports the professional and skills development of NSW new media and digital effects practitioners.

Initiatives supported through this program are designed to enhance the skills base in digital visual effects and promote the effective application of digital media to film and television production. The program also facilitates networking and debate to increase understanding of the potential of digital technology for the film and television industry.

DIGITAL EFFECTS SEMINAR

In October the FTO delivered a seminar entitled *How Long is a Piece of String*, on the possibilities of working with digital effects technologies, and how to achieve effective solutions by the most affordable means.

Representatives from leading digital effects companies presented sessions to local producers and directors on the creative use of effects to raise production values for their projects. Companies that presented material included Ambience Entertainment, Animal Logic, Atlab, Complete Post, GMD, kotij, and MCM Interactive. Director Mark Joffe, producer David Hannay, editor Nick Meyers and visual effects supervisor David Booth also contributed to the program.

Session topics included resourcing and planning digital effects, integrating physical and digital effects, alternative digital production options, and traditional and digital capture formats. Case studies and shot-by-shot breakdowns were presented on a range of projects, and the program successfully challenged the perception that digital effects are only appropriate for large budget films.

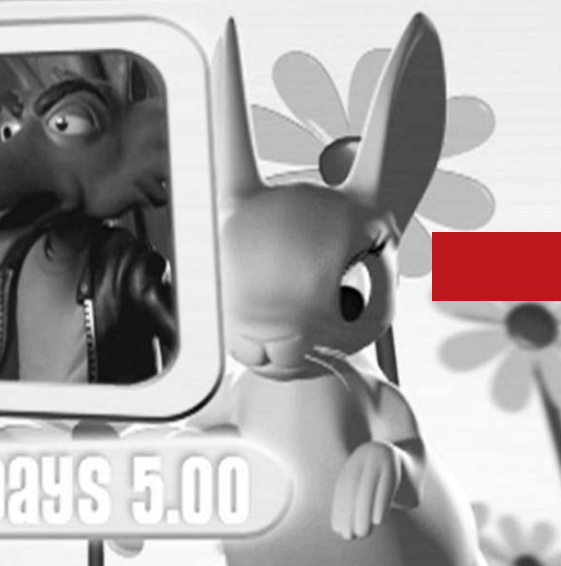
The seminar was well received by industry and sold out all available places. Planning for a second seminar to be delivered in the new financial year is currently underway.

DIGITAL VISUAL EFFECTS TRAINEESHIP SCHEME

In 1998 the FTO established the Digital Visual Effects (FX) Traineeship Scheme, an initiative that places aspiring digital artists with established commercial digital visual effects companies to provide appropriate work experience in the post-production industry. The Scheme is a unique initiative and provides skills development opportunities in an area not targeted by other funding agencies in Australia.

Research undertaken by the FTO in 1998 found that while Sydney's post-production and digital effects industry had gained an impressive international reputation, local companies were finding it difficult to recruit Australian artists with appropriate levels of experience. While there was no lack of available talent, the opportunities for artists to learn and gain experience within the sector were rare.

ABOUT'S



FARSCAPE (IMAGES BY VAUGHN ARNUP, ANIMAL LOGIC)

The Digital FX Traineeship Scheme is delivered in partnership with private sector digital effects companies and bridges the gap between talented local artists and industry. Successful applicants are provided with relevant work experience of a quality and length that enables their skills to develop significantly and increase their employment prospects within the industry.

The Scheme also ensures the development of a strong pool of local talent well positioned to take on the growing levels of local and international post-production and digital effects projects, thereby generating greater job opportunities for Sydney-based practitioners.

Successful applicants are employed by a participating company for a six-month period, and gain experience working on film and television projects, with real deadlines, teams and clients. The FTO subsidises the salary and oncosts of each placement by up to 50%. This year, trainees were placed at Animal Logic, Ambience Entertainment and zspace. Other companies have expressed interest in participating in the Scheme and are being considered.

The Scheme has now been running for four years and continues to be a successful initiative. Of the 25 trainees awarded placements, 24 have successfully completed their traineeships, 12 have secured permanent positions within the industry and 8 are pursuing freelance work as digital artists and in other production/post-production roles. In addition to these individual achievements, the Scheme is helping to foster a developing training ethos in the local industry.

Angela Pelizzari was placed via the scheme as an art director at Animal Logic in 1998. In the three years Angela has been with Animal Logic, she has worked across film, television and TVC projects, including **The Man Who Sued God** and **The Ties That Bind**, a six-part television series for Fox.

Pheng Sisopa gained a position at Ambience Entertainment in Round 5 where he developed experience in a range of disciplines. Pheng has since taken a position with Animal Logic as an assistant compositor, working on a variety of projects including the television series **Farscape**.

ROUND 6

Round 6 closed on 2 April with a total of 103 applications received. Applications were reviewed by Shilo McClean, Michael Lim, Chris Winter and Nick Hore (FTO representative), and 23 applicants were shortlisted. Three trainees were selected and commenced their placements in July, August and October.

TRAINEE	PLACEMENT
Daniel Loui	Ambience Entertainment
Vaughn Arnup	Animal Logic
Alex Zaloudek	zspace

During his placement at Ambience, Daniel Loui (compositor) was involved in various local broadcast jobs and one international project. This experience allowed Daniel to develop his composing skills and work with a variety of talented people.

Vaughn Arnup (compositor) began his training at Animal Logic on Series 3 of **Farscape**, and has since gained a permanent position with the company.

Alex Zaloudek (3D animator) was the first trainee to be placed with zspace. Alex worked on titles for Channel 9, a 3D virtual garage used on course at the Australian Formula 1 Grand Prix, and promos for **ABC Kids**.

ROUND 7

Applications for Round 7 closed on 2 April and 91 applications were received. Placements will be determined in the coming year.



METRO SCREEN DVD LAUNCH

SIGGRAPH FUNCTION

METRO SCREEN NEW MEDIA ACTIVITIES

For the past four years, the FTO has provided support to Metro Screen's innovative digital media program. This year, the FTO allocated \$50,012 towards the following projects:

DVD Production Project: to provide training in DVD production to a group of 10 selected students, focussing on the interactive capabilities and multiple audio/language features of DVD.

Tools & Technologies Program: to deliver hands-on digital media skills to emerging filmmakers and multimedia practitioners who do not have the economic resources to increase their skills. The program is specifically targeted at people from indigenous and culturally diverse backgrounds and people with disabilities.

NEW MEDIA AUDIENCE DEVELOPMENT

Each year, the FTO allocates New Media funds to support innovative projects and activities that promote awareness and the development of expertise in digital media. These activities include festivals, screenings, exhibitions, seminars, forums and touring programs.

Initiatives supported this year included *Electrofringe*, an electronic media arts festival in Newcastle, examining issues of change in art and new media, and dLux Media Arts' annual program of experimental film, video and new media work including *Tour dLux*, which travels new work to regional areas of NSW.

DIGITAL EFFECTS (FX) PRODUCER ATTACHMENTS

The Long Report into the NSW film and television production industry was delivered in 2001 and recommended a number of strategies to enhance the competitiveness and sustainability of the local industry. Among these strategies was a specialised training initiative, the Digital Effects (FX) Producer Attachments.

This program provides pathways for experienced media professionals by providing attachments with established digital effects companies in Sydney. The program is designed to compliment the Digital Visual FX Traineeship Scheme, by providing skills development at a more senior level where there are fewer experienced practitioners operating. Attachees selected for the program have the opportunity to observe, work with and learn from a senior Digital FX Producer/mentor. Developing skilled professionals at this level would increase the capacity of the local industry to attract larger offshore productions and further strengthen the local industry by providing employment and investment.

In 2001 the Office sought additional funds from Treasury to establish this program but was unsuccessful in securing support. However, the FTO has received further feedback from industry about the need for this kind of assistance and is continuing to develop this proposal and investigate options for funding.

TO PARTICIPATE IN PROJECTS THAT ARE LIKELY TO BE COMMERCIALY SUCCESSFUL,
AND/OR RECEIVE CRITICAL ACCLAIM, AND/OR SUBSTANTIALLY CONTRIBUTE
TO THE ECONOMIC WELL BEING OF NSW, AND/OR BE CULTURALLY RELEVANT.

FINANCE



03

0

30 FINANCE

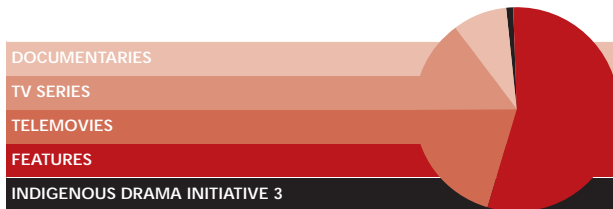


DOWN THE LINE



PIPER HEIDSIECK NEW TALENT AWARD – DANIELLE HALL (BENEATH CLOUDS)

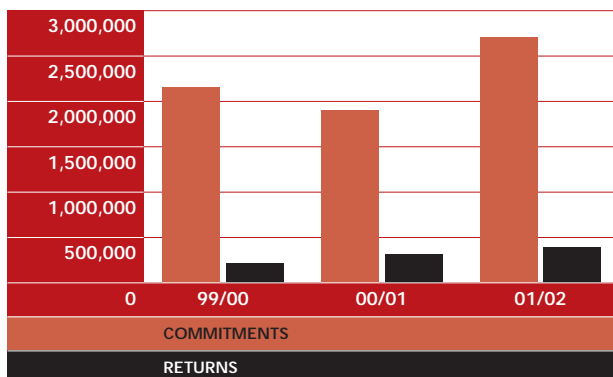
The FTO provides finance in a variety of ways to assist film and television production to occur in NSW and provide economic and cultural benefits to the state. Assistance is provided by way of a repayable investment with copyright, recoupment and profit participation for the FTO.



PRODUCTION INVESTMENT FUNDING BREAKDOWN



PRODUCTION INVESTMENT FUND RETURNS BREAKDOWN



PRODUCTION INVESTMENT RETURNS/COMMITMENTS

PRODUCTION LOAN FINANCE FUND (REVOLVING FUND)

The Production Loan Finance Fund was a one-off provision of \$5M to assist NSW producers meet their cashflow requirements. Loans are made against marketplace investment which is payable on or just after delivery, where the investor can provide security, and therefore a reduced risk, to the fund. Funds are provided as a loan and only fully financed productions are eligible to apply. The fund operates in a revolving way and new productions are assisted each year as repayments are made.

Australian investors are required to provide security by way of a first ranking charge, corporate guarantees as well as the reversion of rights to the FTO in the event of default. Loans must be repaid in tranches at 6 and 12 months after delivery of the completed film. Overseas loans must be repaid on delivery and overseas investors are required to cashflow at least 40% of their investment and agree that their distribution rights will revert to the FTO if the loan is defaulted. Alternatively, letters of credit, bank guarantees or similar security is required.

During the year projects approved for production loans were **The Rage In Placid Lake** (\$723,000), **Down The Line** (\$330,000) and **Travelling Light** (\$125,000). The FTO received \$91,009 in interest.

The FTO will continue its review of the legal documentation for the Production Loan Finance Fund over the next year. This will include an overhaul of its security requirements in light of recent delays by distributors to repay loans held against guarantees. There is also increased focus on commissioned credit reports, and the new application form details the documentation required prior to the loan being accepted for consideration. This includes the producer providing the details of the proposed security arrangements.

During the course of the year the FTO proposed the introduction of an application fee to the fund to discourage speculative applications, and an administration fee where the Australian Film Finance Corporation (FFC) is party to production, but this was rejected by the FTO Board. The Board has, however, approved an increase in the interest rate applicable to loans that are late in repayment, which has been revised to the 90-Day Bank Bill Rate plus 2%. An incentive rate of half the 90-Day Bank Bill Rate is applicable for loans repaid on time.

Over the past year the FTO has been aware of difficult international trends in distribution with the consequence that distributors often delay or avoid repayments. The FTO has responded to this trend by introducing a clear system to deal with these delays – loans more than 24 hours overdue are referred to the FTO's legal advisors who notify the distributor and, where appropriate, legal action is instigated within 7 days. In addition, the Office has implemented a revised spreadsheet system to better monitor repayments and interest accrued. The FTO has been able to recover a higher proportion of overdue payments with these measures.

MINOR CASHFLOW LOANS

Limited funds from Production Investment are allocated each year to provide Minor Cashflow Loans for film and television production. These loans are provided for a stipulated period of time at an agreed rate of interest and are secured against broadcaster presale payments with a direction deed to guarantee payment to the FTO.

Assistance was provided to two documentaries this year: **Cowboy Of The Sea** and **Trek**.

The FTO Board approved changes to the Minor Cashflow Loan guidelines limiting applications to no more than \$75,000. The availability of this facility and quick turnaround on requests enables the FTO to provide support to producers with urgent cashflow requirements.

PRODUCTION INVESTMENT

The FTO participates in the financing of a range of film and television projects in NSW and is usually the minor investor. This year the Office received unprecedented demand on its Production Investment Fund. This seems to be as a result of a positive upturn in telemovie production in the state and increased pressure on feature film producers to find additional financing in an already highly competitive environment.

Each production investment application is assessed on the strength of the creative elements of script and production teams, the budget and financing structure, and the cultural and economic benefits to NSW. Investments are typically around \$350,000.

However, this year many requests for feature film investment exceeded this amount. The FTO was also presented with a number of films utilising an alternative financing model, without investment from the FFC. In this instance, the FTO considered higher investment requests and in the case of some films, became the majority government investor. This included the film **Ned**, a spoof on the Ned Kelly story by first-time feature film director Abe Forsythe.

Supporting such projects diversifies the FTO's investment in the industry and encourages the enhancement of emerging creative talent or consolidation of skilled professionals who are exploring new avenues of financing.

The FTO continues to strengthen its links with private sector investors in order to broaden financing opportunities for NSW producers. Such links assist the FTO to increase its knowledge and market intelligence within the industry.

This year the Office received 38 applications for production investment and funded 23. FTO investment continues to be a crucial part of the financial strategy of a number of productions. The FTO plays an important role in ensuring that production and post-production continues to take place in NSW.

Funds were invested in 7 feature films and 8 documentaries. Total production investment committed for the year was \$2,710,650. Three development investments totalling \$42,800 were rolled over into production investments and the FTO received \$367,419 in production investment returns. The percentage break down of expenditure was: 55% feature film, 9% documentary, 15% television series, 20% telemovies and 1% Indigenous Drama Initiative.

The \$2.7M committed in production investment this year generated \$30.6M production spend in NSW.

The Production Investment guidelines were reviewed this year and the following changes made:

- : An explication of the FTO's commitment to investing in alternative financing and clarification that alternative financing models are 'non-FFC' funded films.
- : A cap of \$250,000 for television investment.
- : Clarification that the documentary investment ceiling of \$30,000 applies to one hour films.
- : Clarification of the requirement for a distributor to be attached for feature film post-production applications, and the need for a Print and Advertising (P&A) commitment.
- : Clarification of the requirements for documentary post-production to streamline the application process.

INITIATIVES

The FTO invests in selected co-financed initiatives each year with television broadcasters and other government funded agencies. These initiatives are to encourage new and emerging talent by providing a filmmaking opportunity, or they fill a gap left open by the commercial marketplace.

INDIGENOUS DRAMA INITIATIVE 3 (IDI3)

The IDI3 supports new and emerging indigenous filmmakers by providing the opportunity to gain experience working with a fully fledged production crew. Previous series have shown it is an ideal way to fast-track filmmakers in preparing them for a career in the film industry, with filmmakers such as Iven Sen (writer/director of the critically acclaimed feature **Beneath Clouds**) emerging from the initiative.

The FTO was approached by the Australian Film Commission (AFC) and SBS Independent to assist NSW-based projects to counter rising costs by increasing the limited budgets by \$10,000 each. A total of \$30,000 was invested by the FTO across the following three projects: **Black Talk** (writer/director Wayne Blair and producer Kylie du Fresne); **Mimi** (writer/director Warwick Thornton and producer Rachel Perkins); and **Turnaround** (writer/director Samantha Saunders and producer Jenny Day).

SITCOM FESTIVAL

The Sitcom Festival is a new initiative developed in response to the limited opportunities for sitcoms to be developed in Australia – a result of both a general lack of funding and experienced writers, and a restrained commitment from the networks to produce them. The initiative is coordinated by the National Screenwriter's Conference (NSC), who received around 200 submissions to the 'inaugural program.

Three NSW scripts were selected and the FTO provided \$10,000 in development funds to each writer to take the script to the next draft. The scripts were then produced live on stage as part of the Laugh Out Loud Australian Sitcom Festival in Brisbane in December. **Asteroid Belt** by Andrew Johnstone; **Warm Feelings** by Gary N Lines; and **Family From Hell** by Robert Carter were the three scripts selected and performed with the intention of attracting broadcaster and production interest. **Family From Hell** has since been optioned for development as a series.



STIR



BLISS

CRITICAL ACCLAIM

Films supported by the FTO received significant critical acclaim. **Lantana** was developed at script stage by the FTO and received a total of seven AFI awards including Best Direction (Ray Lawrence); Best Film (Jan Chapman); Best Screenplay Adapted From Another Source (Andrew Bovell); Best Actor in a Supporting Role (Vince Colossimo); Best Actress in a Leading Role (Kerry Armstrong); Best Actor in a Leading Role (Anthony La Paglia); and Best Actress in a Supporting Role (Rachel Blake). **Lantana** also won five IF awards, including Best Feature and Best Script.

The FTO also had success in the AFI non-feature section with **One Night The Moon** winning Best Cinematography in a Non-Feature Film (Kim Batterham) and the Open Craft Award in a Non-Feature Film (Mairead Hannan, Kev Carmody and Paul Kelly). **The Secret Safari** won Best Editing in a Non-Feature Film (Emma Hay) and also won Best Documentary at the 2001 Dendy Awards.

Beneath Clouds and **Walking On Water** were invited to premiere at the prestigious *Berlin International Film Festival*. **Beneath Clouds**, (written and directed by Ivan Sen and produced by Teresa-Jayne Hanlon), won the Premiere First Movie Award for best debut film and the Piper Heidsieck New Talent Award for actor Danielle Hall. **Walking On Water** (written by Roger Monk, directed by Tony Ayres and produced by Liz Watts) won The Teddy Award for the best feature with a gay or lesbian theme.

Both films were also chosen as part of the *Adelaide Festival of the Arts* film program, based on a theme of reconciliation. This was the first time the Adelaide Festival had recognised film as part of its program.

One Night The Moon, directed by Rachel Perkins and produced by MusicArtsDance Films, won the 2002 Spirit of Moondance Award for Best Feature Film at the *Moondance International Film Festival*. It also screened at Sundance and Berlin.

He Died With A Felafel In His Hand (writer/director Richard Lowenstein, producer Andrew McPhail) won the Audience Award for most popular feature film at the *Rosemount London Australian Film Festival* at the Barbican Screen. Other titles highly regarded by festival audiences included **Lantana** and **The Man Who Sued God** (director Mark Joffe, producer Ben Gannon, writers John Clarke and Don Watson).

The Office also achieved a significant presence at the *Shanghai International Film Festival* with David Caesar named Best Director for his film **Mullet**.

DISTRIBUTION

In 1998 the long-running issue of the licensing of 20 Australian feature films to Pepper Distribution was resolved. Since that time the FTO been working to finalise outstanding issues resulting from this agreement.

Distribution agreements for the balance of the films in the Pepper collection were finalised this year and these films will begin to appear, most likely on pay television schedules. Individually, the films continue to pick up occasional modest value sales in various countries, mostly for cable television.

Stir screened at Byron Bay's *Long Weekend* event as part of a Bryan Brown retrospective. **Bliss** has enjoyed a revival of interest after the success of **Lantana**, with screenings in Melbourne, Canberra and at the prestigious Summer Film School in Prague, Czech Republic. **My Brilliant Career** has been restored with input from the Screensound/Atlab/Kodak initiative. DVD and video releases are now being considered by the producer, Margaret Fink Films.

As part of the FTO's role in on-going management of the films, a disbursement of returns to investors was recently completed.

The outstanding matters from the Pepper collection are now largely completed. The balance of the Statutory and Other Funds Account (SOFA) is expected to be retained by the FTO.

TO FACILITATE FILMING IN NEW SOUTH WALES BY THE LOCAL
AND INTERNATIONAL PRODUCTION INDUSTRY.

PRODUCTION LIAISON



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34 NSW AS A FILM LOCATION

Film and television production is a creative business activity that provides significant cultural and economic benefit to NSW. The FTO's Production Liaison Unit (PLU) works actively to attract and facilitate local and offshore production and to secure on-going support from government agencies for film production in NSW.

DRAMA PRODUCTION EXPENDITURE IN AUSTRALIA

\$M	TOTAL	NSW	VIC	QLD	SA/NT/WA
97/98	520	313	102	80	26
98/99	564	290	149	100	24
99/00	573	351	128	80	14
00/01	611	304	144	124	39
01/02	657	353	178	104	22

Source: Australian Film Commission. (01/02 figures include in-house TV drama)
Previous years figures have been revised by the AFC.

This year NSW hosted production to the value of \$353M. While the level of production remains high, the NSW share of Australian production has dropped from 60% to around 50% for the second year in a row. This decrease results from a number of external factors including the relative cost of filming in Sydney, the increased amount of government support in Victoria and Queensland and the lack of available infrastructure in NSW.

For a full listing of local and international projects produced in NSW in 01/02, see Appendix 8.

NSW is the traditional centre of production in Australia, hosting the largest number of film and television production companies and the greatest number of people employed in the industry. To take advantage of the opportunity presented by the globalisation of film and television production, the FTO has been working to attract offshore production and post-production to NSW. Three regions with the potential to increase the size and scope of the local industry have been identified – the USA, Europe (in particular the UK and Germany) and Asia (focussing on Japan, China and Korea).

The FTO has targeted these markets in a number of ways – by increasing attendance at international markets, upgrading the web site with relevant and easily accessible information, developing an accessible digital database of location images from NSW, and improving the response time to requests from producers.

A comprehensive range of international marketing materials has been developed, showcasing NSW and the range of projects that have filmed in this state. These have achieved international recognition, winning awards at the *Association of Film Commissioners International Annual Marketing Awards*, including the website and colour advertising categories, and an Honourable Mention for the *Location, Location, Location* publication.

The Office has also been publicising the new financial incentives that NSW has to offer, including the Regional Filming Fund, the Film and Television Industry Attraction Fund in addition to the federal Tax Offset Rebate. These incentives are particularly important when competing for local and offshore 'footloose' productions that choose their locations based on economic and local circumstances.



FTO TRADE STAND



AUSTRALIAN DELEGATION (SHANGHAI)



AUSTRALIAN DELEGATION (SHANGHAI)

INCREASING MARKET AWARENESS

PLU representatives significantly increased the FTO's international presence this year, attending a number of strategic trade shows and festivals. Unfortunately, the events of September 11 resulted in the cancellation of a number of inbound and outbound trade delegations in the last quarter of 2001, however the FTO increased its overseas activities in 2002.

In January FTO representatives attended meetings with producers and production executives in Los Angeles to discuss their plans in light of September 11. The FTO also attended the *Australia Day Ball* honouring actor Sam Neill for his contribution to both Australian and New Zealand filmmaking. Following this visit productions to the value of \$US300M expressed interest in filming in Australia.

In March the FTO returned to Los Angeles to attend *Locations Expo* and pitched for over \$US400M worth of production. Increased interest in filming in Australia following the introduction of the new Tax Offset Rebate was evident from this visit, with Sydney identified as the premier location for large-budget US features. The final US visit for the year was to *Showbiz Expo*, a major production trade show. The FTO again held meetings with US producers and studio executives to encourage production to NSW.

Throughout the year the Office has targeted the television commercial (TVC) industry with a view to increasing the share of European commercial production in NSW. At present the TVC business is worth over \$300M per year, with almost 70% of the market held by NSW-based companies. Working in partnership with the NSW Department of State and Regional Development (DSRD), the FTO is developing a plan to increase this market over the next two years.

The FTO also worked to promote NSW as a filming destination and post-production centre in new Asian markets; and attended an AusFILM trade mission to Japan for TVCs, exhibited at the Bifcom market in Busan, Korea and provided sponsorships for a promotional event in India.

SHANGHAI INTERNATIONAL FILM FESTIVAL

A significant focus for the year has been developing a strong relationship with China, which has the potential to become a major market for Australian film and television products and services. Chinese advertisers spent \$US11.2B on advertising last year, including \$ US8.1B on television alone, according to the latest AC Nielsen survey. The recent inclusion of China in the World Trade Organisation will result in an increase in the number of foreign films distributed in that market over the next five years.

In June the FTO led a delegation of Australian filmmakers and industry service providers to the *Shanghai International Film Festival and TV Market*, on behalf of the Premier. The Festival is an important showcase of film product, with audience responses significantly influencing buyers of foreign film. In addition, this was the first time the Market and the Festival had been held simultaneously, providing a critical opportunity to pitch to film and television production companies from across the region.

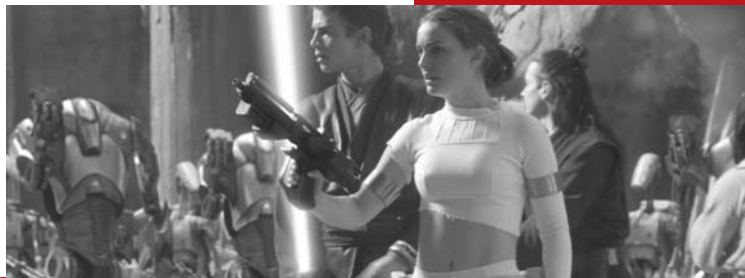
Five Australian films submitted by the FTO were selected into the festival. **Lantana**, **The Bank**, **The Man Who Sued God**, and **Beneath Clouds** were screened in the Panorama section, and **Mullet** screened in competition, winning Best Director for David Caesar. This marked the first time that an Australian film had been included in competition.

The trade mission also achieved considerable success, and ensured strong visibility for the local industry. Eight NSW production companies were represented at the market including: Digital Pictures, Frame, Set & Match, Song Zu, Southern Star, Beyond International, Leland International, Yoram Gross/EM TV and Complete Post. The companies pitched for over \$500,000 worth of business to date with more likely to follow. The FTO also hosted a seminar showcasing NSW digital fx and post-production capabilities which was attended to capacity and led to business opportunities for the participating companies.

Filmmakers David Caesar, Vincent Sheehan, Mark Joffe, Teresa-Jayne Hanlon, Jan Chapman and John Maynard also accompanied their films to the festival, making this the largest Australian film and television delegation to visit China.

ASSOCIATION OF FILM COMMISSIONERS INTERNATIONAL (AFCI)

The FTO became a full member of the AFCI in 2001. This followed a probationary period of twelve months, in which a designated FTO representative underwent a training program to gain the necessary accreditation for membership. The training was organised by the Melbourne Film Office, who hold full membership and are the only Australian organisation represented on the Board of the AFCI.



STAR WARS – ATTACK OF THE CLONES



THE NUGGET

RETAINING PRODUCTION IN NSW

In recognition of the importance of a strong local industry the FTO works actively to retain local projects and attract local 'footloose' production to the state. While NSW retains the largest share of production in Australia, recent interstate initiatives are increasingly challenging our ability to maintain our competitive edge. Recently, the Victorian Government announced a financial package that would provide Victoria with additional funding to produce film and television. This has resulted in an increase in production to that state by 40%. Queensland continues to dominate with the largest range of filming incentives.

In his industry analysis conducted in August 2000, Malcolm Long identified the need to provide filming incentives in NSW and this year the Film and Television Industry Attraction Fund commenced operation. This new initiative combined with the new federal Tax Offset Rebate, the FTO's Regional Filming Fund and the support of the network of regional film offices provides filmmakers with more reasons to stay in NSW.

FILM AND TELEVISION INDUSTRY ATTRACTION FUND

The Film and Television Industry Attraction Fund was developed by the FTO in partnership with DSRD to attract local and international production to NSW. The Fund is allocated \$600,000 per annum for three years, and can be applied to the production or post-production of feature films, telemovies, animation, mini series and TV series. While the introduction of this fund will assist in securing footloose production, NSW still faces considerable competition from similar attraction incentives valued at around \$2M per annum in Victoria and Queensland.

This year **The Matrix** sequels were assisted by the Film and Television Industry Attraction Fund. This production was considering other locations around the world and the fund ensured these projects were secured for NSW.

REGIONAL FILMING FUND

This was the first full year of production for the Regional Filming Fund (RFF) and eight grants were dispersed to film and television productions. The Fund commenced operation in January 2001 and provides financial assistance to Australian productions to shoot outside the Sydney metropolitan region, thereby providing economic benefit to local communities through the use of local services and the employment of extras. In February the FTO increased the maximum grant allowance from \$50,000 to \$100,000 per project.

The RFF annual allocation is \$500,000 which has generated a regional spend of over \$3M this year and allowed for the employment of over 750 local people in roles ranging from cast extras to production assistants, drivers, construction and local advisers. This represents a regional spend of more than six times the grants committed by the FTO, and an average of 80-90 local people employed per production.

Two documentaries, five feature films and one television series were supported, filming in regions as diverse as Broken Hill, Mudgee, Bellingen, Bathurst and Wilberforce. Projects funded included **Dirty Deeds**, **The Nugget** and **Always Greener**. A full listing of projects supported by the RFF can be found at Appendix 3.



DIRTY DEEDS



THE MATRIX ON LOCATION IN SYDNEY

TAX OFFSET REBATE

In 2001 the Federal Government introduced the Tax Offset Rebate for offshore productions filming in Australia. The tax offset will provide a refund of 12.5% of a film production's expenditure in Australia. This refund will be applied against Australian tax liabilities of the producer, and any excess will be paid directly to the production company.

The Tax Offset Rebate will be restricted to feature films, miniseries and telemovies with expenditure in Australia above \$15M. Where the expenditure is between \$15M and \$50M, at least 70% of the total production expenditure must be in Australia. Productions that spend over \$50M in Australia will qualify regardless of the percentage.

With the advent of this incentive, Australia is able to compete with other markets for US footloose production. The weak Australia dollar combined with the rebate has significantly lowered the cost of filming in Australia and interest from the major studios in bringing large budget features here has increased dramatically.

The Motion Picture Association of America (MPAA) is lobbying for the inclusion of TV series, which currently do not qualify under the rebate. A reversal of this decision would see a number of series currently filming in Canada and the US relocating to Australia.

AUSFILM

AusFILM is the national marketing body for Australian production services with membership comprised of service companies and each of the State Film Offices. The organisation has offices in Sydney and Los Angeles, and focuses on promoting Australia's capability as a film and television destination.

This year AusFILM received a \$1M per annum grant for three years from the Federal Government as part of a wider package of support for the Australian film and television industry. The funding will allow AusFILM to enhance its offshore marketing and work with government to promote Australia as a desirable filming destination. This will include increased trade missions to foreign markets, and the development of policy positions that will make filming within Australia simpler and more cost effective.

AusFILM will restructure its organisation in the new financial year. The FTO will continue to be a member and hold a position on the Board. In addition, the FTO's Chief Executive has been appointed to the AusFILM Executive Committee.

PITCHING FOR WORK

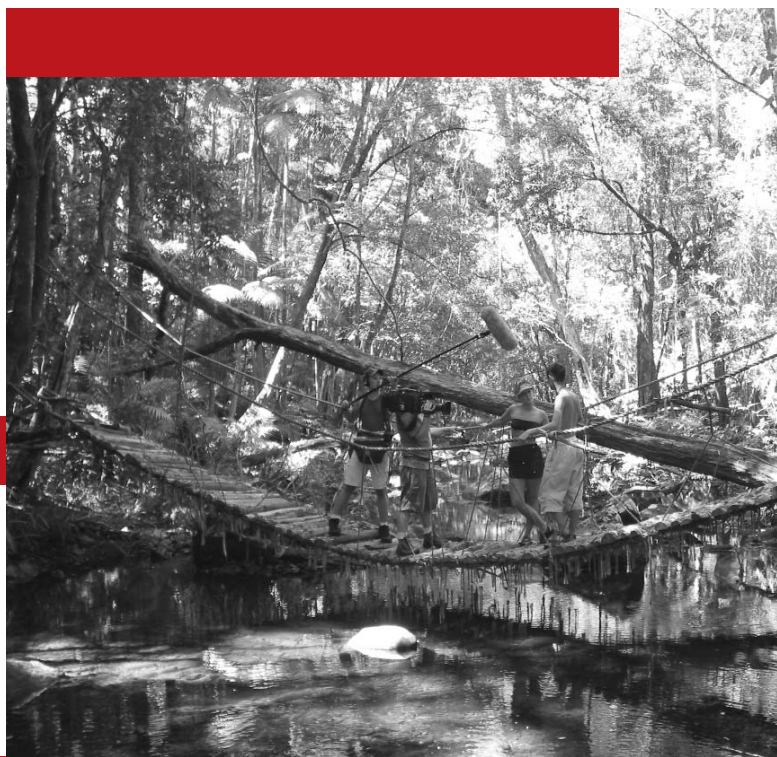
Each year the FTO facilitates visits from key international production personnel and pitches for footloose projects to shoot in NSW. While the number of pitches remained high this year, there was a decrease in inbound visits, largely due to the September 11 catastrophe.

This year the FTO pitched for 57 projects with a potential value of \$US1.2B. While the number of pitches remains consistent with the previous year, the value of the projects pitched for has increased from \$US800M.

During the three-year period ended 30 June 2002, the FTO pitched on a total of 152 projects. Of these 36 have either been completed or are in production, and distributed around the globe including: USA (9), NSW (6), Canada (6), Queensland (4) and Victoria (2). This represents a strike rate of 3.9% for NSW in that period, slightly higher than the 1-2% average acknowledged by most film commissions.

A three-year analysis allows a more effective assessment of the success rate of pitches and also takes into account the often significant lag time between a project pitch and the commencement of production.

For a full listing of pitches by PLU and inward visits by overseas production representatives to NSW see Appendix 8.



EDEN ON LOCATION IN PORT MACQUARIE

The FTO actively supports production in NSW by providing a wide range of services to filmmakers including information on locations, production facilities, industry contacts and methods of operation.

The Office also facilitates cooperation between industry and various government departments and agencies, providing mediation on problems that arise during the production process. As the only arbiter between location stakeholders and filmmakers, the FTO provides assistance to both parties when an impasse occurs.

IMPROVING THE PRODUCTION ENVIRONMENT

During the year the FTO continued its strategic policy initiative aimed at streamlining the process of obtaining permits for filming activities in NSW and to improve filming conditions, particularly in Sydney.

Last year's work with local government agencies to implement the Local Government Filming protocol continued, leading to a gradually improving filming environment in the majority of localities. The introduction of the Protocol has also proved effective in the elimination of questionable practices that had occurred across different council areas in Sydney, resulting in an improved processing and implementation of filming permissions.

The FTO continues to monitor and encourage the full uptake of the Protocol across NSW. Currently over 50% of all NSW councils have adopted the Protocol and many others are reviewing their own filming policies.

The Protocol model has been extended this year to the state government sector. The FTO and the Premier's Department are liaising with more than 20 government agencies with a view to establishing common and streamlined processes, policies, legal agreements and user-pays pricing models in a whole-of-government approach.

A reference protocol has been developed which has been made available for agencies to adopt, providing an efficient, legally robust permitting system, whilst presenting a common customer interface to the film industry. It is anticipated this new system will be adopted across the public sector in the latter half of 2002.

Several impediments to streamlined permissions have been identified within current planning regulations. The FTO, the Premier's Department and Planning NSW have identified solutions and a modified State Environment Planning Policy (SEPP 4) is expected to be introduced in the new financial year.

In partnership with the Premier's Department, the FTO developed a Round Table model to coordinate complicated location filming requiring the involvement of a range of government agencies. This approach was first used for **Mission Impossible II** and on the Jerry Bruckheimer feature, **Kangaroo Jack**. This model has since become part of the post Olympic strategy and has seen complicated events managed efficiently and without major disturbance to the city. Most recently it was used for filming **The Matrix** sequels, which required several street closures in the Sydney CBD to land a helicopter.

Other policy initiatives included the development of new planning guidelines for film studios, the review of the road rule in relation to film production, the use of police for filming and special events and the investigation of other laws and rules that would impede increased filming in the State.

The FTO is participating in review of NSW regulations covering the use of children in film and television. This review hopes to better match welfare requirements to production scheduling needs – an area where NSW regulation is currently clumsy. The Department of Community Services is currently consulting with sector on the FTO's proposed changes.

The Office is also continuing to work with industry on the development of a new filming safety code that will improve risk management practices and streamline access to certain state and federal properties where risk management concerns are high.

In an international context, the FTO has proven to be a leader in identifying innovative approaches to improving the production environment and implementing a whole-of-government approach to filming. At the *AFCI Cineposium* held in The Gold Coast in August 2002, FTO representatives presented sessions on recent policy initiatives including the round table approach and the development of protocols in NSW. The *Cineposium* is an international conference focussing on the work of film offices, and this was the first time the conference had been held in Australia. The FTO's work in this area was widely regarded as groundbreaking by conference participants.



DIRTY DEEDS ON LOCATION IN BROKEN HILL



KANGAROO JACK ON LOCATION IN SYDNEY

REGIONAL NETWORK

In an effort to encourage film and television production in regional NSW, the FTO has been instrumental in the establishment of a network of Regional Film Liaison Offices. These organisations work with local, state and federal agencies to facilitate the smooth operations of film and television production in their area.

Six Film Liaison Offices have been established or are under development in regional NSW:

- : Newcastle & Hunter Film & Television Office
- : Film Broken Hill
- : Film Illawarra
- : Film Mid North Coast
- : Northern Rivers Screenworks
- : Snowy River

The regional network has already paid dividends with the Mid North Coast region securing the English reality TV show **Eden**, through the combined efforts of the local film officer and the FTO. **Eden** filmed in the Port Macquarie area spending almost \$1M and employing more than 34 locals to facilitate the show.

The success of the network was highlighted at the recent *AFCI Cineposium* with June Tayloe from the Newcastle & Hunter Film & Television Office presenting a session on developing protocols for regional film commissions. The FTO sponsored representatives from the regional network to attend, providing an important opportunity for the regional officers to network and gain experience from other film commissioners.

DIGITISATION

As part of a budget enhancement, the FTO received funding to digitise its location library. This involved the installation of a new software package called FILM (Film Industry Location Manager), the conversion of all hard copy photos to digital format, inputting of location data and the development of a cut-down version to take to trade shows.

The software was developed by a Canadian company Macsol, and is currently used by several film commissions in Canada and Europe. Macsol are delivering the system in partnership with a local company, Digital Masters, and have since won a tender to implement FILM for Film Victoria.

FILM enables the FTO to provide efficient responses to enquiries from filmmakers for information on locations in NSW. The system also provides the capability to deliver photo pitches in electronic and printed formats.

The software installation is now complete and the data input will be completed early in the new financial year. The FTO plans to make the system available online by January 2003.

TRAINING

Training for Location Managers was identified as a priority, as a shortage of qualified professionals has long been a problem for the industry.

While the FTO has been training individuals in an ad hoc fashion via mediation when location issues arise, a short course covering the fundamentals of location management would provide long-term benefit to the industry. As production levels increase, and the complexities of larger productions make location filming harder, it is clear that formalised training is imperative for the smoother operation of filming in NSW.

The FTO is investigating options to deliver this kind of training in partnership with the Australian Film Television and Radio School in the coming year.



TWO THIRDS SKY



THE PACT

In August 2000 Malcolm Long and Associates delivered a report to the NSW Government, providing a strategic analysis of the NSW film and television industry. This report identified key strategies important to long-term industry development, and the role the State Government might play in the realisation of this development.

The Film Industry Steering Committee (FISC) was established in partnership with the Premier's Department and the DSRD to implement the recommendations of the Long Report and review industry issues that required a whole-of-government approach.

Since the completion of the report the NSW Government has initiated significant industry support measures including a \$500,000 program of additional script development assistance, the creation of a \$600,000 Film and Television Industry Attraction Fund, the establishment of a \$500,000 Regional Filming Fund and the digitisation of the FTO locations library.

Malcolm Long was asked to update his original report in light of substantial changes that occurred during the course of the year, not least of which being the introduction of the federal Tax Offset Rebate. This analysis forms part of the ongoing discussion with government about the development of suitable infrastructure in NSW.

INFRASTRUCTURE

Work continued during the year to develop the infrastructure necessary to support the growth and sustainability of the NSW industry, and the FISC is currently examining the volume of sound stages available in Sydney.

Fox Studios, with the support of the State Government received planning approval to convert the 'backlot' area into more production facilities. This will include a new 3,500 square metre sound stage, a live theatre stage and production offices, effectively increasing the Fox production facility by 40%. This conversion and construction is due to be completed by December 2002.

Tenants of the Canal Road Film Centre successfully negotiated with government to take out a long term lease, and the centre is now operating with almost 100% capacity. The Department of Public Works and Services are in the process of completing renovations on the site.

The FTO has also been instrumental in the development of FIBRE (Film Industry Broadband Resource Enterprise), established to secure affordable access to high-speed digital networks for the film and television industry. The initiative has since secured federal funding for two years, and continues to explore options to achieve a competitive solution for the local post-production sector.

Negotiations continue with Government about the short and medium term infrastructure needs of the NSW industry.

TO POSITION NSW AS A PREFERRED CHOICE FOR LOCAL AND INTERNATIONAL FILMING.

PROFILE

TO POSITION THE FTO AS AN ACTIVE FACILITATOR OF THE FILM AND TELEVISION INDUSTRY IN NSW.



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42 PROFILE



FTO ANNUAL PARTY

THE MAN WHO SUED GOD PARLIAMENTARY SCREENING



AURORA PARTICIPANTS AT PAPERBARK CAMP

Throughout the year the FTO has been actively promoting the local film and television industry and ensuring NSW maintains a profile as a preferred and competitive location for offshore production. This is achieved through targeted advertising campaigns in local and international industry publications, facilitating visits by offshore filmmakers, and FTO representation at overseas expos and trade delegations.

As part of a wider marketing strategy, and to further consolidate the FTO brand, a comprehensive range of international marketing materials were developed and a selection was entered in the *Association of Film Commissioners International Annual Marketing Awards*. The FTO received an award in each category entered: First place – Advertising Category, Second Place – Website Category and an Honourable Mention for the *Location, Location, Location* publication.

A trade stand promoting NSW as a filming location was developed in late 2001, and has already travelled to major local and international expos and events, further strengthening the State's position as the hub of the Australian industry.

At the local level the Office continued to promote FTO programs and services to facilitate widespread awareness of the film and television industry and the role of the FTO. The FTO also consults widely with filmmakers to ensure policy development remains effective and relevant to the needs of industry.

Staff are frequently approached to provide presentations at industry functions and seminars and participate in radio, television and press interviews on a range of issues. The FTO also actively pursues greater links with practitioners and communities outside of the Sydney metropolitan region, with representatives attending events and meetings in the Northern Rivers, Central West, Mid North Coast, South Coast and Illawarra regions.

Achieving sufficient resources to effectively market the FTO and the local industry continues to be a challenge, and the Office is investigating ways of increasing staffing and budgets available to this important activity.



FTO ANNUAL PARTY



YFF ROUND 11 ANNOUNCEMENT



DIRTY DEEDS PARLIAMENTARY SCREENING

WEBSITE

In accordance with the Government's Electronic Service Delivery requirements, the FTO undertook a design and structural review of its website. The project was put to tender and awarded to Massive Interactive. The new site was launched in December, featuring a new interface and navigation design, and a substantially revised information architecture.

The relaunched site contains many new features, providing a comprehensive and accessible source of information on the FTO's activities, initiatives and programs of assistance. A global search function has been added and the Programs of Assistance section redeveloped to contain information relevant for every funding program, including guidelines and application forms, frequently asked questions and recent funding approvals.

The Filming in NSW section was expanded to include a locations gallery and an industry directory, and serves as an important marketing tool to showcase the range of services and facilities available for overseas filmmakers.

The website also incorporates a content management section, to reduce maintenance resources and allow for more efficient and timely content updates.

Visits to the site have increased substantially since the relaunch and have risen by 235% since the previous reporting period. Subscribers to the FTO's electronic news service continue to grow, with 1,375 recipients as at 30 June, an increase of 37% from 00/01. In addition, the FTO has expanded its email services to include targeted subscription lists for individual programs.

PARLIAMENTARY SCREENINGS

Each year the Office organises film screenings at NSW Parliament House to showcase FTO funded films to government. The screenings are open to Members of Parliament, electoral staff and guests.

In October the FTO screened **The Man Who Sued God**, directed by Mark Joffe, produced by Ben Gannon and starring Billy Connolly and Judy Davis. The evening was hosted by Mr Wayne Smith, Member for South Coast. **The Man Who Sued God** was shot at Bermagui and Kiama and received production investment and a Regional Filming Fund grant from the FTO. Screening before the feature was the Young Filmmakers Fund (YFF) short, **Hoppin' Mad**, directed by David McKay, produced by Georgina Wilson and written by Judi McCrossin.

In June the FTO presented **Dirty Deeds**, written and directed by David Caesar, produced by Bryan Brown and starring Toni Collette, Bryan Brown, John Goodman and Sam Neill. **Dirty Deeds** received development assistance, production investment and a production loan from the FTO. The YFF short film **Laquiem**, written and directed by Andree Greenwell and produced by Danielle Townsend was also screened. The evening was hosted by the Minister Assisting the Premier on the Arts, the Hon. Bob Debus, and attended by filmmakers Bryan Brown, David Caesar and Andree Greenwell.



PAINTING WITH LIGHT IN A DARK WORLD



DON'T BLAME ME

SEPTEMBER 2001

Young Filmmakers Fund Round 10 projects and Digital Visual FX Traineeship placements announced by Rachel Ward

OCTOBER 2001

How Long is a Piece of String? digital fx seminar for filmmakers held at Fox Studios
 Hosted networking event for delegates to Local Government & Shires Association of NSW Annual Conference in Wollongong
 Parliamentary Screening of **The Man Who Sued God**, directed by Mark Joffe and produced by Ben Gannon

DECEMBER 2001

Hosted *Flicks in the Sticks* workshop at the Olympia Theatre, Bombala

FEBRUARY 2002

FTO industry presentation at *Byron All Screens Celebration Film Festival*, Bangalow

MARCH 2002

Annual FTO Industry 'Christmas' party at the M Room at Circular Quay

Fellowships recipients announced by Shane Simpson, FTO Chair

Successful Aurora projects announced by Hon. Bob Carr, Premier of NSW and Aurora Patron, Jane Campion
 Hosted function to introduce SIGGRAPH representatives to local film and television industry

APRIL 2002

Aurora cocktail party at Arena Bar, Fox Studios to welcome international advisors

Inaugural Aurora workshop at Paperbark Camp, Jervis Bay

Hosted *Flicks in the Sticks* workshop at the Bellingen Valley Cinema, Bellingen

MAY 2002

FTO/ NSW Department of State & Regional Development (DSRD) seminar on venture capital

Ocean to Outback – Regional Tour for TVC Producers, organised in partnership with DSRD

Hosted **Beneath Clouds** screening at Cascades Cinema, Moree

JUNE 2002

Parliamentary Screening of **Dirty Deeds**, written and directed by David Caesar and produced by Bryan Brown

Hosted trade delegation to *Shanghai International Film Festival and TV Market* attended by eight NSW companies

FTO Presentation at Port Kembla Senior College on careers in digital media

Young Filmmakers Fund Round 11 projects and launch of YFF Gallery announced by Paul McDermott

TO MANAGE SYSTEMS AND SERVICES TO SUPPORT THE STAFF,
BOARD, GOVERNMENT AND EXTERNAL CLIENTS OF THE FTO.

FTO AS AN ORGANISATION





BECOMING JULIA (PHOTO ELLA DREYFUS)

CORPORATE SERVICES PROVISION

The FTO's corporate services functions were outsourced to Central Corporate Services Unit (CCSU), a division of the NSW Department of Public Works & Services, in the early 1990s. This included all HR, accounts receivable and payable, general ledger and reporting functions. There had been a number of ongoing problems with CCSU as their standard services did not meet specific FTO requirements.

Several meetings were held with CCSU during the year to review the Service Level Agreement and improve corporate service delivery. General service provision review areas were identified and the FTO was awaiting CCSU's implementation. However, this process was discontinued, and as part of the Ministry for the Arts corporate reform strategies to achieve productivity savings, the FTO is piloting corporate service provision through the Powerhouse Museum. This will take effect from 1 July 2002.

The Powerhouse software has the ability to be segmented off into discreet 'districts', which will enable the FTO to have a separation from the Museum's activities and have its own Chart of Accounts, reporting structure and processing. This will better meet the Office's business and processing needs.

BOARD

The FTO's Board met regularly throughout the year, either in person, or by teleconference. As well as formal papers for discussion or decision, and regular reports regarding FTO activities, informal briefings are often held at the conclusion of monthly meetings to familiarise the Board with the staff and workings of the FTO's individual departments.

The Board is also responsible for approving the FTO's yearly Budget, and included in the briefings this year was information regarding the NSW Government's move to Net Cost of Services (NCOS). The FTO has been accessing cash reserves to fund key strategic initiatives in past years, and whether this can continue, and to what level, is affected by the NCOS strategy. The Board's budget decisions have been guided by this.

CORPORATE GOVERNANCE

The FTO continued to meet its reporting and statutory requirements throughout the year. In addition, the Office has been involved in various committees through the Ministry for the Arts, and the NSW Premier's Reform and Review Committee, looking at increasing productivity savings throughout NSW Government generally and specifically within the Arts portfolio.

INFORMATION MANAGEMENT

Throughout the year, the Office has been working on upgrading and streamlining its information management strategy to ensure recent privacy, FOI and records management requirements are fully incorporated. Enhancing database security within the FTO has also been a focus of the review. The outcomes of the review included the need for staff training, introduction of a centralised contacts system, up-to-date documentation for databases, and a rationalisation of existing databases so only valid records are included. A revision of several databases was also recommended, and is currently underway.

BUSINESS CONTINUITY STRATEGY

The Office upgraded its computer and data back-up strategies during the year and is currently reviewing its business continuity plan. This is expected to be finalised and implemented in the new financial year. In the interim, the FTO has introduced off-site storage of daily back-up tapes of its electronic data.

There were two occasions during the year when the decision was taken to close the Office for half a day. The first occasion followed a fire in a lift in the building which resulted in cuts to the FTO's electricity and water supplies. The second instance, two weeks later, was due to a flood on a higher floor which resulted in water damage and electricity interruption to the Office.

GOVERNMENT DOCUMENTARY DIVISION

Towards the end of 2001, the FTO took a decision to change the way in which it offers assistance to Government departments with their video production needs. This decision resulted in the closure of the Government Documentary Division (GDD) and the dissemination of material from completed programs either to the original commissioning departments, or to State Records.

The FTO is publishing a 'how to' kit for government departments which will detail the accumulated experience and practical knowledge established through many years of GDD's successful operation. This will provide government departments with a solid foundation of good practice for their future productions.

HUMAN RESOURCES

The Office engaged DGR Consulting to consider models for a performance review system, which will be implemented in the new financial year.

The FTO is also examining training requirements, identifying the professional and personal development needs of staff. General office software packages including Filemaker, Word and Excel, are currently being addressed, and other, more specific functional unit training requirements will be addressed in the coming year.

The FTO's informal introduction of a revised flexible working hours policy is planned to be ratified through the Public Sector Management Office in the coming year.



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48 PERFORMANCE INDICATORS



TEMPTATION

BUENAS MEMORIAS DE CUBA

AWARDS ACHIEVED AT LOCAL AND INTERNATIONAL FESTIVALS

	99/00	00/01	01/02
Young Filmmakers Fund	12	5	3

REASONABLE RETURN OF INVESTMENT

Since 1992 (until 30 June 2002), the FTO has invested \$17,163,000 for an overall return of \$4,689,000 (27% return of investment).

NB. These figures exclude Minor Cashflow Loans (which are repaid in full). In 01/02 the FTO provided 2 Minor Cashflow Loans totalling \$40,000.

INVESTMENT CONTRIBUTION TO ECONOMIC BENEFIT IN NSW

	99/00	00/01	01/02
FTO investment in film & television production	\$2.1M	\$1.8M	\$2.7M
Production expenditure in NSW generated by investment	\$21M	\$30.4M	\$29.9M

FILM PRODUCTION SPEND IN NSW

	99/00	00/01	01/02
	\$351M	\$304M	\$353M

FACILITATE REGIONAL ACCESS TO CINEMA

In 01/02, the FTO facilitated access to cinema in regional NSW with a range of initiatives:

- : The Regional Cinema Officer visited five regional areas to meet with cinema and community groups (Upper Hunter, Far North Coast, Mid North Coast, North West and Southern Tablelands).
- : The FTO hosted two *Flicks in the Sticks* Regional Cinema workshops (Bombala and Bellingen).
- : New Regional Cinema section added to FTO website.
- : 56 copies of Regional Cinema Guide sold/distributed.
- : The FTO conducted a Cinema Survey to gather more comprehensive data on cinema activity occurring across NSW.
- : FTO staff conducted five interviews on regional radio and spoke at three regional arts and cultural conferences.

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Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we certify, to the best of our knowledge and belief, and in accordance with a resolution of the Board of the New South Wales Film and Television Office, that:

- : The financial statements have been prepared in accordance with the provisions of the Act, the *Public Finance and Audit (General) Regulation 2000* (as applicable), the *Financial Reporting Code for Budget Dependant General Government Sector Agencies* and the Treasurer's Directions;
- : The Financial Statements exhibit a true and fair view of the financial position of the New South Wales Film and Television Office as at 30 June 2002, and of the operations for the year then ended;
- : We are not aware of any circumstances at the date of this statement, which would render any particulars included in the financial statements to be misleading or inaccurate.



SHANE SIMPSON
Chair

At: Sydney
Date: 10 October 2002



LAURIE PATTON
Deputy Chair

At: Sydney
Date: 10 October 2002



GPO BOX 12
SYDNEY NSW 2001

To Members of the New South Wales Parliament

SCOPE

I have audited the accounts of the New South Wales Film and Television Office for the year ended 30 June 2002. The members of the Board are responsible for the financial report consisting of the accompanying statement of financial position, statement of financial performance, statement of cash flows and summary of compliance with financial directives, together with the notes thereto, and information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act). My responsibility does not extend to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report of the New South Wales Film and Television Office complies with sections 41B and 41BA of the Act and presents fairly, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the Office as at 30 June 2002 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'S. McLeod'.

S McLeod, FCPA
Director of Audit

SYDNEY
14 October 2002

	NOTE	ACTUAL 2002 \$'000	BUDGET 2002 \$'000	ACTUAL 2001 \$'000
EXPENSES				
Operating Expenses:				
Employee Related	2(a)	1,506	1,308	1,161
Other Operating Expenses	2(b)	1,844	2,532	1,519
Maintenance		35	27	23
Depreciation	2(c)	154	142	127
Grants and Subsidies	2(d)	4,295	4,775	4,969
TOTAL EXPENSES		7,834	8,784	7,799
Less:				
RETAINED REVENUE				
Sale of Goods and Services	3(a)	169	1,045	538
Investment Income	3(b)	291	309	332
Other Revenue	3(c)	851	0	623
TOTAL RETAINED REVENUE		1,311	1,354	1,493
GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS	4	0	0	(2)
NET COST OF SERVICES		6,523	7,430	6,308
GOVERNMENT CONTRIBUTIONS:				
Recurrent Appropriation	5	6,996	6,996	5,683
Capital Appropriation	5	44	44	42
Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities	6	99	50	91
TOTAL GOVERNMENT CONTRIBUTIONS		7,139	7,090	5,816
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		616	(340)	(492)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		0	0	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	15	616	(340)	(492)

[The accompanying notes form part of these statements]

	NOTE	ACTUAL 2002 \$'000	BUDGET 2002 \$'000	ACTUAL 2001 \$'000
CURRENT ASSETS				
Cash	8	8,034	6,240	6,403
Receivables	9	1,309	2,436	2,516
TOTAL CURRENT ASSETS		9,343	8,676	8,919
NON-CURRENT ASSETS				
Plant and Equipment	10	194	214	312
Receivables	9	1,053	1,350	1,350
TOTAL NON-CURRENT ASSETS		1,247	1,564	1,662
TOTAL ASSETS		10,590	10,338	10,581
CURRENT LIABILITIES				
Payables	12	93	427	428
Employee Entitlements and Other Provisions	13	139	125	125
Other	14	670	1,147	1,147
TOTAL CURRENT LIABILITIES		902	1,699	1,700
NON-CURRENT LIABILITIES				
Other	14	453	262	262
TOTAL NON-CURRENT LIABILITIES		453	262	262
TOTAL LIABILITIES		1,355	1,961	1,962
NET ASSETS		9,235	8,377	8,619
EQUITY				
Accumulated Funds	15	9,235	8,279	8,619
TOTAL EQUITY		9,235	8,279	8,619

[The accompanying notes form part of these statements]

NEW SOUTH WALES FILM AND TELEVISION OFFICE
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	ACTUAL 2002 \$'000	BUDGET 2002 \$'000	ACTUAL 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PAYMENTS				
Employee Related		(1,459)	(1,258)	(1,112)
Grants and Subsidies		(4,295)	(4,775)	(4,969)
Other		(3,279)	(3,384)	(2,208)
TOTAL PAYMENTS		(9,033)	(9,417)	(8,289)
RECEIPTS				
Sale of Goods and Services		224	1,045	562
Interest Received		327	309	330
Other		1,651	820	1,259
TOTAL RECEIPTS		2,202	2,174	2,151
CASH FLOWS FROM GOVERNMENT				
Recurrent Appropriation		6,996	6,996	5,683
Capital Appropriation		44	44	42
Cash Reimbursements from the Crown Entity		66	84	53
NET CASH FLOWS FROM GOVERNMENT		7,106	7,124	5,778
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	275	(119)	(360)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Plant and Equipment		(36)	(44)	(42)
Repayment of Revolving Fund Advances		3,200	0	2,148
Advances from Revolving Fund		(1,808)	0	(1,895)
NET CASH FLOWS USED ON INVESTING ACTIVITIES		1,356	(44)	211
NET INCREASE/(DECREASE) IN CASH		1,631	(163)	(149)
Opening Cash and Cash Equivalents		6,403	6,403	6,552
CLOSING CASH AND CASH EQUIVALENTS	8	8,034	6,240	6,403

[The accompanying notes form part of these statements]

	2002				2001			
	RECURRENT APPROPRIATION \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	RECURRENT APPROPRIATION \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000
ORIGINAL BUDGET APPROPRIATION/EXPENDITURE								
- Appropriation Act	6,996	6,996	44	44	5,684	5,683	45	42
- Additional Appropriations								
- s 21A PF&AA – Special Appropriations								
- s 24 PF&AA – Transfer Functions Between Departments								
- s 26 PF&AA Commonwealth Specific Purpose Payments								
	6,996	6,996	44	44	5,684	5,683	45	42
OTHER APPROPRIATION/ EXPENDITURE								
- Treasurer's Advance	0	0	0	0	0	0	0	0
- Section 22 – Expenditure for Certain Works and Services								
- Transfers from Another Agency (s 26 of the Appropriation Act)								
	0	0	0	0	0	0	0	0
TOTAL APPROPRIATIONS/ EXPENDITURE/NET CLAIM ON CONSOLIDATED FUND (INCLUDES TRANSFER PAYMENTS)	6,996	6,996	44	44	5,684	5,683	45	42
AMOUNT DRAWN DOWN AGAINST APPROPRIATION		6,996		44		5,683		45
LIABILITY TO CONSOLIDATED FUND		0		0		0		(3)

Notes to the Summary of Compliance with Financial Directives

- (a) FTO is a single program entity and as such does not prepare a separate Program Statement.
- (b) The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first, unless for specifically identifiable appropriations.
- (c) The Liability to Consolidated Fund is calculated as the difference between 'Amount drawn down against Appropriation' and 'Total Expenditure/Net Claim on Consolidated Fund'.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) REPORTING ENTITY

The New South Wales Film and Television Office (FTO), as a reporting entity, includes the agency's commercial activities, namely promoting and assisting the NSW film and television industry and providing executive producer services for documentaries made for government departments and authorities.

The reporting entity is consolidated as part of the NSW Total State Sector and as part of the NSW Public Accounts.

The FTO is a separate reporting entity. There are no other entities under its control.

As the FTO is a single program entity, the financial operations disclosed in the Statement of Financial Performance and Statement of Financial Position are those of the FTO's programs. Accordingly, a separate supplementary program information schedule has not been prepared.

(b) BASIS OF ACCOUNTING

FTO's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with:

- : applicable Australian Accounting Standards;
- : other authoritative pronouncements of the *Australian Accounting Standards Board (AASB)*;
- : Urgent Issues Group (UIG) Consensus Views;
- : the requirements of the *Public Finance and Audit Act 1983* and Regulations; and
- : the Financial Reporting Directions published in the *Financial Reporting Code for Budget Dependent General Government Sector Agencies* or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 'Accounting Policies' is considered.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) GOVERNMENT DOCUMENTARY DIVISION (GDD)

Amounts received in advance by GDD for the production of documentary videos are held on behalf of the other party and are reflected as a liability in the Statement of Financial Position. When expenditure is incurred in the production of videos, the amount expended is treated as reducing the liability to the other party. The revenue and associated costs of videos produced during the year are reflected in the Statement of Financial Performance.

GDD charges a commission for managing the production of documentary videos.

Sales of dubbed copies of videos are accounted for as user charge revenue from print sales in the period in which they were provided to the customers.

This Division was closed as at 12 December 2001 and work on hand completed during the year. Where surplus funds are held, these will be returned. Some refunds have already been made. The balance will be cleared in 02/03.

(d) PROJECT DEVELOPMENT

Project Development funding is recognised as payments are made (Note: 2 (d)). Unpaid instalments scheduled in the contract have been shown at year end as commitments in Note: 16. When a script goes into production the principal is repaid to the FTO and treated as revenue (see Note: 3(c)), while interest is returned to the Crown Entity (Note: 14). Further details are provided in Note: 17.

(e) PRODUCTION INVESTMENT SUBSIDY

The Production Investment Subsidy was established to encourage film and television production in NSW. This objective was adopted in the context of a decline in NSW share of production activity, caused by other States offering incentives. The benefits to NSW are both economic and cultural. All commitments at year end have been shown in Note: 16. Subsidies are provided on the basis that repayment to the FTO will be made from proceeds arising from any profitable production. Further details are provided in Note: 17.

(f) ADMINISTERED ACTIVITIES

Except for interest earned on Project Development Loans, the FTO does not administer any activities on behalf of the Crown Entity.

(g) REVENUE RECOGNITION

Revenue is recognised where the FTO has control of the good or right to receive, it is probable that the economic benefits will flow to the FTO and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) REVENUE RECOGNITION (CONTINUED)

(i) PARLIAMENTARY APPROPRIATIONS AND CONTRIBUTIONS FROM OTHER BODIES

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the FTO obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, any unspent appropriations are now accounted for as liabilities rather than revenue.

(iii) SALE OF GOODS AND SERVICES

Revenue from the sale of goods and services comprises revenue from the provision of products or services, ie. user charges. User charges are recognised as revenue when the FTO obtains control of the assets that result from them.

(iii) INVESTMENT INCOME

Interest revenue is recognised as it accrues.

(h) EMPLOYEE ENTITLEMENTS

(i) SALARIES, ANNUAL LEAVE, SICK LEAVE AND ON-COSTS

Liabilities for salaries and wages, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts for payroll tax, workers' compensation insurance premiums and fringe benefit tax, which are consequential to employment are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

(ii) LONG SERVICE LEAVE AND SUPERANNUATION

The FTO's liabilities for long service leave and superannuation are assumed by the Crown Entity. The FTO accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities'.

Long service leave is measured on a nominal basis. The nominal method is based on remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The Superannuation expense for the financial year is determined by using formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie. State Superannuation Fund and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(i) INSURANCE

The FTO's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(j) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- : the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
 - : receivables and payables are stated with the amount of GST included.
-

(k) ACQUISITION OF ASSETS

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the FTO. Cost is determined as the fair value of the asset given as consideration plus costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(l) PLANT AND EQUIPMENT

Items of plant and equipment costing \$500 and above individually are capitalised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) REVALUATION OF PHYSICAL NON-CURRENT ASSETS**

As the FTO does not own land, building or infrastructure assets, management considers it unnecessary to carry out a revaluation of physical non-current assets every five years, unless it becomes aware of any material difference in the carrying amount of any class of assets. It is considered by management that the written down value of its non-current assets (computers, plant and equipment etc) would approximately equate to market value.

As the FTO is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows, the recoverable amount test has not been applied.

(n) DEPRECIATION OF NON-CURRENT PHYSICAL ASSETS

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the FTO.

DEPRECIATION RATES	% RATE
Computer Equipment	25.00%
General Plant and Equipment	14.30%
Office Fit Out	Over the life of the lease

(o) MAINTENANCE AND REPAIRS

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(p) LEASED ASSETS

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The leasing transactions of FTO are restricted to operating leases of buildings. Lease payments are recognised as expenses over the lease terms.

(q) RECEIVABLES

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(r) PAYABLES

These amounts represent liabilities for goods and services provided to the FTO and other amounts, including interest. Interest is accrued over the period it becomes due.

(s) BUDGETED AMOUNTS

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and / or s26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts per the audited financial statements (rather than carried forward estimates).

2. EXPENSES**(a) EMPLOYEE RELATED**

	2002 \$'000	2001 \$'000
Employee Related Expenses comprise the following specific items:		
Salary and Wages (including Recreation Leave)	1,330	1,020
Superannuation	74	67
Payroll Tax on Superannuation	4	4
Long Service Leave	21	20
Workers Compensation Insurance	12	11
Payroll and Fringe Benefits Tax	65	39
	1,506	1,161

The FTO charges the full cost of long service leave and the current service cost of superannuation to operations. However, as the FTO's liability for long service and superannuation is assumed by the Crown Entity, the FTO accounts for the liability as having been extinguished. This results in non-monetary revenue described as 'Acceptance by the Crown Entity of Employee Entitlements and Other Liabilities' (Refer Note: 1(h)(ii)).

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

2. EXPENSES (CONTINUED)**(b) OTHER OPERATING EXPENSES**

	2002 \$'000	2001 \$'000
Advertising and Promotion	47	43
Auditor's Remuneration		
Audit or Review of the Financial Reports	24	25
Insurance	10	8
Corporate Services	75	70
Operating Lease Rental Expenses		
Minimum Lease Payments	262	234
Consultancies	105	64
Doubtful Debts	120	40
GDD Productions	116	387
Legal Fees	8	0
Expenses Associated with Grants and Subsidies	380	241
Other Operating Expenses	697	407
	1,844	1,519

(c) DEPRECIATION AND AMORTISATION

	2002 \$'000	2001 \$'000
Depreciation		
Computer Equipment	19	12
General Plant and Equipment	4	5
Amortisation		
Office Fit Out	131	110
	154	127

(d) GRANTS AND SUBSIDIES

	2002 \$'000	2001 \$'000
Young Filmmakers Fund	113	516
Industry and Audience Development	367	418
Project Development	1,010	939
New Media	93	116
Regional Filming Fund	242	128
Other Industry Promotion	499	289
Production Investment Fund	1,605	2,143
Australian Childrens' Television Foundation	110	110
Legal Expenses Associated with Grants and Subsidies	178	310
Aurora Script Development Workshops	78	0
	4,295	4,969

Funding programs approved by FTO in 01/02 were:

	EXPENSED* \$'000	FORWARD YEARS COMMITMENT** \$'000	TOTAL \$'000
Young Filmmakers Fund	110	127	237
Industry and Audience Development	367	51	418
Project Development	711	275	986
New Media	93	0	93
Regional Filming Fund	242	183	425
Other Industry Promotion	485	0	485
Production Investment (excluding Cashflow Loans)	1,003	1,708	2,711
Australian Childrens' Television Foundation	110	0	110
Aurora Script Development Workshops	78	42	120
	3,199	2,386	5,585

* Details of grants approved in 01/02 and included in the above table.

** Details of grants (excluding GST) approved in 01/02 where expenses will be incurred in forward years.

3. REVENUES**(a) SALE OF GOODS AND SERVICES**

	2002 \$'000	2001 \$'000
Revenue from GDD Productions	259	370
GDD Productions Refunds	(177)	0
Revenue from GDD Print Sales	87	168
	169	538

(b) INVESTMENT INCOME

	2002 \$'000	2001 \$'000
Interest	291	332
	291	332

(c) OTHER REVENUE

	2002 \$'000	2001 \$'000
Project Development Returns	145	185
Production Investment Returns	508	308
Other	198	130
	851	623

4. GAIN/(LOSS) ON SALE OF NON-CURRENT ASSETS

	2002 \$'000	2001 \$'000
Proceeds from Disposal	0	0
Written Down Value of Assets Disposed	0	(2)
GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS	0	(2)

5. APPROPRIATIONS

	2002 \$'000	2001 \$'000
RECURRENT		
Total Recurrent Drawdowns from Treasury (per Summary of Compliance)	6,996	5,683
	6,996	5,683
Comprising:		
Recurrent Appropriations (per Statement of Financial Performance)	6,996	5,683
TOTAL	6,996	5,683
CAPITAL		
Total Capital Drawdowns from Treasury (per Summary of Compliance)	44	45
Less: Liability to Consolidated Fund (per Summary of Compliance)	0	(3)
	44	42
Comprising:		
Capital Appropriations (per Statement of Financial Performance)	44	42
TOTAL	44	42

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

	2002 \$'000	2001 \$'000
The following liabilities and/or expenses have been assumed by the Crown Entity		
Superannuation	74	67
Payroll Tax	4	4
Long Service Leave	21	20
	99	91

7. PROGRAMS/ACTIVITIES OF THE NEW SOUTH WALES FILM AND TELEVISION OFFICE

PROGRAM 1 Objective: To promote and assist the NSW film and television industry.

8. CURRENT ASSETS – CASH

	2002 \$'000	2001 \$'000
Cash at bank and on hand	8,034	6,403
	8,034	6,403

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at bank.
Cash assets recognised in the Statement of Financial Position are the same as those recognised in the Statement of Cash Flows.

9. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

	2002 \$'000	2001 \$'000
CURRENT		
Sale of Goods and Services	146	81
Cashflow Loans	40	40
GST Receivable	31	52
Accrued Interest	118	154
Revolving Fund	1,174	2,269
	1,509	2,596
Less: Provision for Doubtful Debts	200	80
	1,309	2,516
NON-CURRENT		
Revolving Fund	1,053	1,350
	1,053	1,350

10. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	2002 \$'000	2001 \$'000
PLANT & EQUIPMENT		
At Cost	622	586
Accumulated Depreciation at Cost	(428)	(274)
TOTAL PLANT AND EQUIPMENT AT NET BOOK VALUE	194	312
RECONCILIATIONS		
Carrying Amount at Start of Year	312	399
Additions	36	42
Disposals/Write-offs	0	(2)
Depreciation Expense	(154)	(127)
CARRYING AMOUNT AT END OF YEAR	194	312

FTO continues to derive service potential and economic benefits from the following fully depreciated assets.

	QUANTITY	COST \$'000
Computer Equipment	40	53
Office Equipment	2	6

11. RESTRICTED ASSETS

Cash at bank includes \$2,772,715 which forms the available cash component of a Revolving Fund of \$5 million used to fund film production by way of repayable advances. This balance fluctuates depending on the outstanding loans. In addition, funds of \$545,731 (2001 \$820,224) relate to the activities of the former Australian Films International Inc and to the former New South Wales Film Corporation are also held in Cash at Bank. The use of these funds is restricted.

12. CURRENT LIABILITIES – PAYABLES

	2002 \$'000	2001 \$'000
Creditors	93	428
	93	428

13. CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS AND OTHER PROVISIONS

	2002 \$'000	2001 \$'000
EMPLOYEE ENTITLEMENTS		
Recreation Leave Provision	96	92
Accrued Salaries and Wages	43	33
AGGREGATE EMPLOYEE ENTITLEMENTS	139	125

14. CURRENT/NON-CURRENT LIABILITIES – OTHER

	2002 \$'000	2001 \$'000
CURRENT		
Prepaid Interest - Revolving Fund Loans	45	86
Funds Held on Behalf of Other Government Departments	60	219
Interest on Project Development Loans Payable to the Crown Entity	19	19
Liability to Consolidated Fund	0	3
NSW Government	546	820
	670	1,147
NON-CURRENT		
Funds Held on Behalf of Investors in Motion Pictures	453	262
	453	262

A review was carried out during the year of expenses and costs paid out by the FTO on behalf of the Pepper Catalogue, which has been the subject of litigation in previous years. These payments by the FTO should have been reimbursed to the FTO from the Consolidated Fund in the year they were incurred. As such, an amount of \$274,000 was reimbursed to the FTO to represent expenses paid out but not claimed.

15. CHANGES IN EQUITY

CHANGES IN EQUITY – MOVEMENT	ACCUMULATED FUNDS		TOTAL EQUITY	
	2002	2001	2002	2001
Balance at the beginning of the financial year	8,619	9,111	8,619	9,111
Changes in equity – transactions with owners as owners	0	0	0	0
TOTAL	8,619	9,111	8,619	9,111
Changes in equity – other than transactions with owners as owners				
Surplus/(Deficit) for the year	616	(492)	616	(492)
TOTAL	616	(492)	616	(492)
BALANCE AT THE END OF THE FINANCIAL YEAR	9,235	8,619	9,235	8,619

16. COMMITMENTS FOR EXPENDITURE**(a) CAPITAL COMMITMENTS**

As at 30 June 2002, the FTO had no capital commitments.

(b) OTHER EXPENDITURE COMMITMENTS

As at 30 June 2002, the FTO had committed the following amounts for payment within the next twelve months:

	\$'000
Young Filmmakers Fund	140
Industry and Audience Development	56
Project Development	303
Regional Filming Fund	201
Production Investment	1,879
Aurora Script Development Workshops	46
TOTAL	2,625

The total expenditure commitments includes GST of \$239,000 (\$81,000 in 00/01) which is a contingent asset for the FTO.

16. COMMITMENTS FOR EXPENDITURE (CONTINUED)**(c) OPERATING LEASE COMMITMENTS**

	2002	2001
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	228	249
Later than one year and not later than five years *	0	228
TOTAL (INCLUDING GST)	228	477

The lease on the FTO's premises on level 7, 157 Liverpool Street, Sydney commenced on 1 June 1999. The lease is for a period of 4 years with an option of a further four. An estimated amount of \$20,727 (00/01 \$43,000) is expected to be claimed from the Australian Taxation Office as input tax credits.

* The premises lease is currently being negotiated.

17. PROJECT DEVELOPMENT AND PRODUCTION INVESTMENT FUND

The following table provides details of funding activities for Project Development and the Production Investment Fund. Accounting policies are detailed at Note: 1(d) and 1(e) respectively.

	GRANTS PROVIDED	RETURNS RECEIVED
	\$'000	\$'000
PROJECT DEVELOPMENT (PERIOD ENDING)		
30 June 1998	1,043	211
30 June 1999	942	237
30 June 2000	1,010	164
30 June 2001	939	185
30 June 2002	1,088	145
PRODUCTION INVESTMENT (PERIOD ENDING)		
30 June 1998	1,757	567
30 June 1999	1,674	221
30 June 2000	2,439	687
30 June 2001 (Excluding cashflow loans)	2,102	308
30 June 2002 (Excluding cashflow loans)	1,605	508

Revenue receivable from the above sources is unable to be quantified due to the unknown future success of such projects over time. In any given year there is no correlation between Grants Provided and Returns Received. Returns are dependent upon the profitability of the project, and the timing of returns cannot be quantified accurately.

18. CONTINGENT LIABILITIES

Other than commitments mentioned elsewhere in these notes, the FTO is not aware of any contingent liability associated with its operations.

19. BUDGET REVIEW**NET COST OF SERVICES**

The actual net cost of services was below budget by \$907,000. This arises mainly in the Grants area where Production Investment Funding was committed fully, but not drawn down. The reduction in Other Operating expenditure of \$688,000 is mainly due to the winding down of the Government Documentary Division, which also accounts for the reduction in Sales of Goods and Services. The increase in Other Revenue arises from the unpredictability of an industry where the success of any project cannot be estimated with accuracy.

ASSETS AND LIABILITIES

Current assets were above budget by \$667,000 mainly because of an increase in cash (\$1.8 million). This arose through higher than expected returns from Production Investment and Project Development. As explained in Note 17, it is not possible to budget for these returns. The increase was offset by lower than budget Receivables (\$1.5 million). The lower Receivables is due mainly to closure of Government Documentary Division.

Current Liabilities have fallen, partly through the closing of the Government Documentary Division and partly from the reclassification of certain liabilities which also account for the increase in Non-Current Liabilities.

CASH FLOWS

The cash flow reflects the variations outlined above.

20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2002 \$'000	2001 \$'000
NET CASH FROM OPERATING ACTIVITIES	275	(360)
Cash Flows from Government/Appropriations	(7,040)	(5,725)
Acceptance by Crown Entity of Employee Entitlements and Other Liabilities	(99)	(91)
Depreciation	(154)	(127)
Provision for Doubtful Debts	(120)	(40)
Net Loss/(Gain) on Sale of Plant and Equipment	0	(2)
Decrease/(Increase) in Provisions	(14)	(11)
Increase/(Decrease) in Receivables and Other Assets	8	70
Decrease/(Increase) in Creditors	335	(114)
Decrease/(Increase) in Other Liabilities	286	92
NET COST OF SERVICES	(6,523)	(6,308)

21. FINANCIAL INSTRUMENTS

The terms, conditions and accounting policies applied by FTO in relation to financial instruments are as follows:

CASH

Cash comprises cash on hand and bank balances. Bank balances within the Treasury banking system earn interest on daily bank balances at the monthly average NSW Treasury Corporation (T-Corp) 11 am unofficial cash rate adjusted for a management fee to Treasury. The average rate during the year was 3.52% (00/01 4.83%), and the rate at year end was 3.73 % (00/01 4.00%)

RECEIVABLES

All debtors are recognised as amounts receivable at balance date. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). Interest is earned on Revolving Fund and Cashflow Loans debtors. The carrying amount approximates net fair value.

CASHFLOW LOANS

The FTO provides Cashflow Loans for a stipulated period of time at an agreed rate of interest to enable funding for projects which have a cash flow problem during the important period leading up to completion of production. Loans must be secured by a distribution agreement, or presale to a broadcaster, and will not exceed the amount of the presale or guarantee. The carrying amount approximates net fair value.

REVOLVING FUND LOANS

The FTO provides loans for Production Loan Finance out of a \$5 million fund provided by NSW Treasury. Loans are recognised as they are paid. Payment is made net of interest, legal fees and an administration fee. Loans are shown grossed up as either current or non-current receivables depending on their repayment date. Interest is only taken up as income in the period to which it relates. The legal fees and administration fee are taken up as income when the loan is made.

Each loan is subject to a legally binding contract signed by both the FTO and the borrower. The contract sets out the terms of the loan, its interest rate and the repayment terms. The loans are secured by pre-sale and distribution guarantee agreements, first ranking charge on the distribution company, direction deed and loan agreement. The carrying amount approximates net fair value.

TRADE CREDITORS AND ACCRUALS

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (30 June 2001, \$nil).

FUNDS HELD ON BEHALF OF GOVERNMENT DEPARTMENTS

The FTO produces documentary videos on behalf of the NSW Government. Payment is received in advance from agencies and associated expenditure offset against it. Monies held on behalf of Government Departments represents the unspent portion of various projects currently in progress. The carrying amount approximates net fair value. The activities of this Division were discontinued during the year and any surplus funds have been or will be refunded.

FUNDS HELD ON BEHALF OF INVESTORS IN MOTION PICTURES

Royalties are received from distributors of motion pictures in accordance with the terms and conditions of the individual distribution agreement. These royalties may then be distributed to the original investors in the motion picture in accordance with the individual contract. Funds held on behalf of investors represent royalties received but not yet distributed under the terms of the contract. The carrying amount approximates net fair value.

FUNDS HELD ON BEHALF OF THE NSW GOVERNMENT

Funds left over on the closure of the NSW Film Corporation are shown as non-current liabilities owing to the NSW Government. The carrying amount approximates net fair value.

FUNDS HELD ON BEHALF OF OTHERS

Grants are provided for Project Development. Under the terms and contractual requirements, interest is charged on Project Development investments at 10% pa. The grant is repayable when the project goes into production, on commencement of principal photography. This interest is repaid to the Crown Entity. The carrying amount approximates net fair value.

22. AFTER BALANCE DATE EVENTS

There were no events subsequent to balance date which affect the financial report.



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PROJECT DEVELOPMENT FUNDING 01/02

TITLE	APPLICANT	WRITER	AMOUNT
ANIMATION			
Bottle Top Bill	Southern Star Entertainment P/L	Noel Price	\$25,000
Muddle-Headed Wombat, The	Enjoy Entertainment P/L	Angela Webber	\$15,450
Muddle-Headed Wombat, The	Enjoy Entertainment P/L	Angela Webber	\$18,720
DOCUMENTARY			
Dance Of Desire	Left Field Films P/L	Erika Addis	\$16,000
Einstein's Wife	Melsa Films P/L	Geraldine Hilton/Nicola Woolmington	\$6,090
Glue Factory, The	Rachel Landers	Rachel Landers	\$8,650
Helen's War: Portrait Of A Dissident	Sonja Armstrong Productions P/L	Anna Broinowski	\$12,580
Inside Out	Kimberley Lipschus	Kimberley Lipschus	\$13,472
Lesu Tale Vale (Going Home)	Chili Films	Valerie Bichard	\$16,098
Mr Patterns	Reel World Productions	Nic Testoni/Jo Plomley	\$16,500
Much Depends On Dinner	Chapman Pictures P/L	Victoria Pitt	\$14,250
Taking The Bible Black	Pagan Films P/L	Tony Krawitz	\$19,600
Team Mundine	RB Films P/L	Tim Pye	\$18,550
FEATURES			
A Little Bit Of Heaven	Mitake Holdings P/L	Steve Wright	\$10,000
Amco Riders	Palm Beach Pictures P/L	Greg Perano	\$17,500
Angels Of Darlinghurst	The Art Exploiters P/L	Emanuel Ruggeri	\$10,500
Anglers, The	Allan Powell	Allan Powell	\$10,424
Beyond Paradise	Frontline Films P/L	David Bradbury	\$15,800
Blind Love Tango	Grand Bay Films P/L	Susan Murphy	\$26,845
Bridge Of Secrets	Country of Oz P/L	Oliver Howes	\$9,800
Candy	Margaret Fink Films P/L	Luke Davies/Neil Armfield	\$19,000
Connie & Kevin	Noelle Janaczewska	Noelle Janaczewska	\$16,000
Desert Moon	Satelite Pictures	Stefanie Kleinhenz/Melissa Lucashenko	\$15,000
Desert Moon	Satellite Pictures	Stefanie Kleinhenz/Melissa Lucashenko	\$13,500
Diamond's Girls	MaxX Ginnane	MaxX Ginnane	\$10,500
Doors Between, The	Cena Josevska	Cena Josevska	\$10,000
Dressmaker, The	Mirabella Productions	Rosalie Ham	\$13,200
Edie Falls	Steve Toltz	Steve Toltz	\$11,000
Googie	C & M Films	Boaz Stark	\$16,000
Greens	Paul Brown	Paul Brown	\$18,500
Herd, The	Tama Films P/L	Mark Forstmann/Jeff Stein	\$12,300
Highways To A War	Sasci P/L	Christopher Koch	\$19,500
Jet Black	Jet Black Pictures	Liz Doran	\$11,500
Journeyman, The	Anthony Buckley Films P/L	Tobias Granger	\$15,800
Julie's House	Leon Ford	Leon Ford	\$11,000
Kooris In Space	John B Blair/Howard J Jackson	Howard J Jackson	\$13,500
Last Post, The	Teralba Films P/L	Wayne Moore	\$15,800
Leanne	Trinculo Productions P/L	Stephen Wallace	\$13,000
Love Thy Neighbour	Monkey Business P/L	Roger Monk	\$12,850
Mary, Joe And Jesus De Livers	Tempest Productions P/L	Charlie de Salis	\$11,800
Monday	Nash Edgerton	Joel Edgerton	\$13,300
Natural Causes	Accidental Pictures	Jim Hearn	\$14,000
Natural Selection	Porchlight Films P/L	Tim Richards	\$15,500
Night Cargo	Alfred Bell	Alfred Bell	\$11,500
One Bad Thing	Flathead Films P/L	David Roach	\$1,050
Oyster Farmer, The	Anthony Buckley Films P/L	Anna Reeves	\$16,300
Perfect Drive: The Morris Fletcher Story, The	Macgowan Films P/L	Justin Walsh	\$13,000
Red Room, The	Evelyn Richardson	Kathleen Stewart	\$15,000
Return Engagement	Acme Productions P/L	Tony Morphett	\$15,500
Revenge Inc.	Cart Horse	Daniel Einfeld/Sam de Brito	\$12,500
Rhythm And Rice	Khoa Do	Khoa Do	\$10,500
Sexology	Puck Films P/L	Ross Wilson	\$14,800
Shimmer (aka Antique)	Half Mute Productions	Michael Thornhill	\$10,900
Spilt Milk	Porchlight Films P/L	John O'Brien	\$15,500
Storage	Rachel Landers	Rachel Landers	\$12,000
Sydney's Underworld	Alex Lykos	Alex Lykos	\$11,500
Talk Shit And Dance Like A Girl	Big Wave Films P/L	David Hely	\$10,500
Ten Empty	Brendan Cowell/Anthony Hayes	Brendan Cowell/Anthony Hayes	\$11,500
Test, The	J. McElroy Holdings P/L	Mark Lamprell	\$17,400
Touch Of Silk, The	Honky Tonk Angels P/L	Robin de Crespigny	\$700
Trade Relations	Blackshield Productions P/L	Rivka Hartman	\$16,660
Trouble With Kate, The	DIY Films	Dzintra Livingstone Horder	\$11,000
Uncertain Fate	Prairie Dog Films	Christopher Wheeler/Graham Brammer	\$26,900
Understanding Anatomy	Simon Shepherd Productions	Simon Elrahi	\$12,000
MINI SERIES			
Whirlwind	BBHTV P/L	Ro Hume	\$16,000
TELEVISION SERIES			
Al 'n' Me	Northway Productions P/L	Ro Hume/Dave Warner/Paul Bennett	\$21,700
SITCOM FESTIVAL			
All For One		George Merryman	\$10,000
Family From Hell		Robert Carter	\$10,000
Warm Feelings		Gary Lines	\$10,000

PROJECT DEVELOPMENT FUNDING 01/02 (CONTINUED)

APPLICANT	DESTINATION	PURPOSE	AMOUNT
TRAVEL			
Avrill Stark	MIP-TV	Seek finance and marketplace interest in production slate.	\$4,000
Roger Monk	Berlin International Film Festival	Professional Development.	\$5,000
Kevin Lucas & Aanya Whitehead	MIDEM music market, Cannes/Cinemart/Rotterdam/ follow up meetings in Paris and London	To accompany screening of Walking On Water. Seek finance and marketplace interest in production slate.	\$4,000
Kevin Lucas	Berlin International Film Festival/ Sundance Film Festival	Professional Development. To accompany screening of One Night The Moon.	\$5,500
Mark Lazarus	Sundance Film Festival	Professional Development.	\$5,000
Cathy Henkel	MIP-TV/Hot Docs	To accompany screening of Australian Rules. Seek finance and marketplace interest in production slate.	\$4,000

PROJECTS THAT WENT INTO PRODUCTION IN 01/02 THAT HAVE RECEIVED FTO DEVELOPMENT INVESTMENT

TITLE	DEVELOPMENT INVESTMENT	PRODUCTION INVESTMENT
Cave In The Snow	\$15,000	\$15,000
Foundation, The	\$10,000	\$44,650
Island At The Bottom Of The World	\$13,400	
Night We Called It A Day, The	\$20,100	\$400,000
Ocean Star	\$5,570	
Original Mermaid, The	\$17,800	\$35,000
Rage In Placid Lake, The	\$5,000	\$375,000
Travelling Light*	\$10,000	\$330,000

*Development funding for Travelling Light was by way of a Fellowship to the Producer, Helen Bowden.

PRODUCTION INVESTMENT APPROVALS 01/02

PROJECT	APPLICANT	TOTAL
FEATURES		
Man Who Sued God, The	View Films P/L	\$18,000
Ned	Ned Productions P/L	\$265,000
Night We Called It A Day, The	Night & Day Films P/L	\$400,000
Nugget, The	Nugget Films P/L	\$8,000
Rage In Placid Lake, The	Macgowan Films P/L	\$375,000
Travelling Light	Toi-Toi Films P/L	\$330,000
You Can't Stop The Murders	Big Mo Film P/L	\$100,000
DOCUMENTARY		
Becoming Julia	Ruth Cullen	\$33,000
Buenas Memorias De Cuba	Frontline Films	\$30,000
Cave In The Snow	Firelight Film Productions/Tiger Eye Productions	\$15,000
Cowboy Of The Sea	Film Projects P/L	\$30,000
Foundation, The	Chili Films P/L	\$40,000
Foundation, The	Chili Films P/L	\$4,650
Original Mermaid, The	Hilton Cordell Productions P/L	\$35,000
Painting With Light In A Dark World	PDM Doco	\$25,000
Shadow Of Mary Poppins, The	Hilton Cordell Productions P/L	\$20,000
TELEVISION SERIES		
Don't Blame Me	Southern Star Entertainment P/L	\$350,000
Down The Line	Down The Line Productions P/L	\$52,000
TELEMOVIES		
Black Jack	Jigsaw Entertainment P/L	\$250,000
Temptation	Chapman Pictures P/L	\$300,000
INDIGENOUS DRAMA INITIATIVE 3		
Black Talk	RB Films P/L	\$10,000
Mimi	Blackfella Films	\$10,000
Turn Around	Spirited Films P/L	\$10,000
MINOR CASH FLOW LOANS		
Cowboy Of The Sea	Film Projects P/L	\$20,000
Trek	MEFA Film	\$20,000

PRODUCTION LOAN FINANCE 01/02

PROJECT	AMOUNT
APPROVALS	
Down The Line	\$330,000
Rage In Placid Lake, The	\$723,000
Travelling Light	\$125,000
REPAID IN FULL	
Australia; Land Beyond Time (approved 99/00)	
Boys, The (approved 96/97)	
Goddess Of 1967, The (approved 98/99)	
Looking For Alibrandi (approved 97/98)	
Man Who Sued God, The (approved 00/01)	
Risk (approved 99/00)	
Subterrano (approved 99/00)	

PROJECT DEVELOPMENT RETURNS 01/02

PROJECT	PRINCIPAL RETURNED	INTEREST TO TREASURY	ROYALTIES
Against The Stream	\$5,500	\$727	
Cave In The Snow	\$15,000	\$686	
Foundation, The	\$10,000		
Island At The Bottom Of The World	\$13,400	\$1,282	
Marian MacGowan (Travel Assistance)	\$5,000	\$547	
Me, Myself, I			\$19,703
Original Mermaid, The	\$17,800	\$3,791	
Piano, The			\$4,276
Shine			\$313
Strictly Ballroom			\$377
Tom Blacket (Travel Assistance)	\$5,570	\$565	
TOTAL	\$72,270	\$7,598	\$24,669

PROJECTS WHERE DEVELOPMENT INVESTMENT HAS BEEN ROLLED OVER INTO PRODUCTION

Cave In The Snow	\$15,000
Foundation, The	\$10,000
Original Mermaid, The	\$17,800

PRODUCTION INVESTMENT AND MINOR CASHFLOW LOANS 01/02

40 Applications (38 Production Investment and 2 Minor Cashflow Loans)

25 Funded (23 Production Investment and 2 Minor Cashflow Loans)

TYPE	COMMITTED	% OF TOTAL SPEND
PRODUCTION INVESTMENT		
5 Features	\$1,470,000	53.44%
8 Documentaries	\$228,000	8.29%
2 Television Series	\$402,000	14.62%
2 Telemovies	\$550,000	20%
3 Indigenous Short Dramas	\$30,000	1.09%
ADDITIONAL INVESTMENT		
2 Features/1 Documentary	\$30,650	1.11%
MINOR CASHFLOW LOANS		
2 Documentaries	\$40,000	1.45%
TOTAL COMMITMENTS	\$2,750,650	100%
RETURNS		
Investment Returns	\$367,419	
Minor Cashflow Loan Returns	\$20,000	
Minor Cashflow Loan Interest	\$285	
Minor Cashflow Loan Administration Fees	\$800	
TOTAL RETURNS	\$388,504	

DEVELOPMENT ASSISTANCE 01/02

287 Applications

75 Funded

TYPE	COMMITTED	% OF TOTAL SPEND
51 Features	\$690,129	69.97%
10 Documentaries	\$141,790	14.38%
2 Television Series	\$21,700	2.20%
1 Mini Series	\$16,000	1.62%
2 Animation	\$59,170	6%
6 Travel	\$27,500	2.79%
3 Initiatives	\$30,000	3.04%
TOTAL COMMITMENTS	\$986,289	100%

READERS			BUDGET AND FINANCE ANALYSTS
Karin Altmann	Brian Hannant	Antonietta Morgillo	Sandra Alexander
Martha Ansara	Michelle Harrison	Peter Moyes	Karina Aveyard
Simon Bennetts	Frank Hatherley	Mary-Ellen Mullane	Jenny Day
Miro Bilbrough	Claire Haywood	Margot Nash	Tony Grierson
Michael Brindley	Megan Simpson Huberman	Peter Neale	Vicki Watson
Anna Broinowski	Sam Jennings	Julie Nimmo	Liz Watts
Pip Buining	Judith John-Story	David Ogilvy	
Marguerite Bunce	Steve Kinnane	Nick Parsons	FELLOWSHIP ASSESSORS
Ruth Carr	Susan Lambert	Scott Patterson	Michael Brindley
Wendy Chandler	Rachel Landers	Tim Richards	Robert Connolly
Pauline Clague	Gillian Leahy	Kevin Roberts	Rachel Landers
Lucinda Clutterbuck	Curtis Levy	Mira Robertson	Curtis Levy
Scottie Connolly	Melissa Lucashenko	Paul Roy	Barbara Masel
Sam Conway	Alison Lyssa	Peter Sainsbury	Sue Murray
Claire Dobbin	George Mannix	Morgan Smith	Nick Parsons
Cathy Eatock	Robert Marchand	Billy Marshall Stoneking	Nick Torrens
Wesley Enoch	Catherine Marciniak	Graham Thorburn	Chris Warner
Wain Fimeri	Barbara Masel	Safina Uberoi	Moya Wood
Pat Fiske	Sue Maslin	Martin Williams	Aviva Zeigler
Lori Fleker	Lynne Vincent McCarthy	Eleanor Witcombe	
Louise Fox	Elise McCredie	Greg Woodland	
Barry Gamba	Kieran McGillicuddy	Kate Woods	
Louise Gough	Catriona McKenzie	Alexa Wyatt	
Glenda Hambly	Kathryn Millard	Aviva Ziegler	

APPENDIX 02 AURORA

PROJECTS FUNDED 01/02

TITLE	WRITER	PRODUCER	DIRECTOR	AMOUNT
Axe-Fall	Lynne Vincent McCarthy	Sally Regan	Neil Mansfield	\$30,000
Fables	Richard Lindsell	Megan Harding	Gavin Barbey	\$30,000
More Than Scarlett	Cate Shortland	Anthony Anderson	Cate Shortland	\$30,000
Tracy Heart	Jacquelin Perske	Vincent Sheehan	Rowan Woods	\$30,000
TOTAL COMMITMENTS				\$120,000

ASSESSORS

Sue Murray	Claire Dobbin	Sam Jennings	Martin Williams
Keith Thompson	Karin Altmann	Jan Chapman	Alison Tilson
Sally Browning (FTO)			

APPENDIX 03 REGIONAL FILMING FUND

PROJECTS FUNDED 01/02

PROJECT	APPLICANT	REGION	REGIONAL SPEND	JOBS	AMOUNT
FEATURES					
Danny	Deckchair Productions	Bellingen	\$852,174*	250	\$100,000
Dirty Deeds	Dirty Deeds Productions P/L	Broken Hill	\$425,000	20	\$50,000
Ned	Ned Productions P/L	Wilberforce	\$276,381*	100	\$100,000
Nugget, The	Nugget Films P/L	Mudgee	\$939,779	320	\$50,000
Pact, The	3 Spears P/L	Picton	\$124,914*	17	\$50,000
DOCUMENTARY					
Dreaming Tracks	Booringa Productions	Bathurst/Blue Mountains/Peel/Hill End/Oberon/Lithgow/Mudgee	\$149,700*	17	\$50,000
Two Thirds Sky – Artists in Desert Country	Arcadia Pictures P/L	Mungo National Park/Mutawintji National Park/Broken Hill	\$11,561	5	\$5,781
TELEVISION SERIES					
Always Greener	Seven Network Operations	Camden	\$38,832*	28	\$19,416
TOTAL			\$2,818,341	757	\$425,197

* Estimated production spend.

PROJECTS FUNDED 01/02

PROJECT	APPLICANT	TYPE	AMOUNT
ROUND 10			
Contact	Andrew Arbuthnot	Drama	\$25,000
Great Dark, The	Rebecca O'Brien	Drama	\$25,000
Life Study	Sotirios Dounoukos	Drama	\$25,000
Museum Of Dreams	Gregory Godhard	Animation	\$10,000
Search	Bronwyn Kidd/Hannah Hilliard	Drama	\$25,000
TOTAL ROUND 10			\$110,000
ROUND 11			
A Natural Talent	Tamara Popper/Louise Fox	Drama	\$30,000
Easter Tide, The	Danielle Boesenberg	Drama	\$30,000
Le Violon D'Ingres	Adam Sebire/Fiorenza Zito	Experimental	\$30,000
Stray Heart	Jason di Rosso	Drama	\$30,000
TOTAL ROUND 11			\$120,000
MARKETING ALLOWANCES			
Beach Story	Karen Colston	Drama	\$1,000
Contemporary Case Studies	Janet Merewether	Experimental	\$5,080
Gate	Peter Carstairs/Karen Radzyner	Drama	\$5,000
Mongrel's Ghost	Kim Mordaunt/Sylvia Wilczynski	Drama	\$1,000
New Skin	Anthony Hayes/Matt Reeder	Drama	\$3,050
Search	Hannah Hilliard/Bronwyn Kidd	Drama	\$2,500
Super Glue And Angel's Wings	Jane Cole	Drama	\$3,270
Warbling Matilda	Fotini Manikakis/Anna Reeves	Drama	\$1,210
TOTAL MARKETING ALLOWANCES			\$22,110
FESTIVAL SCREENINGS AND AWARDS 01/02			
LAQUIEM			
WOW Festival, Sydney, 2001			
Flickerfest, Sydney, 2002			
St Kilda Film Festival, Melbourne, 2002			
Commonwealth Film Festival, Manchester, UK, 2002			
Sao Paulo International Short Film Festival, Sao Paulo, Brazil, 2002			
Parliamentary Screening, Sydney, 2002			
NEW SKIN			
Limited season at the Valhalla Cinema, Glebe, 2002			
Dendy Awards, Sydney Film Festival, Sydney, 2002, Winner: Fiction Over 15 Minutes Category			
WARBLING MATILDA			
Saint-Tropez Antipodes Film Festival, France, 2001			
Cannes Cinephile, Festival de Cannes, France, 2002			
CONTEMPORARY CASE STUDIES			
Brisbane International Film Festival, Brisbane, 2001			
New York Film Festival, New York, 2001			
Uppsala Short Film Festival, Sweden, 2001			
Montreal New Cinema New Media Festival, Montreal, 2001			
Tampere Film Festival, Finland, 2002			
World-Fest, Houston, Texas, 2002, Winner: Platinum Remi Award for Experimental Comedy			
SEARCH			
Sydney Film Festival, Sydney, 2002			
Melbourne International Film Festival, Melbourne, 2002			
Odense Film Festival, Denmark, 2002			
CONTACT			
St Kilda Film Festival, Melbourne, 2002			
Commonwealth Film Festival, Manchester, UK, 2002			
Verzaubert 12th International Film Festival, Germany, 2002			
TREE			
Sundance Film Festival, USA, 2002			
ASSESSORS			
ROUND 10		ROUND 11	
Sally Browning (FTO)		Matthew Duchesne	
George Catsi		Amanda Duthie (FTO)	
Mark Forstmann		Claude Gonzalez	
Harriet McKern		Fotini Manikakis	
Anita Sheehan		Rachael Turk	

PROJECTS FUNDED 01/02

ORGANISATION	PROJECT	AMOUNT
Auburn Community Development Network	4th Auburn International Film & Video Festival for Children & Young Adults	\$2,000
Australian Cinematographers Society	Annual Awards for Cinematography 2001	\$1,000
Australian Film Television & Radio School	Scriptwriting Award 2002	\$2,000
Australian Film Institute	Emirates AFI Awards 2001	\$30,000
Australian Film Institute	Organisational Funding	\$15,000
Australian Screen Directors Association	ASDA Professional Development Program 2002	\$9,000
Australian Screen Directors Association	Visualising Stories Conference 2001	\$7,500
Australian Teachers of Media (VIC)	ATOM Awards 2002	\$3,000
Australian Writers Guild	AWGIES	\$4,000
Australian Writers Guild	God and the Atheist Conference 2001	\$10,000
Australian Writers Guild	Cyberwrite 4	\$4,000
BASC P/L	Byron All Screens Celebration	\$9,000
City of Port Phillip	St Kilda Film Festival National Tour 2002	\$1,000
Coffs Harbour Arts Council Inc.	Cool Bananas Film Festival and Workshops	\$7,500
dLux Media Arts	dLux Media Arts 2002 Program	\$15,000
Eastern Riverina Arts Program	Cinema Under The Stars	\$3,000
Flickerfest	Flickerfest 2002	\$15,000
Flickerfest	Flickerfest NSW Regional Tour	\$5,000
Friends of Malachi Gilmore Hall	Flickerfest Screening	\$500
IF Magazine P/L	IF Awards 2001	\$10,000
IF Magazine P/L	Inside Film Magazine	\$10,000
Jewish Film Foundation of Australia Inc	Festival of Jewish Cinema	\$3,000
Lake Macquarie City Art Gallery	The Shoot Out's Show Down	\$2,500
Liverpool Migrant Resource Centre	Kurdish Film Festival	\$2,000
Metro Magazine	Metro Magazine	\$5,000
Metro Screen	Multicultural Mentor Scheme	\$12,000
Metro Screen	Core Funding	\$42,000
Metro Screen	Indigenous Mentorship Scheme	\$10,000
Metro Screen	Media Futures III	\$5,000
National Screenwriters' Conference Inc	National Screenwriters' Conference 2002	\$7,500
North Coast Camera	Video Production Training	\$4,000
Northern Rivers Screenworks Ltd	Australian International Documentary Conference – Byron Bay 2003	\$7,500
Northern Rivers Writers Centre	Byron Bay Writers Festival Screen Writing Component	\$4,000
Now New Original Works Inc	Vid Yo Fest Take 2001	\$1,000
Octapod Association	Electrofringe	\$7,000
Open City Inc	Real Time – OnScreen	\$3,000
Popcorn Taxi	Popcorn Taxi Programs	\$6,000
Queer Screen	Mardi Gras Film Festival	\$7,000
Queer Screen	Parramatta Film Festival	\$3,000
Queer Screen	QueerDOC	\$3,600
Rising Sun Film Society	Film Season 2002	\$1,500
Screen Me!	Blue Mountains Short Film Festival	\$1,000
Screen Producers' Association of Australia	SPAA Conference 2001	\$8,000
Screen Producers' Association of Australia	SPAA Fringe 2001	\$3,000
ScreenWorks Short Film Festival	Manly ScreenWorks Short Film Festival	\$2,000
Sutherland Shire Council	Sutherland Shire Film Festival	\$2,000
Sydney Asia Pacific Film Festival	Sydney Asia Pacific Film Festival 2002	\$15,000
Sydney Film Festival	Sydney Film Festival	\$30,000
Sydney Film Festival	Travelling Film Festival	\$20,500
Sydney Film Festival	Ticketing Structure Review	\$7,000
TropFest P/L	Tropfest #10 – 2002	\$20,000
University of Technology, Sydney	Golden Eye Awards – Screenwriting Prize	\$500
Wollongong City Council	Short Sited 6 Film Festival	\$1,500
Women in Film & Television (NSW)	WOW International Festival and Regional Tour 2001	\$7,000
Womens Audio Video Enterprise	WOW Festival Screening at Lismore	\$870
TOTAL		\$418,470

ASSESSORS

Sharon Baker (FTO)
 Nick Hore (FTO)
 Cynthia Mann
 Brendan Smith (FTO)

APPENDIX 06 DIGITAL VISUAL FX TRAINEESHIP SCHEME

TRAINEES	ASSESSORS
Daniel Loui	Nick Hore (FTO)
Vaughn Arnup	Shilo McClean
Alexander Zaloudek	Viveka Weiley

PROJECTS FUNDED 01/02

Australian International Documentary Conference – Byron Bay 2003	\$40,000
Metro Screen Regional Mobile Unit	\$30,000
Sydney Film Festival Booking Guide	\$40,000
Fellowships	\$204,180
TOTAL	\$314,180

FELLOWSHIPS 01/02

APPLICANT	COMPANY	AMOUNT
PRODUCER		
Esben Storm	Storm Productions P/L	\$10,000
Liz Watts	Porchlight Films P/L	\$20,000
DIRECTOR		
Christina Andreef	Toi-Toi Films P/L	\$20,000
Tom Cowan	Retozan P/L	\$10,000
Monica Pellizzari		\$10,000
DOCUMENTARY		
Martha Ansara	Jequerity P/L	\$20,000
Pat Fiske*	Bower Bird Film P/L	\$20,000
Curtis Levy	Olsen Levy Productions P/L	\$20,000
Tom Zubrycki	Jotz Productions P/L	\$20,000
SCRIPT EDITOR		
Nicki Roller	PhilmSound P/L	\$17,000
Greg Woodland		\$17,180
WRITER		
Shirley Barrett		\$20,000
TOTAL FELLOWSHIPS		\$204,180

*Fellowship awarded before competitive funding round process introduced.

APPENDIX 08 PRODUCTION LIAISON

INWARD VISITS 01/02

Austrade and the FTO introduced 12 companies from Singapore to a cross-section of NSW facilities, distributors and producers with existing businesses in Singapore or who are open to collaborative ventures. The visit was organised by the Productivity and Standards Board and the Singapore Broadcasting Authority. *Ex: Singapore (July 01)*

Jerry Ketcham, Vice President, Features at Buena Vista Films and Peter Green, President of Fountain Productions and director, Alex Zamm visited Sydney for three days to meet heads of departments and inspect facilities for the Disney telemovie **Inspector Gadget II**. Although the project was shot interstate, the digital effects and post-production was completed in Sydney by Photon and Garner MacLennan Design. *Ex: Los Angeles (July 01)*

The *Sydney Asia Pacific Film Festival* and the FTO hosted visits from Im Sang Soo (Korean director of **Tears**) and CheeK (Singaporean director of **Chicken Rice War**). The filmmakers attended screenings at the festival and visited Fox Studios, industry facilities and met with creative and technical representatives. *Ex: Singapore & Korea (August 01)*

The FTO facilitated a visit from representatives of Vietnamese television network Ho Cho Minh City Television (HCMCTV). Mr Pham Khac (President), Mr Nguyen Ho (Vice President), Mr Nguyen Hieu Trung (Vice Manager of Planning and Finances) and Mr Nguyen Hong Son (Vice Director of Performing Arts) were accompanied by interpreter Mr Dinh Ba Thanh from Vietnam Advertising. The delegation sought meetings with television networks and studio facilities to gain advice for the construction of new studios. Following a meeting with FTO representatives and FTO Board member Laurie Patten, further meetings were organised with Global Television and other broadcasters including an inspection of the new ABC studios at Ultimo. *Ex: Vietnam (October 01)*

A camera crew from KBS/Essence 21, South Korea visited Sydney to produce a documentary about the Australian film industry. The FTO provided advice and assistance to the local production company working for them. *Ex: South Korea (October 01)*

The first AusFILM inbound of the year to Sydney was the Blue Raven/Stonegate group with a slate of feature films in various stages of development, including a post-production intensive, sci-fi action movie with a budget of \$US50-\$60M. Producers Valerie McCaffrey, Vic Armstrong and Raimond Reynolds scouted outback locations and met with digital animation and effects houses and casting agents. *Ex: Los Angeles (October 01)*

The FTO assisted an independently financed visit from producer Xavier Castano and director Jean-Jacques Annaud who directed **The Name Of The Rose** and **The Bear**. The filmmakers visited studios and facilities for their new feature **The Tiger**. *Ex: France (November 01)*

The FTO assisted Japanese producers Takashige Ichise and Kazutoshi Wadakura, and production coordinator Harumi Seki, with their romance-comedy project – **Toast to Love**. The filmmakers scouted for locations around Sydney and Newcastle and met with local directors, production managers and choreographers. *Ex: Japan (February 02)*

A Malaysian documentary producer sought advice concerning distribution options in NSW. He was referred to the *Sydney Asia Pacific Film Festival* (amongst other places) for consideration in the August program. *Ex: Malaysia (April 02)*

Maggie Chen and Professor Yiu from Beijing University visited the FTO seeking research material and footage for a documentary series concerning the 30th anniversary of diplomatic relations between China and Australia for China Central Television. *Ex: Beijing (May 02)*

The FTO hosted a one-day visit from Mr Ron Lynch, President of Physical Production at Universal Pictures. Mr Lynch visited post-production facilities and met with Fox Studios and other industry representatives. Mr Lynch is now proposing to bring a large budget feature film to Sydney in early 2003. *Ex: Los Angeles (June 02)*

PROJECTS PRODUCED IN NSW 01/02

FEATURES/TELEMOVIES

Danny*
Dirty Deeds*
Fat Pizza The Movie
Garage Days
Hero's Mountain
Jeopardy
Liquid Bridge
Matrix Reloaded, The*
Matrix Revolutions, The*
Ned*
Nugget, The
Pact, The*
Rage in Placid Lake, The*
Temptation*
You Can't Stop The Murders*

* Received FTO assistance through the PLU.

TV DRAMA SERIES

All Saints*
Always Greener*
Bad Cop, Bad Cop
Cold Feet
Corridors Of Power
Crash Palace*
Don't Blame Me
Dossa And Joe
Farscape
Going Home
Grass Roots
Head Start
Home And Away
Kangaroo Creek Gang
Life Support
White Collar Blue*
Young Lions*

LOW BUDGET/SHORTS

Babylon*
Foxy*
Get Rich Quick Schemes*
Life*
Neon*
New Skin*
Projectionist, The*
Something About AJ*

PITCHES 01/02

TITLE	PRODUCER	STATUS
Accidentally On Purpose	Manifest/Sky Pictures	Considering locations
Amateur, The	Jeffrey Lampert	Considering locations
Around The World In 80 Days	Blue Rider Pictures/Walden	Considering locations
A Walk In The Sun	New Media Resources/Fast Carrier Pictures	Considering locations
Batman Project	Paul Kaufman/Artisan Pictures	Considering locations
Beach Party	Kevin Bannerman	Considering locations
Balls Of Fury	Spyglass Entertainment	Considering locations
Bob The Butler	Blue Raven Films	Returning to Australia in December for a scout
Brothers Grimm, The	MGM	Considering locations
Carolers, The	Poetry And Pictures	Considering locations
Carrier, The	Peter Winther/Electric Entertainment	Considering locations
Click	Screen Gems/Sony Pictures	Considering locations
Club Dread	Fox Searchlight	Completed in Mexico
Cold Mountain	Anthony Minghella	In Production in Romania
Daredevil	Fox Pictures	Completed in Canada
Disassociate, The	MGM	Considering locations
Eden	Coda	Completed in NSW
Entangled	Motion Picture Corporation Of America	Considering locations
Every Seven Minutes	Original Voices	Considering locations
Exorcist Prequel	Morgan Creek Productions	New director attached
Flight Of The Phoenix	20th Century Fox	In pre-production in Namibia
Flypaper	Cindy Cowan Entertainment	Considering locations
Footloose	Paramount Network Television	Finalising finance
George Of The Jungle 2	Disney	In production in QLD
Going After Cacciato	Butch Kaplan	Considering locations
Goodnight Irene	Cosgrove Meurer Productions	Considering locations
Hidalgo	Disney Television	Completed in US
Holes	Phoenix Picture	Completed in US
ID	Day In The Life Films	Considering locations
Inspector Gadget 2	Disney	Completed in QLD
Jane Plan, The	Walt Disney Pictures/Paul Steinke	Considering locations
Jeeneey Ray	Sean McDonald	Considering locations
Journal Of The Dead	Fox TV Pictures	Considering locations
King Arthur	Jerry Bruckheimer	Considering locations
Killing The People Upstairs	Sunmin Park/Working Title Australia	Considering locations
Last Safari, The	Artisan Entertainment	Considering locations
Long Tomorrow, The	Dama Chasle/Soaring Eagle Pictures	Considering locations
Mage, The	Jeffrey Chernov/Spyglass Entertainment	Possible shoot in NSW in late 02
Mame	Disney Television	Seeking a studio
Max Renegade	Blue Raven Films	Finalising finance
Mondo Beyondo	Good Machine Inc.	Considering locations
Mr Sex	HBO Films/Mark Levenstein	Considering locations
Phobic	Intermedia Films	Considering locations
Riddick	Universal Pictures/Mark McNair	Likely shoot in NSW in early 03
Rocky Horror Picture Show	Fox Television	Studio hold at Fox (NSW)
Remote Control	Warner Bros	Considering locations
Sahara	Crusader Entertainment	Completed in South Africa
Second Hand Lions	David Kirschner Productions/New Line Cinema	Considering locations
Second Nature	Turner Television	Considering locations
Seventh Heaven	Mission Pictures	Pre-production in New Zealand
Shores Of Tripoli	Barry Levinson Productions	Considering locations
Silent Witness	Von Zerneck/Sertner Films	Completed in Canada
Tuna Town	Fox Family Channel	Awaiting finance for a pilot in NSW
Twelve Days Of Terror	Orly Adelson Productions	Not appropriate for NSW
Whip, The	Blue Raven Films	Considering locations
White Horses	Steve McGlothen Brandon Camp	Considering locations
Wonderwoman	Warner Bros	Considering locations

PROGRAMS COMPLETED 01/02

ACCESS DENIED, ACCESS SUPPLIED

Roads and Traffic Authority
 Script: Peter Campbell
 Production: Efix P/L
 Director: Ron Furness

BICENTENNIAL PARK

Sydney Olympic Park Authority
 Script: Edna Wilson
 Production: Bold Productions P/L
 Director: John Bissett

BUS BROTHERS (VERSIONS A & B)

Roads and Traffic Authority
 Script: Scott & Grant Higgins
 Production: Carolyn Johnson Film Production
 Director: Andrew Murray

BUS KIDS SAFE KIDS (VERSIONS A & B)

Roads and Traffic Authority
 Script: Scott Higgins
 Production: MediaCraft Interactive P/L
 Director: Sienna Brown

HEALTH AWARDS

NSW Health Department
 Script: Zoe Harvey
 Production: Flicks Australia P/L
 Director: Zoe Harvey

HERITAGE TIMBER BRIDGES & MAINTENANCE

Roads and Traffic Authority
 Script: Wayne Coles-Janess
 Production: Ipso-Facto Productions P/L
 Director: Wayne Coles-Janess

INTELLIGENT TRANSPORT SYSTEMS [ITS] (VERSIONS 1 & 2)

Traffic Management Centre, Roads and Traffic Authority
 Script: Allan Yates/James Wyner
 Production: Engine P/L
 Director: Calvin Gardiner

RTA AWARDS 2000

Roads and Traffic Authority
 Script: Scott Bradley
 Production: Ashford Films
 Director: Antonia Barlin

RTA AWARDS 2000 – STAGING THE EVENT

Roads and Traffic Authority
 Production: Haycon Staging

NSW BOARDING HOUSE RELOCATION PROGRAM

Boarding House Standards Unit,
 Department of Ageing, Disabilities and Home Care
 Production: Dick Collingridge Productions

EDITS/COMPILES

DEFENSIVE DRIVING/HEAVY ON THE FOOT

Roads and Traffic Authority
 Production: Island Films

EMERGENCY DEPARTMENT TVC 2001

NSW Health Department
 Production: Bold Productions

ARCHIVAL AND ENG SHOOTS

POLICE TV (GOULBURN)

NSW Police Service
 Production: National Recording Studio Group

REDFERN TECHNOLOGY PARK

Sydney Harbour Foreshore Authority
 Production: Bloodwood Productions
 Director: Graham Gay

As part of the Government's commitment via the Cultural Development Policy to working with Aboriginal and Torres Strait Islander communities in NSW, and as part of the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody, a number of funding initiatives were undertaken throughout the year by the FTO:

INDUSTRY & AUDIENCE DEVELOPMENT

\$10,000 was committed towards the continuing costs of Metro Screen's Indigenous Mentorship Scheme.

DEVELOPMENT

\$147,800 was committed towards 12 projects featuring indigenous thematic material and/or in which indigenous filmmakers were key creatives.

PRODUCTION INVESTMENT

\$265,000 was committed towards 1 project featuring indigenous thematic material and/or in which indigenous filmmakers were key creatives.

INITIATIVES

\$30,000 was committed as part of the Indigenous Drama Initiative 3 (IDI3).

APPENDIX 11 CONSULTANTS

CATEGORY	NUMBER OF ENGAGEMENTS	TOTAL COST
Management Services	6	\$15,556
Engineering	4	\$9,900
Organisational Review	2	\$24,375
Training	1	\$4,500
Information Technology	1	\$8,050
Finance & Accounting/Tax	2	\$5,481

APPENDIX 12 HUMAN RESOURCES
PERSONNEL POLICIES AND PRACTICES**FLEXIBLE WORK PRACTICES**

FTO continues to demonstrate its support for flexible work practices. All staff have access to staff development opportunities and the entitlements afforded under the Office's personnel policies.

EQUITY AND ETHICS

Staff are informed of the FTO's policies which promote equal employment opportunity.

APPENDIX 13 ETHNIC AFFAIRS PRIORITIES STATEMENT REPORT

In accordance with requirements under the *Ethnic Affairs Commission Amendment Act 1996*, FTO has developed an Ethnic Affairs Priorities Statement (EAPS).

FTO is committed to building on the State's culturally diverse society through its programs of assistance. This year, the FTO identified priority areas of opportunity within core business to incorporate the principles of cultural diversity. These include:

- : access to information on FTO programs and activities
- : data capture
- : key decision making processes
- : staff training
- : loans and grants criteria
- : audience development
- : industry development
- : liaison with key government bodies

These key issues and their recommended strategies are based on delivering outcomes against three key result areas covering (1) social justice, (2) community harmony and (3) cultural and economic opportunities. FTO's core business operates largely under the key result area of cultural and economic opportunities.

(See table on next page)

KEY EAPS ISSUES AND STRATEGIES FOR THE FTO FROM 01/02 CORPORATE PLAN		PERFORMANCE INDICATORS	OUTCOMES ACHIEVED
ETHNIC AFFAIRS INITIATIVE	STRATEGIES/TASK		
Access to Information.	Identify languages for publication production in areas of market opportunity.	Number of specific publications and publicity materials. Level of increase in NSW production from culturally diverse backgrounds.	Produced brochures in Chinese and Korean. Supplied support for Indian publication through sponsorship.
Industry Development.	Broaden the pool of individuals involved in industry experience programs, particularly encouraging people from diverse backgrounds.	Work with organisations who are active within the NESB communities. Proportion of readers from NESB or culturally diverse backgrounds.	Metro Screen's Multicultural Mentorship Scheme supported. Greater awareness of FTO programs. Readership database includes wide diversity and industry expertise.
Industry Development.	Extend links with multicultural arts associations to provide information and increase access of young filmmakers of non-English speaking background to Young Filmmakers Fund (YFF).	Publicise YFF in publications identified as having a significantly diverse readership.	Young filmmakers from culturally and linguistically diverse backgrounds were targeted through the promotion of the YFF in the Community Cultural Development NSW newsletter and publications with a significant culturally diverse readership such as ArtsWest.
Data Capture.	Improve the collection of data on ethnicity of applicants in order to support accountability and improved performance.	Data capture method identified.	Plans put in place to collect data from all new applicants. This data collection commences with the new D&F guidelines in 02/03.
Staff Training.	Provide staff with tailored skills development on cross cultural issues and use of language services.	All staff understand EAPS principles.	Training on principles of cultural diversity undertaken by staff and EAPS principles included in staff handbook for staff inductions. Understanding of cultural diversity included in all new position descriptions. Attendance by D&F staff at seminars focusing on identifying opportunities for increasing both awareness and practice of cultural diversity in the arts sector.
Loans & Grants Criteria.	Continue to make core decisions on the basis of cultural creativity in funding projects which resonate for a range of audiences.	Scripts and projects supported reflect cultural diversity. Industry & Audience Development projects supported reflect cultural diversity.	Ongoing cultural assessment by FTO Project Assessors in selecting material for investment to ensure that where possible cultural diversity is reflected in cinema/television production. The FTO works to a diverse range of government policies and priorities, including NESB, and makes every attempt to support projects and events that reflect the cultural diversity of Australian audiences and practitioners.
Audience Development.	Explore opportunities for funding culturally diverse audience development in the industry.	Participate in events supporting cultural diversity ideals.	Funded in 01/02: Auburn International Film & Video Festival for Children & Young Adults; Sydney Asia Pacific Film Festival; Festival of Jewish Cinema; Metro Multicultural Mentor Scheme; Kurdish Film Festival.
Liaison with key Government bodies.	Participate in policy debates with key Commonwealth and State agencies which impact on funding culturally diverse projects.	Continue contact across portfolio to liaise on multicultural program development. Cooperative implementation of specific strategies.	FTO liaison with Western Sydney Unit at Ministry for the Arts resulted in increased support from Treasury for a Western Sydney strategy to take effect in 02/03.

AGED ANALYSIS AT THE END OF EACH QUARTER

QUARTER	CURRENT (IE. WITHIN DUE DATE)	LESS THAN 30 DAYS OVERDUE	BETWEEN 30 DAYS AND 60 DAYS OVERDUE	BETWEEN 60 DAYS AND 90 DAYS OVERDUE	MORE THAN 90 DAYS OVERDUE
September Quarter	\$32,397	0	0	0	0
December Quarter	\$582.00	0	0	0	0
March Quarter	\$5,266	0	0	0	0
June Quarter	0	0	0	0	0

ACCOUNTS PAID ON TIME WITHIN EACH QUARTER

QUARTER	TOTAL ACCOUNTS PAID ON TIME		TOTAL AMOUNT PAID	
	TARGET	ACTUAL		
September Quarter	90%	96%	\$2,337,883	\$2,428,475
December Quarter	90%	97%	\$1,792,208	\$1,823,008
March Quarter	90%	92%	\$1,877,794	\$2,203,534
June Quarter	90%	96%	\$2,810,646	\$2,861,618

During 01/02 there were no instances where penalty interest was paid in accordance with Section 18 of the *Public Finance and Audit (General) Regulation 1995*.

There were no significant events that affected payment performance during the reporting period.

To improve future performance greater emphasis will be placed on enhancing electronic processing of accounts together with increased use of Purchase Orders for recurring purchases.

APPENDIX 15 ELECTRONIC SERVICE DELIVERY: PROGRESS REPORT AS AT 30 JUNE 2002

PROGRESS AGAINST TARGETS

TARGET DATE	ACTIVITY	ON SCHEDULE	NUMBER OF PROJECTS					ORIGINAL IMPLEMENTATION DATA	PROJECTED/ACTUAL IMPLEMENTATION DATA	AVERAGE PERCENTAGE COMPLETED	NO. OF FUNDED PROJECTS	NO. OF UNFUNDED PROJECTS	
			NOT YET COMPLETED	PLANNING	DESIGN	DEVELOPMENT	TESTING						IMPLEMENTED
31/12/97	Agency's website presence established	Yes											
30/06/99	1999 ESD Return	No											
09/06/00	ESD Survey	Yes											
31/07/00	ESD Assessment Audit	Yes											
31/12/00	Tender Information on the Internet		N/A	-	-	-	-	-	-	-	-	-	
31/12/00	All appropriate government publications on the Internet		-	-	-	-	-	1	1/11/00	1/11/00	100%	1	0
30/09/01	All appropriate high volume transactions on the Internet		N/A	-	-	-	-	-	-	-	-	-	-
31/12/01	All other appropriate transactions on the Internet		-	-	-	-	-	1	30/12/01	30/12/01	100%	1	0
ongoing	Services delivered on other appropriate electronic delivery channels		-	-	-	2	-	1	1/12/02	31/12/02	80%	2	0

APPENDIX 16 GOVERNMENT ENERGY MANAGEMENT POLICY

CORPORATE COMMITMENT

The FTO is committed to achieving and sustaining reduced greenhouse gas emissions and energy cost savings. Reduced energy consumption, greater use of 'green' energy technologies and buying energy economically are all integral to this objective.

The FTO is a small office-based agency of 19 people, situated at one location. It neither owns nor manages buildings, does not have a vehicle fleet, and does not manufacture goods. The FTO uses standard office equipment such as computers and photocopiers. The avenues for energy conservation are limited.

The FTO adopted an Energy Management Plan in 00/01, with the following goals:

- : Establish an energy monitoring procedure In place by 30/12/2002
- : Adopt a procurement policy for energy-efficient office equipment and appliances Adopted by 30/9/2002
- : Purchase a percentage of SEDA-accredited Green Power (standard government contract includes 6% from 1 July 1999) Arranged by 30/9/2002
- : Benchmark the energy performance of tenancy/building using the SEDA Building Greenhouse Rating Tool Benchmark Completed by 30/12/2002

PERFORMANCE

The FTO's energy usage for 01/02 was:

	01/02	00/01
KWh	72,913	77,037
Cost	\$7,343	\$7,766

CLASSIFICATION AND GRADINGS	STAFF NUMBERS AS AT			
	30/6/99	30/6/00	30/6/01*	30/6/02*
Senior Executives	1	1	1	1
Clerk Grade 12	1	1		
Clerk Grade 11/12	1	1	2	2
Clerk Grade 11	1	1	1	-
Clerk Grade 10	-	-		
Clerk Grade 9/10	2		2	2
Clerk Grade 9	1	1	1	
Clerk Grade 7/8	6	4	6	8
Clerk Grade 5/6	1	1	1	1
Clerk Grade 5	-	-		
Clerk Grade 4/5	-	-		
Clerk Grade 3/4	3	3	4	5
Clerk Grade 3	1	-		
Clerk Grade 2	-	-	1	-
Clerical Officer Grade 8	-	1		-
Clerical Officer Grade 5	1	-		
Clerical Officer Grade 1/2	-	-		
TOTAL	19	16	19	19

*Snapshot as at the 30 June.

APPENDIX 18 EQUAL EMPLOYMENT OPPORTUNITY REPORT

As at 30 June 2002 the FTO had an EFT of 17.84 and none were Aboriginal or physically disabled.

% OF TOTAL STAFF BY LEVEL

	SUBGROUP AS % OF TOTAL STAFF AT EACH LEVEL				SUBGROUP AS ESTIMATED % OF TOTAL STAFF AT EACH LEVEL				
	TOTAL STAFF (NUMBER)	RESPONDENTS	MEN	WOMEN	ABORIGINAL PEOPLE AND TORRES STRAIT ISLANDERS	PEOPLE FROM RACIAL, ETHNIC, ETHNO-RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH	PEOPLE WITH A DISABILITY	PEOPLE WITH A DISABILITY REQUIRING WORK-RELATED ADJUSTMENT
< \$27,606									
\$27,606 - \$40,535									
\$40,536 - \$51,293	5		20%	80%					
\$51,293 - \$66,332	9	11%	67%	33%					
> \$66,332 (non SES)	4	50%	25%	75%					
SES	1			100%					
TOTAL	19	16%	42%	58%					
ESTIMATED SUBGROUP TOTALS		3	8	11					

% OF TOTAL STAFF BY EMPLOYMENT BASIS

Permanent	Full-Time			
	Part-Time			
Temporary	Full-Time	13	23%	38%
	Part-Time	5		60%
Contract	SES	1		100%
	Non SES			
Casual				
TOTAL		19	16%	58%
ESTIMATED SUBGROUP TOTALS			3	11

Notes:

- Table 1 does not include casual staff.
- Figures for EEO groups other than women have been adjusted to compensate for the effects of non-response to the EEO data collection. EEO statistics reported in years prior to 1998 may not be comparable due to a change in the method of estimating EEO group representation.

PROGRAMS

The funding criteria for all programs and projects were originality, quality and excellence. This included script and project development, industry and audience development and the tenders for the making of Government documentaries.

SENIOR EXECUTIVE SERVICE

SES LEVEL	POSITION TITLE	SEX
2	Chief Executive	Female

The number of SES positions at the FTO remained unchanged from the previous year at one: Chief Executive. The position of Chief Executive is held by Jane Smith.

The NSW Government published its *Action Plan for Women* in November 1996. The key objectives of this plan are:

- : to reduce violence against women
- : to promote safe and equitable workplaces which are responsible to all aspects of women's lives
- : to maximise the interests of women in micro-economic reform
- : to promote the position of women in society
- : to improve access to educational/training opportunities for women, and to improve the health and quality of life for women.

The FTO participated in the following initiative this year, focussing on education and promoting the position of women in society:

- : The WOW Film Festival and Regional Film Screenings, in Sydney, Newcastle, Taree, Lismore, Armidale and Wagga. This was in conjunction with Women in Film and Television (NSW) and Women's Audio Video Enterprise.

APPENDIX 20 FREEDOM OF INFORMATION

The following Statement of Affairs is presented in accordance with section 14(1)(b) and (3) of *The Freedom of Information Act 1989*. The FOI statement of the FTO is correct as at 30 June 2002.

ESTABLISHMENT

The FTO is a statutory authority established under *The NSW Film and Television Act 1988*, amended 1996.

FUNCTIONS

The FTO plays a critical development role for the NSW film and television industry and has a number of programs of assistance including project development, production investment, a young filmmakers fund, the digital visual fx traineeship scheme and support for industry & audience development. It also provides expert advice on locations, policy, industry contacts and production matters.

PUBLIC PARTICIPATION

Direct public participation in FTO policy making is limited. However, opportunities for public participation are set out in the FTO's Guarantee of Service which encourages the public to make suggestions and complaints by telephone on 02 9264 6400, by fax on 02 9264 4388 or by mail to GPO Box 1744, Sydney NSW 2000.

The Board of the FTO consists of experienced industry professionals nominated by the Minister for the Arts and appointed by the Premier. The Board is consulted in the preparation of FTO program guidelines as are industry groups.

Categories of documents held by the FTO include documents relating to:

- 1 investment in development of film and television projects;
- 2 management of the NSW Film Corporation catalogue of films;
- 3 grants to Industry & Audience Development projects and organisations;
- 4 Government Documentary projects;
- 5 promotion of Sydney and NSW as film and television locations;
- 6 policy and procedures which guide the FTO's operations.

ACCESSING AND AMENDING DEPARTMENTAL DOCUMENTS

Applications for access or amendment of FTO documents under *The Freedom Of Information Act* should be accompanied by a \$30 application fee and directed to:

The FOI Coordinator, FTO, GPO Box 1744, SYDNEY NSW 2000

During 01/02 the FTO received no Freedom of Information (FOI) applications. No applications were brought forward from 00/01. There were no internal reviews of decisions under the Act conducted in 01/02 by the FTO.

APPENDIX 21 CONSUMER RESPONSE (COMPLAINTS HANDLING)

The FTO received 2 complaints relating to policy and procedures, both of which have been reviewed.

NOVEMBER 2001

Kingston Anderson, Manager Production Liaison Unit: Travelled to Busan, Korea as a guest of the Busan Film Commission to participate in Bifcom 2001, a film commission expo.

Sally Browning/Manager Development & Finance: Travelled to New Zealand to meet with Stephen Cleary from the UK's feature film development agency Arista, and to attend his script development workshop to research options for Aurora.

JANUARY 2002

Kingston Anderson, Manager, Production Liaison Unit: Travelled to Los Angeles, USA for meetings with studio executives and attended the Australia Day Event celebrating Sam Neill's contribution to the Australian and New Zealand film industries.

MARCH 2002

Jane Smith, Chief Executive: Travelled to Shanghai, China to investigate NSW involvement in the *Shanghai International Film Festival & TV Market*.

Kingston Anderson, Manager, Production Liaison Unit: Travelled to Tokyo, Japan, to represent NSW at an AusFILM sponsored digital effects seminar to encourage more Japanese commercial production in Australia.

APRIL 2002

Kingston Anderson, Manager, Production Liaison Unit: Travelled to Los Angeles, USA, for the *Location Expo* trade show representing NSW. Also attended meetings with production executives from major studios.

MAY 2002

Jane Smith, Chief Executive: Travelled to France for the *55th Cannes International Film Festival* to participate in meetings with international industry executives and filmmakers, and to assess the performance of Australian films in the international marketplace.

JUNE 2002

Jane Smith, Chief Executive/Kingston Anderson, Manager Production Liaison Unit: Travelled to Los Angeles, USA and Shanghai, China. In Los Angeles, attended *Showbiz Expo* – a film production and facilities trade fair with conference sessions focused on technology, creativity and business strategies for the international film and television industry. Attended meetings in Los Angeles with agents to discuss potential advisors for Aurora 2003 and met with producers and film studio representatives who may have projects suitable for production in NSW. Hosted a delegation of Australian film industry representatives and filmmakers attending the *Shanghai International Film Festival & TV Market*, 6-14 June 2002.

APPENDIX 23 RISK MANAGEMENT

The FTO is covered by the Treasury Managed Fund, a self-insurance scheme administered by GIO (NSW). The all-inclusive scheme covers workers' compensation, commercial motor vehicles, property and public liability.

During the year the FTO instigated two claims, both relating to damage to the Office following incidents in the building – one for cleaning of smoke-affected services following a lift fire, and the other for water damage following the flooding of a higher floor. Total cost of the claims was \$15,295.

APPENDIX 24 MAJOR WORKS IN PROGRESS

Nil to report.

APPENDIX 25 REVIEWS AND AUDITS UNDERTAKEN

Production Investment
Strategic Plan/Risk Assessment
IT Review of Security Protocols for Grants Databases
Industry & Audience Development
Production Loan Finance Fund

PURPOSE OF THE CODE OF CONDUCT

The purpose of the Code is to set out the standards of behaviour expected of you, the FTO staff, and to help you solve the ethical dilemmas you face at work.

UNDERLYING PRINCIPLE

The underlying principle is that you must never improperly use your position at the FTO to gain an advantage for yourself or anyone else.

VALUES UNDERLYING THE CODE

The Code of Conduct is based on the values of:

- : Integrity;
- : Commitment to the public interest;
- : Impartiality; and
- : Conscientiousness.

PUBLIC CONFIDENCE

The public should be treated fairly, reasonably and consistently.

RESPONSIBILITY TO THE GOVERNMENT OF THE DAY

You should provide impartial and accurate advice to the Government of the day so that it can implement its policies promptly, efficiently and effectively.

RIGHTS OF STAFF

You have the normal rights of employees, under the common law and within the provisions of applicable legislation.

CONFLICTS OF INTEREST

The purpose of this section of the Code is to prevent conflicts of interest or perceived conflicts of interest from arising or if they do arise, to deal with them openly and ethically.

You should avoid any financial or other interest or undertaking that could directly or indirectly compromise the performance of your duties.

You should not act on a matter if a reasonable person who knew the circumstances of the situation could legitimately question your fairness. Conflicts of interest that lead to partial decision-making may constitute corrupt conduct.

Conflicts of interest exist when it is likely that an employee could be influenced, or could be perceived to be influenced, by a personal interest in carrying out his or her public duty. A personal interest could be:

- : financial (eg. a partnership, collaboration, shareholding or investment, etc),
- : familial (eg. the interests of your parents, partner, children or dependents, siblings, or organisations they are involved in, etc)
- : friendly (eg. close friends who are more than just passing friends or acquaintances, or organisations they are involved in, etc) or
- : social or political (eg. a club, cause or political party you support or supported by someone close to you).

This list is indicative, not exhaustive.

The onus is on you, the FTO staff member, to tell your supervisor or Chief Executive of the conflict or perceived conflict.

If you have a financial interest in a matter before you, tell your supervisor or Chief Executive who will arrange for another officer to deal with it. You cannot consider that matter.

In all other instances, if you are uncertain whether an actual or perceived conflict of interest exists, you must reveal the matter and discuss it with your supervisor or Chief Executive. Where the conflict or perceived conflict is initially revealed to the supervisor alone, the supervisor will inform the Chief Executive.

Steps to resolve a conflict or perceived conflict include disposal of a personal interest or shareholding, cessation of dealings with an outside individual or organisation, a prohibition on working on a matter or possibly approval to work on a matter, or some other course of action. In arriving at a decision, the Chief Executive may consult the FTO's legal adviser. If successful resolution is not achieved initially, the matter may be referred to the Chair of the Board for final decision.

In all instances, a memo recording the nature of the conflict or perceived conflict and its resolution will be retained on the relevant file and in a central register.

In some positions, FTO full-time and part-time staff and FTO appointed external readers (partners of D&F staff will not be appointed as readers) are expected to be practitioners and/or to have a sound knowledge of the film and television production industry, its processes and personnel. This means that on occasions relevant FTO staff and/or FTO appointed external readers will know or have past, current or anticipated dealings with applicants for grants or development and investment funds.

Given that both relevant staff and readers contribute to the formation of funding recommendations considered and decided by FTO management and the Board, it is important to reveal the fact and the nature of the relationship where a conflict or perceived conflict could arise. The more distant the relationship, the less likelihood of an actual or perceived conflict of interest; the closer and/or more current the relationship, the greater the likelihood.

In all instances, a memo of the nature of the relationship where an actual or perceived conflict could arise and its resolution will be kept on the relevant file and in a central register held in the Chief Executive's office.

SECONDARY EMPLOYMENT**FTO STAFF**

Irrespective of whether you are a full-time, part-time or short term employee, you must have the approval of the Chief Executive before engaging in any form of paid employment outside your official duties. You must carefully consider whether the individual, group or organisation offering you secondary employment may adversely affect the performance of your public sector duties and responsibilities or give rise to a conflict of interest.

FTO STAFF AND THEIR PARTNERS**FTO DEVELOPMENT FUNDING**

No current full-time, part-time or short term member of the FTO staff may apply for FTO development funding. The partner of a non-D&F staff member may be a member of an application team, but not the principal applicant, seeking FTO development funding, providing his or her membership of the team is disclosed to the Chief Executive prior to FTO consideration of the application. The partner of a D&F staff member may not apply for FTO development funding.

On departure from the FTO, non-D&F staff and/or their partners and the partners of D&F staff may apply for FTO development funding without delay. D&F full-time or part-time staff may apply for FTO development funding two months after leaving the FTO.

NON-FTO DEVELOPMENT FUNDING

With the exception of D&F full-time staff, FTO staff and/or their partners may apply for development funding from film and television agencies other than the FTO. With the agreement of the Chief Executive, D&F full-time staff may apply for development funding from other agencies provided there is no financial benefit to the D&F staff member. The partner of a D&F staff member may apply for development funding from other agencies.

FTO PRODUCTION FUNDING

No current member of the FTO staff or their partners may apply for FTO production funding.

On departure from the FTO, non-D&F staff and/or their partners and the partners of D&F staff may apply for FTO production funding without delay. D&F full-time or part-time staff may apply for FTO production funding three months after leaving the FTO.

NON-FTO PRODUCTION FUNDING

With the exception of D&F full-time and part-time staff, FTO staff, their partners and the partners of D&F full-time and part-time staff may apply for production funding from film and television agencies other than the FTO. Once a non-D&F staff member is granted production funding from another agency or agencies, he or she must leave the FTO.

On departure from the FTO, D&F staff may apply for production funding from other agencies without delay.

FTO READERS

Partners of non-D&F staff, but not partners of D&F full-time or part-time staff, may become FTO-appointed readers. Readers may apply for development and/or production funding from the FTO and/or from other agencies.

DEALINGS WITH FORMER STAFF AND FORMER FTO BOARD MEMBERS

You should be careful in your dealings with former staff and former FTO Board members to make sure you do not give them, or appear to give them, favourable treatment or access to privileged information, eg. information not yet made public.

POST SEPARATION EMPLOYMENT

You should not use your position to obtain opportunities for future employment. You should not allow yourself or your work to be influenced by plans for, or offers of, employment outside the FTO. If you do, there is a conflict of interest and your integrity and the integrity of the FTO is at risk.

Former employees should neither use, nor take advantage of, confidential information, obtained in the course of official duties, that may lead to gain or profit, until that information has been made publicly available.

ACCEPTANCE OF GIFTS OR BENEFITS

You should not accept a gift or benefit that is intended, or is likely, to cause you to act in a partial way in the course of your duties.

As a general rule, gifts or benefits should not be accepted if the gift or benefit could be, or could be seen to be, either an inducement or a reward. For example, the offer of a meal, gift or benefit before or soon after the FTO made a decision affecting the donor would be suspect.

Gifts accepted in your official capacity are the property of the FTO, eg. books, videos, etc. The Chief Executive may approve acceptance by staff of token gifts or benefits for personal use, provided there is no possibility that the recipient could be, or could appear to be, compromised in the process. The Chief Executive would be unlikely to approve acceptance of repeated offers from the same donor or repeated offers to the same FTO employee.

All gifts over the value of \$100 should be entered into the FTO Gifts Register held in the Chief Executive's office.

PERSONAL AND PROFESSIONAL BEHAVIOUR

FTO staff should perform any duties associated with their positions diligently, impartially and conscientiously, to the best of their ability.

In the performance of their duties they should:

- : take reasonable steps to keep up to date with advances and changes in their area of expertise
- : comply with any relevant legislative, industrial or administrative requirements they are aware of or which are notified to them by the FTO
- : maintain adequate documentation to support any decisions made
- : treat members of the public with courtesy and sensitivity to their rights
- : provide all necessary and appropriate assistance to members of the public
- : treat other staff members with courtesy and sensitivity to their rights to foster a harmonious workplace
- : strive to obtain value for public money spent and avoid waste and extravagance in the use of public resources
- : not take or seek to take improper advantage of any official information gained in the course of employment

FTO staff are expected to give full support to the Government of the day regardless of which political party or parties are in office. When implementing government policy, their own values should not take precedence over those explicit or implicit in government policy.

When faced with having to implement a policy which is at variance with his or her own view, the staff should discuss the matter with the Chief Executive to resolve the issue.

Staff should not harass or discriminate in work practices on the grounds of sex, marital status, pregnancy, age, race, colour, nationality, ethnic or national origin, physical or intellectual impairment, sexual preference, or religious or political conviction when dealing with their colleagues and members of the public. Supervisors should understand and apply EEO principles.

REPORTING CORRUPT CONDUCT

Staff have a duty to report to the Chief Executive or the Chair of the Board of the FTO, if the conduct involves the Chief Executive, any unethical behaviour, wrongdoing or serious waste of public resources by any other member of staff. Staff may also report such conduct direct to the ICAC, the Ombudsman, the Auditor-General and in accordance with *NSW Protected Disclosures Act 1994*.

FAIRNESS AND EQUITY

Issues or cases being considered by staff should be dealt with consistently, promptly and fairly. This involves dealing with matters in accordance with approved procedures, quickly, without discrimination on any grounds. There is an obligation to treat each issue reasonably and with a view to meeting the principles of natural justice.

When using any discretionary powers staff should ensure that they take all relevant facts into consideration and have regard to the particular merits of each case.

PUBLIC COMMENT AND THE USE OF OFFICIAL INFORMATION

Public comment includes public speaking engagements, comments on radio and television, expressing views in letters to the newspaper or in books, journals or notices or where it might be expected that the publication or circulation of the comment will spread to the community at large.

Public comment is only to be made by the Chief Executive, or officers of the FTO authorised for that purpose by the Chief Executive.

While staff, as members of the community, have the right to make public comment and to enter into public debate on political and social issues, there are some circumstances in which public comment is inappropriate. These include:

- : disclosing information which is or should be treated as confidential to the FTO or any third party dealing with the FTO;
- : the implication that the public comment, although made in a private capacity, is in some way an official comment of the Government or of the FTO;
- : where public comment, regardless of the connection or lack of connection with the officer's normal duties, amounts to criticism sufficiently strong or persistent to give rise to the public perception that the officer is not prepared to implement or administer the policies of the Government of the day as they relate to his or her duties.

Officers can disclose official information which is normally given to members of the public seeking that information.

An officer should only disclose other official information or documents acquired in the course of his or her employment when required to do so by law, in the course of duty, when called to give evidence in court, or when proper authority has been given.

In such cases, comments made by officers should be confined to factual information and should not express opinion on official policy or practice.

USE OF OFFICIAL FACILITIES AND EQUIPMENT

It is expected that officers will be:

- : efficient and economical in the use and management of public resources;
- : scrupulous in their use of public property and services and not permit their abuse by others.

Official facilities and equipment should only be used for private purposes when official permission has been given.

POLITICAL PARTICIPATION

Staff need to ensure that their participation in political matters does not bring them into conflict with their primary duty of serving the Government of the day in a politically neutral manner. This is important in order to maintain Ministerial and public confidence in the impartiality of the advice given, and actions taken.

SERVICE STANDARDS

- : responses to correspondence within three weeks of receipt
- : telephone enquiries to be addressed within two working days or progress advice to be given in each period of three working days where the matter is unable to be resolved quickly
- : decisions on script and project applications, in normal circumstances, to be made within 4-6 weeks of receipt of the application
- : the advice to script and project applications, in normal circumstances, to be made within three working days of the decision
- : the advice to tender applicants of their success or otherwise within three working days of the approval of recommendations whenever sought, general information of the Office's activities (ie. brochures, guidelines etc) to be provided within one week of the written or verbal request
- : discretion and confidentiality of customers' projects and requests to be maintained.

CONTACT

With a small staff it is not always possible for the FTO to provide immediate information and advice, but every endeavour should be made to do so.

CONFIDENTIALITY

The staff of the FTO are required to maintain and keep confidential to the FTO all confidential information which they receive in the course of their employment with the FTO relating to the affairs of the FTO, the affairs of clients of the FTO or any other party which has dealings with the FTO. This extends to information gained by employees, the confidentiality of which is not readily apparent. Specifically, staff of the FTO must not express or inadvertently disclose any confidential information relating to the FTO or its clients or any party dealing with the FTO to any third party without the prior approval of the Chief Executive.

APPENDIX 28 BOARD MEETINGS

The FTO Board met on 14 occasions in 01/02. Five of the Board Meetings were held by teleconference to consider urgent matters or urgent funding applications. Listed here are meetings attended by FTO Board Directors.

MR SHANE SIMPSON

Meetings: attended – 12, eligible to attend – 14

MR GEOFFREY ATHERDEN

Meetings: attended – 7, eligible to attend – 7
Mr Atherden's term with the Board finished on 31 December 2001. He was replaced on the Board by Robert Connolly.

MR LAURIE PATTON

Meetings: attended – 12, eligible to attend – 14

MR STEPHEN BASIL-JONES

Meetings: attended – 3, eligible to attend – 3
Mr Basil-Jones resigned from the Board on 8 October 2001. He was replaced on the Board by Libby Rhys-Jones.

MS MEGAN MCMURCHY

Meetings: attended – 13, eligible to attend – 14.

MS SUE MASTERS

Meetings: attended – 10, eligible to attend – 14.

MR ROBERT CONNOLLY

Meetings: attended – 6, eligible to attend – 7.

MS SARAH DOWLAND

Meetings: attended – 13, eligible to attend – 14.

MS LIBBY RHYS-JONES

Meetings: attended – 5, eligible to attend – 6.

It is a priority for the FTO to provide excellent access, services and opportunities for people with disabilities in accordance with the FTO's Disability Plan, which will be reviewed by December 2002.

APPENDIX 30 PRIVACY MANAGEMENT PLAN

As required by the *Privacy and Personal Information Protection Act 1998*, to protect the privacy of individuals from the inappropriate collection, storage, use and disclosure of personal information by the NSW public sector agencies, the FTO has prepared a draft Privacy Management Plan. This Plan will be finalised as part of the FTO's current Records Management project.

APPENDIX 31 PROGRAMS, SERVICES AND INITIATIVES FOR OLDER PEOPLE

PROJECT/INITIATIVE	DESCRIPTION	CONTRIBUTION FROM OTHER SOURCES
Encouraging Participation	The FTO continues to maintain an open policy on all applications and investment decisions based on its published funding criteria.	–

APPENDIX 32 REPORT ON OCCUPATIONAL HEALTH AND SAFETY

No workers compensation claims were made during the year. There were no work-related illnesses or prosecutions under the *Occupational Health and Safety Act 1983*.

APPENDIX 33 DEPARTMENTAL REPRESENTATIVES ON SIGNIFICANT COMMITTEES

AusFILM Board and Executive Committee	Jane Smith
AusFILM Board and Finance Committee	Kingston Anderson
Film Industry Steering Committee	Kingston Anderson

APPENDIX 34 RECYCLING REPORT

The FTO's waste paper was collected on a regular basis for recycling. Recycled paper was used where possible in photocopiers and laser printers.

APPENDIX 35 WAGES & SALARIES – EXCEPTIONAL MOVEMENTS

A 3% wage increase was awarded to staff covered by the *Crown Employees (Public Sector Salaries – January 2000) Award* effective from the first pay period commencing after 1 January 2002.

An additional impact over the reporting period was created by redundancy payments made to staff following the closure of the Government Documentary Division.

APPENDIX 36 COST OF ANNUAL REPORT

900 copies of the FTO's 01/02 Annual Report were produced with a unit cost of \$22.72 (exclusive of GST).

- A:** A Natural Talent **20**
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 Australian Film Finance Corporation (FFC) **30, 31**
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- B:** Bank, The **6, 9, 35**
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- C:** Caesar, David **6, 32, 35, 43**
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- E:** Easter Tide, The **20**
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- F:** Fables **19**
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- L:** La Paglia, Anthony **32**
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