

FTO 2003





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Hours of Business
9.00am–5.30pm Monday–Friday

The New South Wales Film and Television Office
is a statutory authority of, and principally funded by,
the NSW State Government.



ISSN 1037-0366

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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 2003 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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The achievements of the year have clearly positioned the FTO as an innovative and effective development agency, supporting the creative and professional development of NSW filmmakers. These achievements have been managed in a year in which there has been demand on the FTO's production funds that could not be satisfied, increased competition for productions from other states and uncertainties both in the federal and the private film funding sectors. However, we are delighted that the NSW Government recently announced increased funding for production investment. This will be a timely catalyst for the local film and television sector.

Our commitment to supporting development pathways for practitioners was reinforced with the introduction of a new initiative—the New Feature Film Writers Scheme—complementing the existing Aurora and Young Filmmakers Fund programs. Launched by acclaimed director Gillian Armstrong in March, the Scheme actively assists emerging talent to make an effective transition to feature film, teaming participants with experienced script consultants and offering support to network within the industry.

Projects supported by the Aurora intensive script development process have already begun to make their mark. Six months after delivery of the new drafts, *More Than Scarlet* has secured production investment and two other projects have attracted considerable market interest. In this very short timeframe Aurora has achieved significant and positive industry recognition, and we look forward to continued success with future rounds.

The Young Filmmakers Fund (YFF) has entered its eighth year, providing grants for a dynamic mix of projects from NSW's finest emerging talent. That the Fund offers a unique opportunity for practitioners to develop the necessary skills and experience is borne out by the achievements of some of the earlier recipients. Sofya Gollan (*Chlorine Dreams*) and Megan Harding (*An Irishman Walks Into A Pub*) have both taken feature projects into development through Aurora, and *Damien Power (Until The Vision)* was recently funded through the first round of the New Feature Film Writers Scheme.

Other YFF alumni include Liz Watts, producer of the award winning and critically acclaimed feature *Walking On Water*, and Louise Smith, who co-produced the upcoming feature *The Rage In Placid Lake*, starring Ben Lee and Rose Byrne.

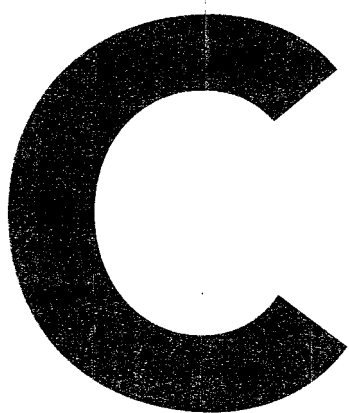
Two recipients of the Metro Screen Multicultural Mentor Scheme (MMS), Flordeliz Bonifacio and Fadia Abboud also achieved funding in the most recent YFF Round. The FTO has supported the MMS since its establishment to provide opportunities for filmmakers from culturally diverse backgrounds to break into the industry.

Work progressed on the development of a business enterprise initiative to facilitate sustainable business models for Australian production companies and increase the strength and capacity of the NSW industry. Designed by Olsberg|SPI and previously held with great success in the UK and Europe, Enterprise Australia incorporates an innovative program, equipping producers with essential business skills. The pilot course will be delivered in collaboration with Film Victoria, Screenwest, the Australian Film Television and Radio School and the Australian Film Commission in the coming year.

NSW PRODUCTION INDUSTRY

Production levels in NSW recorded a drop this year due to a range of external factors including the relative cost of filming in Sydney and financial assistance and incentives offered in other states. These factors impact on our ability to continue to attract major international production. Demand on the Production Investment Fund far exceeded the annual allocation of \$1.9M. As an interim measure funds were diverted from the Revolving Fund to augment limited resources. In the new financial year production investment applications will be accepted in competitive funding rounds to ensure equitable distribution of the limited funds. Many applicants will be disappointed but this is inevitable in the current funding environment. The recent announcement of increased government support for production investment to take effect in the coming year will greatly alleviate this situation.

Studio development also continues to impact on the NSW industry and more large-scale projects are seeking to film in Sydney than can currently be accommodated. Two new complexes were announced this year, in Kurnell and Lane Cove. When completed these will effectively double the sound stage capacity in Sydney. The Lane Cove studios will include a floodable tank stage and construction has also commenced on a Trackdown Scoring Stage at the Fox Studio Lot to enable the recording of full orchestral scores.



A number of policy initiatives were undertaken this year to further improve the NSW production environment.

The State Environmental Planning Policy No. 4 was amended providing a streamlined approval process for filming on state-controlled land. This protocol model has been extended to the state government sector and the FTO is working with agencies to establish streamlined processes, policies and pricing models in a whole-of-government approach.

The Office has also addressed the needs of the property sector in Sydney and work has commenced on the drafting of a Protocol specific to property owners and managers in consultation with the Property Council of NSW.

In June we funded the inaugural X|Media|Lab—an intensive development initiative for new media projects. The lab provided an unequalled opportunity for creative teams to collaborate with mentors from a range of disciplines, and explore innovations in content development and production from around the world. In the coming year we will continue to explore the issue of content development for interactive and new development platforms.

We delivered our second seminar on the effective use of digital effects in film and television production, titled Adding Strings To Your Bow. Designed to meet a range of script and production requirements, the program highlighted digital options available to stretch production dollars.

Practitioners trained through the Digital FX Traineeship Scheme are pursuing successful careers, and we were delighted to see former trainee Aidan Sarsfield credited as 3D Supervisor on *The Matrix Reloaded*.

SPIRITED AWAY (JAPANESE) COURTESY NICHE PICTURES

THE RAGE IN PLACID LAKE

MARTHA'S NEW COAT



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NSW films continued to achieve critical acclaim this year. *Walking On Water* took home six awards at the 2002 *Emirates AFI Awards* including Best Original Screenplay, and also received the Mushroom Pictures IF Award for Best Script. *Beneath Clouds* achieved success at both the *AFI Awards* and the *Lexus IF Awards*, receiving awards for Best Direction and Best Cinematography at both ceremonies.

All three titles in the Best Documentary category at the *Sydney Film Festival's* Dendy Awards, *Desperate Man Blues*, *Painting With Light In A Dark World* and *The Shadow Of Mary Poppins*, were FTO funded projects with *Desperate Man Blues* taking out the award.

The fourth *Young Filmmakers Fund Festival* showcasing recently delivered projects from emerging filmmakers was presented this year as part of the *Sydney Film Festival* program and screened to capacity crowds.

REGIONAL DEVELOPMENT

The FTO works in a number of ways to facilitate greater participation in the development, production and exhibition of film, television and new media in regional NSW.

We played a key role in staging the Australian International Documentary Conference (AIDC) in Byron Bay in February, providing significant cultural and economic benefit to the Northern Rivers region. The 2003 Conference was the most successful yet, achieving record delegate numbers and generating increased national and international media coverage. This was also the first time the event had been held outside of a major capital city.

The Regional Filming Fund completed another productive year, supporting six Australian productions to film in remote and regional locations across NSW. These productions generated around \$1.3M in direct expenditure and employed 600 local people in roles such as extras and production assistants. The FTO also continued to assist in the establishment of a network of Regional Film Liaison Offices, facilitating effective film and television production outside of the Sydney Metropolitan area.

In January our second regional cinema publication—The Distribution Guide—was launched by the Premier at the Saraton Theatre in Grafton. Originally developed to assist regional cinema operators understand the process of film exhibition and distribution, the Guide has also proved a popular resource for local filmmakers.

Work progressed on the development of a training program for cinema projectionists, and Metro Screen was selected as the training partner. Curriculum and resource development is underway, and the first course will be delivered in a regional location later this year.

WESTERN SYDNEY

The Industry & Audience Development budget enhancement came into effect in the reporting period, enabling us to expand the reach of our services to Western Sydney.

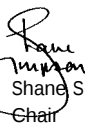
In May we delivered an industry information day entitled *Shooting West*, presented in partnership with Casula Powerhouse Arts Centre and Metro Screen, to encourage greater participation in film industry activities. The program of workshops, seminars and film screenings was opened by the Hon. Diane Beamer, Minister for Western Sydney and was received enthusiastically by over 300 attendees. The event proved productive to developing new relationships and reaching new audiences, and we intend to deliver a second *Shooting West* in 2004.

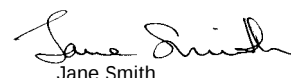
Metro Screen's Mobile Training Unit, supported with funding from the FTO, expanded its operations into Western Sydney, providing access to low cost training, professional development and production support in a variety of film and television skills. The Mobile Unit delivered training in Parramatta, Richmond, Campbelltown and Casula to a range of community and cultural groups.

AND FINALLY...

We acknowledge the contribution and commitment of the FTO board and extend our thanks and best wishes to outgoing Deputy Chair Laurie Patton, who completed six years of service. We welcome the appointment of incoming Deputy Chair, Andrew Mason.

And of course thank you to the dedicated staff of the FTO whose work and enthusiasm has ensured our achievements and successes. We look forward to another productive year in film and television.


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.’



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The FTO Board was appointed on 1 January 1997. The Members of the Board as at 30 June 2003 are:

MR SHANE SIMPSON (CHAIR) REAPPOINTED FOR 3 YEARS FROM 1 JANUARY 2003

Principal of Simpsons Solicitors. 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. Chair of the Peggy Glanville-Hicks Composers' Trust. Founder and former Executive Director of the Arts Law Centre of Australia.

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*.

MS SARAH DOWLAND REAPPOINTED FOR 3 YEARS FROM 1 JANUARY 2003

Visual Effects Producer at Animal Logic. Board member of AusFILM.

MR ANDREW MASON (DEPUTY CHAIR) APPOINTED FOR 3 YEARS FROM 1 JANUARY 2003

Producer of *The Matrix* trilogy, *Swimming Upstream*, and *Danny Deckchair*. Board member of Macquarie Film Corporation. Principal of City Productions.

MS SUE MASTERS APPOINTED FOR 3 YEARS FROM 1 JANUARY 2001

Head of Drama at Network Ten. Former National Commissioning Editor of TV Drama, ABC.

MS MEGAN MCMURCHY RE-APPOINTED FOR 3 YEARS FROM 1 JANUARY 2002

Independent producer and former Executive Producer at Film Australia. Series producer of multi-platform drama series *Fat Cow Motel*, currently producing documentary series *Fine Line* for SBS Independent.

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.





ORGANISATIONAL CHART AS AT 30 JUNE 2003

The Young Filmmakers Fund (YFF) is coordinated by Shannon Wheeler and is administered through the FTO. The YFF is funded by the NSW Government.

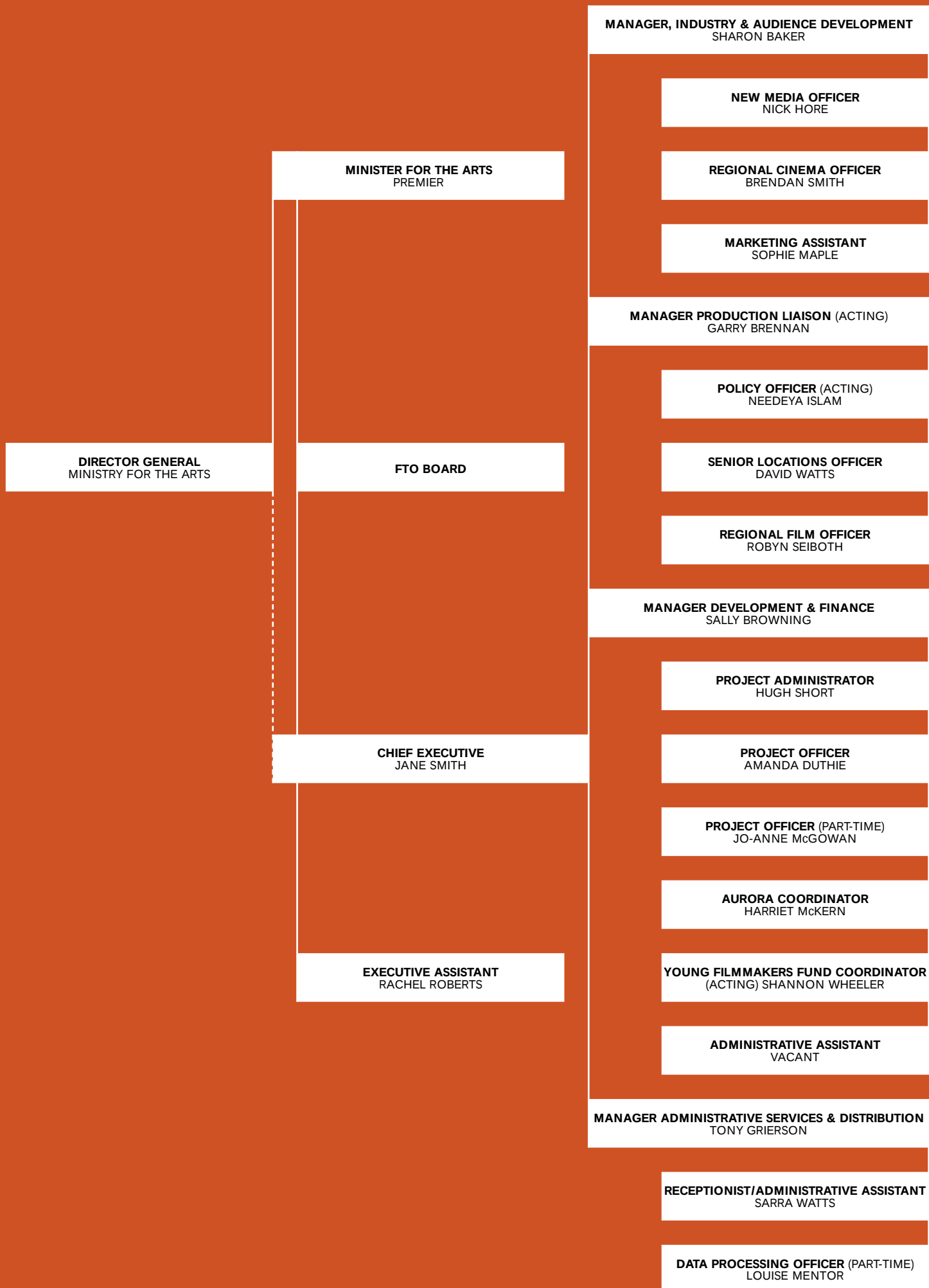
The FTO's work was assisted through the year by a number of industry people: Tony Grierson, Julie Marlow, Paul de Carvalho, Mary Bartrop, George Mannix, Lisa Scope, Diana Bodger, Tom Kane, Shilo McClean, Kya Blondin, James DeHavilland, Kate McLoughlin, Darren Kick, Duncan Thompson.

Staff who left during the year: Karen Myers, Kingston Anderson, Greer Simpkin, Alan Arcilla, Melissa Battersby, Jonathan Ogilvie, Natalie Vlies, Belinda Chayko, Barbara Masel, Halimah Simpson.

R

(l-r) Louise Mentor, Sharon Baker, Harriet McKern, Garry Brennan, Sally Browning, Brendan Smith, Needeya Islam, Hugh Short, Jane Smith, Nick Hore, Sophie Maple, Amanda Duthie, Shannon Wheeler.

(Not Pictured) Tony Grierson, David Watts, Robyn Selboth, Jo-Anne McGowan, Sarra Watts, Rachel Roberts, Michelle Wilde (maternity leave)



The Government's recurrent funding appropriation to the FTO in 02/03 was \$7.406M, an increase of \$410,000 from the previous year. This increase was principally comprised of additional funding for Industry & Audience Developments activities in Western Sydney and regional NSW.



SO CLOSE TO HOME

The FTO's total expenditure for the reporting period was \$10.409M, comprising \$4.322M in Operating Expenses and \$6.087M in Grants and Subsidies.

TABLE 1 EXPENDITURE

	02/03 \$'000	01/02 \$'000	VARIANCE %
Operating Expenses	4,322	3,717	16
Grants and Subsidies	6,087	4,117	47
TOTAL EXPENDITURE	10,409	7,834	

The increase in Operating Expenses from the previous year is attributable to the 4% increase in salaries from January 2003 for employees under the *Crown Employees (Public Sector Salaries-January 2002) Award*, and also to the costs incurred in transferring the FTO's Corporate Services to the Powerhouse Museum.

Operating Expenses include approximately \$800,000 in costs for legal fees, external assessors and workshops which are attributable to the delivery of FTO Programs of Assistance and Grants and Subsidies. In Table 2 these have been included in the figures for Grants and Subsidies.

The variation in actual expenditure for Grants and Subsidies is primarily due to timing differences in the contractual terms for the payments of grants and subsidies. As such, this figure includes amounts committed but not expensed in previous years. By comparison, the total value of Grants and Subsidies commitments in 02/03 was \$5.67M (Table 2).

GRANTS AND SUBSIDIES

The total funds committed to Grants and Subsidies, and also expensed in directly related costs were \$5.67M, which is \$470,000 more than the amount in appropriations from the NSW Government.

The programs that this primarily relates to are Production Investment, Project Development and continued funding for Other Industry Promotion, which is not covered by an appropriation.

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

VIEW

TABLE 2 GRANTS, SUBSIDIES AND RELATED EXPENSES

	GRANTS AND RELATED EXPENSES ² \$'000	GOVERNMENT APPROPRIATION ¹ \$'000
Aurora Script Development Workshops	500	500
Australian Childrens' Television Foundation	110	110
Industry & Audience Development	701	701
New Media	202	150
Other Industry Promotion	107	0
Production Investment	2,157	1,900
Project Development	944	890
Regional Cinema	100	100
Regional Filming Fund	500	500
Young Filmmakers Fund	350	350
TOTAL GRANTS, SUBSIDIES AND RELATED EXPENSES	5,671	5,201

¹ The Government Appropriations for all programs, except the Australian Childrens' Television Foundation, contain specific provisions whereby expenses that are directly related to the provision and delivery of these programs can be included as part of the expenditure for the program.

² Figures used represent amounts committed during the year, together with amounts for expenses directly related to the program that are either paid or committed to be paid.

CHARTER

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.

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

“IT TAKES BOTH
CONVICTION TO SU
TIME PRODUCER,
WRITER, AS WAS
THUNDERSTRUCK-BU

JODI MATTERSON, PRODUCER, THUNDERSTRUCK

HOME MADE HISTORIES



THE SHADOW OF MARY POPPINS



THE MAN WHO STOLE MY MOTHER'S FACE



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BLACK TALK

COURAGE AND SUPPORT A FIRST- DIRECTOR AND S THE CASE ON UT THE FTO DID IT."

PROJECT DEVELOPMENT

The creative process of script development is an essential first step towards realising film production. Each year the FTO maintains its commitment to supporting filmmakers to realise their creative vision, resulting in a diverse slate of television, feature and documentary projects.

At the earlier stages of development a wide range of projects are supported and scripts are assessed on potential and distinctiveness. Not all scripts developed will be made, but this process affords practitioners an opportunity to refine and explore their craft. As projects progress through the stages of development the assessment process becomes more rigorous, seeking evidence of readiness for production. Projects in the later stages of development are assessed on the team, market interest, the quality of the script and the collaborative vision of the project, as well as their creativity, viability and economic benefit to NSW.

FTO project staff review the Development Guidelines annually to ensure support is appropriately directed towards project and practitioner development. Funding processes are refined and new initiatives are developed to address identified gaps in the marketplace. This year the implementation of new guidelines, indicating budget caps for each development stage, has allowed for a more transparent application process and clearer evaluation of the stage of development a project has reached. The New Feature Film Writers Scheme was introduced to nurture writers new to the industry, and Aurora entered its second successful year.

The FTO continues to explore approaches to achieving cultural diversity within the projects it supports, this year providing a response and discussion points to an Indigenous Protocol proposed by the Australian Film Commission (AFC). The FTO also collaborated with the AFC in special initiatives such as the Indigenous Television Writing Workshop to provide indigenous writers with an opportunity to benefit from focused, hands-on experience provided by television practitioners.

Funding applicants are requested to provide information regarding gender and ethnicity, however the form is voluntary and the data compiled can only be regarded as indicative. Based on data collected, the FTO has determined that 45% of development applicants were female. Applicants from an ethnic minority group who spoke a language other than English at home made up 12% of the respondents and a very small percentage indicated they were indigenous filmmakers.

The FTO consistently investigates new opportunities to support the professional development of practitioners and increase the strength and capacity of the local industry. The prospect of producing a business development handbook for producers was discussed, however the Office has directed resources towards piloting the Enterprise Australia business development workshop.

Throughout the year the FTO participated in many industry seminars to raise awareness of the funding programs available in NSW. This included a special session at the Sydney Writers' Festival where Aurora's approach to script development was discussed by a panel which included writer/director Jane Campion, producer Jan Chapman, writer/director Chris Noonan, writers and Aurora participants Lynne Vincent McCarthy and Christina Andreef and producer Anthony Anderson.

FTO project staff also presented information at seminars and participated in panels at the Australian Film Television and Radio School, Metro Screen, Casula Powerhouse Arts Centre, Wollongong University, Newcastle University, the Australian Writers' Guild, University of Technology Sydney, Crossover Australia Media Lab and the 2003 *Australian International Documentary Conference*.

DEVELOPMENT FUNDING

Development funding provides support for a range of productions including feature films, telemovies, documentary, television series and animation. This year the FTO received 308 applications for development assistance and provided support to 78 projects. The FTO's development funds have become more competitive in recent years as the demand for assistance increases. The FTO also continues to provide innovative and new development schemes to assist the changing needs for NSW filmmakers, but this is without an increase in funding.

A total of \$944,392 was committed in development, allocated to features 65.02%, documentary 9.16%, animation 5.11%, travel 8.01%, television series 5.61%, mini series 4.34%, initiatives 1.59%, and telefeatures 1.16%. These breakdowns include projects supported via the New Feature Film Writers Scheme.

A number of projects developed by the FTO were financed into production this year, most notably the Aurora project, *More Than Scarlet*. Other projects included the SBS Independent/FTO short feature *So Close To Home*, the feature film *Thunderstruck* and documentaries *City Of Fear*, *Helen's War*, and *The Original Mermaid*.

The FTO provides Travel Grants to producers and practitioners to attend international markets and festivals to secure production financing or to continue the promotion of their work to international audiences. This year the FTO funded 17 filmmakers to travel to high profile festivals and markets. These included Cannes, Sundance and Sao Paulo film festivals, and markets such as MIPCOM and Cinemart.

While the FTO Fellowship program has been widely acknowledged by the industry as an important creative development initiative, the Fellowships were discontinued after a final round in 2001 due to a lack of available funding. However, those fellowships already awarded have allowed a number of filmmakers to focus on professional development, a project or slate of projects and to explore career opportunities. The following previous fellowship recipients were successful this year in repaying these amounts:

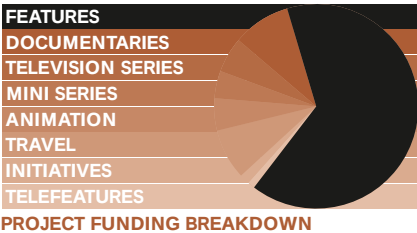
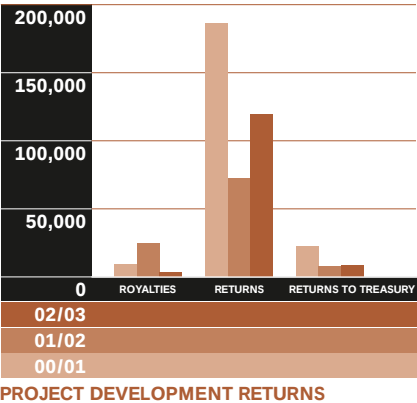
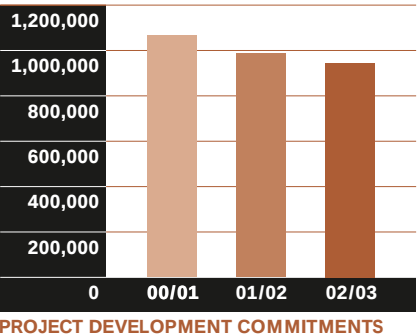
Tom Zubrycki received a fellowship to research a documentary about refugees. The resulting project was the feature-length *Molly And Mobarak*, which went into production in 2002 and screened to a full house at the 2003 Sydney Film Festival.

Rosemary Blight and Kylie du Fresne received a Producer fellowship, part of which was repaid when their telefeature, *Go Big* went into production in early 2003.

The FTO commissions external readers to provide an analytical script report which forms part of the decision-making process for funding. To ensure appropriate remuneration for external readers' assessments the FTO increased reader fees this year. This was welcomed from the industry as an ongoing commitment to secure independent analysis of projects, providing a useful process for filmmakers to review other work and deliver valuable feedback to applicants.

If a script has indigenous content the FTO commissions a report from an indigenous reader to analyse these elements as well as to provide the FTO with a general script analysis. The FTO is committed to commissioning analysis reports from indigenous readers, regardless of whether the project has indigenous content or not. This is part of a longer-term strategy to build script analysis skills amongst indigenous filmmakers.

In April the FTO called for expressions of interest for inclusion on the external readers list and received a total of 240 applications. A panel with two industry representatives, Megan McMurchy and Tristram Miall, was convened together with FTO Project Officer Amanda Duthie in order to review each application and determine the final list. The FTO's readers list is now closed until the next expression of interest is advertised in early 2005.



ENTERPRISE AUSTRALIA-BUSINESS STRATEGIES FOR THE INDEPENDENT PRODUCER

The FTO recognises the importance of providing producers with the necessary business skills to develop sustainable business models for their production companies. Throughout the year the Office has coordinated interstate and federal funding agencies to pilot an advanced business enterprise skills initiative-Enterprise Australia-for producers of film, television and new media. This initiative is designed to increase the strength and capacity of the Australian industry in the context of the international marketplace and the digital economy.

The program is designed and delivered by Jonathan Olsberg of Olsberg|SPI, a UK-based specialist and consultant, in collaboration with Film Victoria, Screenwest, Australian Film Television and Radio School and the Australian Film Commission. Previously held with great success in the UK and Europe, the program will provide producers with practical guidance on developing and maintaining sustainable businesses, negating the 'hand-to-mouth' existence often experienced between productions.

The program will involve local and international advisors who will deliver a four-day intensive residential workshop in November 2003 for experienced producers. This will be followed in March 2004 with one-to-one tutorial meetings to conclude the program.

A separate corporate funding program will be established at the completion of the course offering one participant a company development loan of up to \$70,000 to support the implementation of core business strategies and the development of a slate of identified projects. Up to 50% of the loan can be used for approved itemised associated overheads such as salary costs of a development executive engaged to progress a core development slate or a business affairs executive to monitor and progress the goals in the business plan.

A national call for applications was made in June 2003.

This year the FTO allocated a portion of its development funds to a new funding scheme for emerging scriptwriters, providing a crucial opportunity for new talent to make an effective transition to the feature film arena.

The competitive nature of existing funding models can make it difficult for emerging writers to achieve appropriate development and support for their projects. New writers are often lost amongst the more experienced applications with their projects, if funded, rarely progressing beyond the initial draft.

The New Feature Film Writers Scheme is modeled on the intensive development process utilised by Aurora, and provides effective career and development pathways for emerging talent. New writers with less than 30 minutes of credits are teamed with an experienced script editor and script consultants who provide carefully structured script assistance and introductory opportunities not usually within a new writer's reach.

On delivery of new drafts, the FTO organises a networking opportunity for funded writers to meet producers and directors from the industry so as to ensure they have access to collaborators for the next stage.

The first round closed on 19 December and 175 applications were received. External readers Vincent Sheehan, Belinda Chayko and Greg Woodland, and FTO staff members Sally Browning and Amanda Duthie, assessed the applications. Four finalists were selected and script editors attached. Each script editor is also required to consult on two other successful projects.

At a combined launch for the New Feature Film Writers Scheme, Young Filmmakers Fund and Aurora in March, Gillian Armstrong announced the four successful writers and their projects which had been selected from a very competitive field:

TITLE	APPLICANT AND SCRIPT EDITOR
Hope	Damien Power (writer) Vincent Sheehan (script editor)
In Human	Matthew Murphy (writer) Belinda Chayko (script editor)
Karaoke Killers	Rob Reynolds (writer) Greg Woodland (script editor)
The Feeder	Tara Wilkinson (writer) Rachel Landers (script editor)

The second round of New Feature Film Writers Scheme closed on 6 June and 140 applications were received. Successful projects will be announced early in the coming year.

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“WHEN MY SCRIPT WAS SELECTED FOR NEW FEATURE FILM WRITERS SCHEME A NEW WORLD OF CONTACTS AND RESOURCES OPENED UP. EARLY DAYS YET, BUT I FEEL A LOT MORE LIKE A WRITER THAN I DID A YEAR AGO.”

TARA WILKINSON, WRITER & NEW FEATURE FILM WRITERS SCHEME RECIPIENT



YOU CAN'T STOP THE MURDERS



TRAVELLING LIGHT



DESPERATE MAN BLUES

In only its second year of operation, Aurora has been widely heralded as an innovative script development initiative. 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, Aurora allows creative teams to achieve accelerated and focused development, utilising the wisdom and experience of local and international mentors. The intensive workshop process substantially reduces the time taken to move a project from development into production. Aurora workshops are held once a year in two parts with projects selected on the creativity of the script and the strength and experience of the team. Team members attend a residential workshop in the first half of the year, to work intensively on their projects in collaboration with high-profile advisors. A second, follow-up session is held later in the year in Sydney at which the filmmakers receive feedback on the new scripts and information about financing and marketing the projects. In the intervening period, Aurora provides significant development funds for the team to advance to their project to the next stage. The success of this development process is evidenced by the achievements of the first four projects to participate in the program. Six months after delivery of the new drafts, More Than Scarlet secured production investment to commence filming, and two other projects have received considerable marketplace interest. Industry awareness of Aurora has been illustrated through market interest and a desire to read the chosen scripts. A widespread advertising campaign ensured the broadest reach to potential applicants and publicity about the first Aurora project to secure production investment has allowed the initiative to continue its positive profile.

“TOUGH ON
SCRIPT FLAWS
BUT WARMLY
SUPPORTIVE
OF BOTH
THE PROJECT
AND THE TEAM—
I WISH IT HAD
BEEN AROUND
WHEN I WAS
STARTING OUT.”

CHRIS NOONAN, WRITER/DIRECTOR & AURORA ADVISOR

AURORA ROUND 1

Four projects—Axe-Fall, Fables, More Than Scarlet and Little Fish (aka Tracey Heart)—were selected for the first Aurora workshop and attended the residential workshop in April 2002. Following six months of further development on the script, the teams delivered a new draft in October to their advisors to provide further feedback. The continued generosity and useful guidance from Rob Festinger (In The Bedroom), Geoff Stier (Iris, The Talented Mr Ripley, Random Hearts), Jan Chapman (Lantana, The Piano, Love Serenade), and screenwriter and script editor Alison Tilson (Road To Nhill, Japanese Story) allowed each team to maintain a continuity with feedback for the new drafts. The final stage of Aurora Round 1 was held in Sydney in November and each team met with new advisors in Sydney to complete the process. Chosen for their knowledge of the international and local feature film marketplace as well as their creative abilities with the script, were Jason Resnick, Vice President of Acquisitions, Focus Features (an arm of Universal Pictures); Sue Murray, independent script and marketing consultant/director of the Australian production and distribution company, Fandango; and Tony Safford, Senior Vice President of Fox Film Acquisitions, Twentieth Century Fox. The November workshop allowed teams to hold one-on-one meetings with advisors to discuss script and marketing issues. Each project was provided a read-through with actors, attended by Artistic Director Duncan Thompson, writer/director Chris Noonan and Jane Campion, Aurora's Patron. Producers from each of these teams also attended the SPAA Conference to seek marketplace interest in their projects.

AURORA ROUND 2

The second Aurora round closed on 7 January with 31 applications received. A panel of six readers—Claire Dobbin, Wesley Enoch, Jonathan Ogilvie, Tim Richards, Keith Thompson and Kate Woods—selected a short-list of 13 for further consideration. The final selection was made by Duncan Thompson, Jan Chapman, Chris Noonan and Sally Browning (FTO). Gillian Armstrong announced the four successful projects and their teams at the Australian Museum on 28 March:

TITLE	APPLICANTS
Cut Snake	Blake Ayshford (writer) Nicholas Parsons (producer/director)
Shiver	Christina Andreef (writer/director) Helen Bowden (producer)
Ice	Sofya Gollan (writer/director) Matt Carroll (producer)
Highway Toll	Raymond Devitt (writer) John Cruthers (producer) Marcus Gale (director)

The successful teams joined their mentors for the residential workshop on the South Coast of NSW in April. Advisors for 2003 were producer Jan Chapman, screenwriter Simon Beaufoy (The Full Monty, The Darkest Light, This Is Not A Love Song), screenwriter/director Bill Forsyth (Gregory's Girl, Local Hero, Comfort And Joy, Housekeeping) and screenwriter/director Chris Noonan (Babe, The Cowra Breakout, The Riddle Of The Stinson). Duncan Thompson, a European script advisor now based in Australia, joined the program as Artistic Director for the second year.



YFF ROUND 12 ANNOUNCEMENT



AVOCA



MUSEUM OF DREAMS

Since its establishment in 1995, the Young Filmmakers Fund (YFF) has supported 71 new and emerging filmmakers to produce a diverse slate of projects ranging from short drama and documentaries to animation and experimental films. The YFF is now a highly regarded grant program that provides meaningful opportunities to young NSW filmmakers eager to acquire and develop the skills crucial to successfully competing in the film and television industry.

YFF grants of up to \$30,000 each are available to NSW residents aged between eighteen and thirty-five for production or post-production costs. There is no restriction on format or genre of film. Applications are accepted in two fixed funding rounds per year and are assessed by a panel comprised of industry representatives (including at least one previous grant recipient), as well as an FTO Project Officer.

A highlight for the year was showcasing eleven recently completed films at the *Young Filmmakers Fund Festival*, which for the first time screened as part of the *Sydney Film Festival* program. A further four films were supported through Round 12, and YFF projects continued to achieve strong showings at significant local and international film festivals.

“THE YOUNG FILMMAKERS FUND REALLY MADE US GROW UP AS FILMMAKERS.”

JOEL EDGERTON, WRITER/ACTOR & YFF ROUND 3 GRANT RECIPIENT

ROUND 12

Round 12 of the YFF closed on 4 November. The FTO received 67 applications, 59 for full production and 8 for post-production. Of these, 45 were drama projects, 10 were documentaries, 8 were animations and 4 were experimental projects.

Represented on the assessment panel were John Benson (television writer), former YFF recipients Peter Carstairs (writer/director) and Tim Slade (writer/director), Amanda Duthie (FTO representative), Gaby Mason (producer) and Lee Whitmore (animator/writer).

Joel Edgerton, writer, actor and YFF Round 3 grant recipient (*Bloodlock*) announced the successful projects on 28 March. They were:

TITLE	APPLICANT/S	TYPE	AMOUNT
Deluge	Flordeliz Bonifacio/ Samantha Jennings	Drama	\$30,000
I Remember 1948	Fadia Abboud	Experimental Documentary	\$30,000
Gabriel	Janine Burchett Gardner/ Cherie Knott	Drama	\$30,000
Aerosol	Wojciech Wawrzyniak/ Karel Segers	Animation	\$30,000

ROUND 13

Round 13 of the YFF closed on 23 June and 64 applications were received. The assessment panel comprising former YFF recipients Andrew Arbutnot (producer) and Janet Merewether (writer/director), Barry Gamba (producer), Melissa Hasluck (producer), Robert Herbert (writer/director) and Jo-Anne McGowan (FTO representative) will meet to consider the proposals and successful projects will be announced in the coming year.

The FTO provides marketing allowances to assist with the costs of marketing and distributing completed projects. These grants are integral to the successful presence of YFF films at prestigious film festivals around the world.

Applications are assessed by the FTO Chief Executive and the Manager Development & Finance following the recommendations of the YFF Coordinator. The funding criteria include the quality of the delivered film, the likelihood of the project being invited to significant local and international festivals, and the feasibility of the filmmaker's marketing strategies.

This year marketing allowances were provided to *Beach Story*, *Laquiem*, *The Demon Fault*, *Search* and *Contact*.

The short drama *Search* screened at the 2002 *Odense International Film Festival* in Denmark, the 25th *Creteil International Women's Film Festival* in France, the *Canberra International Film Festival* 2002 and the *Adelaide International Film Festival* 2003. *Contact* screened at over fifteen international and local film festivals during this year, most notably the *Cork International Film Festival* 2002 and the *Los Angeles Short Film Awards* 2003 as well as at a number of gay and lesbian festivals in Australia, Europe and North America.

YFF grant recipient Nerida Moore won the Emerging Australian Filmmaker Award at the *Melbourne International Film Festival* 2002 for the documentary-drama *Avoca*. Anthony Hayes, director of the first YFF short feature *New Skin*, received the Outstanding New Talent Award at the *Lexus IF Awards* for his work as an actor and a director.

The experimental short film *Laquiem* was nominated for Best Original Score for a short film at the *Australian Guild of Screen Composers Awards* 2002. *Contact* was commended at the 13th *Melbourne Queer Film Festival* and earned the Panavision Award at the *Sydney Mardi Gras Film Festival* 2003. In addition, *Search* attracted distribution arrangements and documentary *The Demon Fault* was broadcast on SBS in July 2003 in the 'About Us' timeslot.

YOUNG FILMMAKERS FUND FESTIVAL

The fourth *Young Filmmakers Fund Festival* was held from 13-14 June at the Dendy Opera Quays, showcasing recently delivered projects from eleven emerging filmmakers. The screenings were presented as part of the *Sydney Film Festival* program.

Key industry guests were invited to the opening night screening, which was introduced by Chief Executive Jane Smith and guest speaker Sofya Gollan, a former YFF Round 2 recipient for *Chlorine Dreams*. Sofya's short feature *Preservation* screened in the main program of the *Sydney Film Festival* highlighting the crucial role the YFF has played in the career development of young and emerging filmmakers. The opening night function also provided opportunities for new filmmakers to network with the broader industry.

Free screenings were held for the public on Saturday 14 June with the cinema booked to capacity for all sessions. Working in partnership with the *Sydney Film Festival* drew a diverse audience due to the broad reach of the Festival's marketing and promotional strategies.

PROMOTION

Throughout the year the FTO continued to promote the YFF to ensure widespread recognition of the opportunities presented by this unique program. Young filmmakers in regional NSW and Western Sydney are targeted through advertising in regional press, community cultural organisation newsletters and mailouts to educational institutions.

FTO staff presented information sessions to emerging filmmakers in Western Sydney at *Shooting West*, and to those in the Newcastle/Hunter region at an FTO funding seminar held at Newcastle University. A YFF seminar was also held at the *Cool Bananas Film Festival* in Coffs Harbour.

An online gallery of YFF films was developed and will be updated as more projects are added to the YFF slate. The gallery will provide a valuable tool to promote the YFF to local and international festival directors.

The Industry & Audience Development program supports projects that develop an innovative and robust environment in which film, television and new media content is conceived, developed, produced, distributed, exhibited, broadcast, viewed, discussed and analysed. Activities supported under this program include:

Industry development—professional development activities such as seminars, conferences, workshops, publications, awards, mentorship and attachment programs; and skills development opportunities 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.

This year the FTO implemented new funding guidelines developed as part of the Industry & Audience Development strategic review undertaken in the previous reporting period. Additional funds were also allocated to the program as the result of a successful Budget Enhancement Bid, providing increased support for industry organisations and activities.

To effectively assess the many projects and activities competing for Industry & Audience Development funds the FTO has adopted a 'funding for outcomes' approach, identifying areas of priority in the sector and encouraging applications for projects that address these priorities. This proactive approach allows the FTO a constructive mechanism through which to develop an innovative and sustainable industry environment, by evaluating proposals against policy and strategic objectives, together with more practical measures of skills, expertise and partnerships.

The Industry & Audience Development fund delivers support to a diverse range of communities and constituencies including youth, queer, multicultural and indigenous cultural development. This year program funds have been segmented to target areas of specific need in Metropolitan Sydney, Western Sydney and regional NSW.

“THE MOBILE UNIT HAS GIVEN REGIONAL COMMUNITIES ACCESS TO EQUIPMENT AND SKILLS. OUR PARTNERSHIP COUNTERPARTS HAVE TAKEN FOR GRANTED WHAT WE’RE EXPANDING OUR REACH IN

JANE CRUICKSHANK, GENERAL MANAGER, METRO SCREEN



SHOOTING WEST



SYDNEY ASIA PACIFIC FILM FESTIVAL

The FTO maintains a strong commitment to regional development and for several years has worked closely with communities to develop film and cinema activities outside the Sydney metropolitan region. With the introduction of new funding guidelines, the FTO has established a Regional Audience Development Program, resourcing and supporting a network of screen events and training opportunities throughout the state.

The program encourages the development of organisations, skills and expertise in key regional areas in association with existing cultural networks, regional arts boards and local government. Support is directed towards proposals that strengthen local capacity and capabilities, increase the skills base and demonstrate broad-ranging community support.

The Northern Rivers region was a particular focus for 2003, and the FTO played a key role in assisting the local organising committee to stage the *Australian International Documentary Conference* (AIDC) in Byron Bay in February. The AIDC is the largest recurrent screen industry conference in Australia, providing a marketplace for Australian documentary product and a forum to discuss craft, content and technology. The event achieved a record number of delegates, marking the first time the conference had been held outside of a major capital city.

Other organisations and events supported in the Northern Rivers region include the *Byron Bay Writers Festival*, *BASC Film Festival*, Northern Rivers Screenworks and North Coast Camera.

In May the FTO delivered an industry information day entitled *Shooting West*, targeting emerging filmmakers in the Western Sydney area. The event was developed and presented in partnership with Casula Powerhouse Arts Centre and Metro Screen, to encourage greater participation in the development, production and exhibition of film, television and new media in Western Sydney, and to promote career pathways for local filmmakers.

The proceedings were opened by the Hon. Diane Beamer, Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning, and featured a varied program of hands-on workshops, a full day seminar, industry information sessions and film screenings. The day concluded with Andrew Urban interviewing special guest filmmaker David Caesar, writer/director of *Dirty Deeds*, *Mullet* and *Idiot Box*.

The event was a resounding success, with all workshops and seminar sessions fully booked and more than 300 people attending. Feedback from participants was overwhelmingly positive and demonstrates a lack of access to such activities in the Western Sydney region. Participating organisations also responded enthusiastically, and indicated that the day had been productive to developing new partnerships and reaching a new audience. The FTO will examine ways to build on the success of *Shooting West*, and is considering delivering a second program in 2004.

REGIONAL NSW FILMMAKERS
WANTED FOR YEARS. NOW
SHOOTING WEST.

WESTERN SYDNEY

This year the FTO turned its attention to Western Sydney, a government identified priority region with limited access to the film industry and film related activities. A portion of funds from the Budget Enhancement have been allocated to this region, and the FTO is currently examining local requirements so that appropriate funding strategies may be developed.

The FTO aims to encourage greater participation and access for the culturally diverse communities resident in the region, and has been working to develop relationships with key community and industry stakeholders which will result in strategic partnerships in the coming years.

Funds were provided to Cinewest to deliver a television production workshop and establish the Cinewest Cinematheque. Funding was also directed towards the operating costs of Metro Screen's Mobile Training Unit, providing workshops and facilities hire across NSW. This initiative has effectively expanded Metro's services to become a state-wide training organisation, delivering training to community and cultural groups in regional NSW as well as in Parramatta, Campbelltown, Richmond and Casula.

SECTOR DEVELOPMENT

An ongoing issue for the sector is long-term sustainability, with many organisations and events operating under limited resources, inadequate infrastructure and heavily reliant on individual input and commitment. The FTO continues to promote an active working relationship with funding recipients, particularly with regard to the management and promotion of their activities, to assist with increased professionalism and effective service delivery.

Two organisations were assisted with grants for business planning and strategic development this year, the Australian Screen Directors Association and the *Sydney Asia Pacific Film Festival*. The FTO funded a feasibility study for the X|Media|Lab for interactive project development, and worked closely with the *Sydney Film Festival* to examine future directions and effect a strategic overhaul of festival operations. Funds were also provided to the Australian Teachers of Media (ATOM) to commission study guides for all films studied under the NSW HSC English Curriculum, providing valuable teaching resources for NSW teachers and resulting in a dramatic increase in subscriptions for ATOM resource publications.

The Office is also committed to developing resource materials to assist funded organisations in the effective management of their programs, and is currently examining areas of need. A guide to developing a film festival will shortly be undertaken, to provide community and volunteer groups with the information necessary to deliver a professional event.

INDUSTRY & AUDIENCE DEVELOPMENT FUNDING

This year the FTO received 71 applications for funding with requests totaling \$1,404,723, and funded 54 projects with a total expenditure of \$611,400. A full list of projects funded can be found at Appendix 06.

	98/99	99/00	00/01	01/02	02/03
Funds Requested	\$909,668	\$863,342	\$831,828	\$934,416	\$1,404,723
Funds Approved	\$349,400	\$424,000	\$418,102	\$418,470	\$611,400

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

Since 1998, the FTO has been supporting and encouraging the growth and development of community and volunteer cinema in NSW, as a means of ensuring the continuing accessibility of film to remote or isolated communities.

Regional cinema projects in NSW, supported by the FTO, have taken many forms—the refurbishment and re-opening of the local cinema by a group of volunteers; regular film screenings in the town memorial hall, a local café or the grounds of the swimming pool; or annual touring festivals. Statistics collected last year suggest that enthusiasm for cinema and film activities has increased as many communities find ways to bring the movies back to town.

This year saw the FTO providing increased public awareness of the viability and potential benefits of community cinema in regional and rural areas. Significant achievements included the launch of a new publication *The Distribution Guide* and the delivery of two more *Flicks in the Sticks* workshops. Work commenced on a new program to design projectionist training for regional cinema operators, and Regional Cinema Fact Sheets on a range of topics were developed for distribution on the website.

PROJECTION TRAINING

Formal training for cinema projectionists is a significant factor in the sustainability of many small regional cinema projects. Projectionists with training and experience are rare but essential to ensuring that regional cinemas continue to offer a high standard of entertainment, projection equipment is properly maintained, and film prints are not damaged or destroyed. To address the lack of formal training opportunities available in NSW, funds from the Industry & Audience Development Budget Enhancement were committed to the development of a new projectionist training initiative.

In April the FTO advertised publicly for tenders from registered training organisations to develop a cinema projectionist course (based on the Entertainment Industry Training Package) and deliver the training in several regional locations. The tender was awarded to Metro Screen.

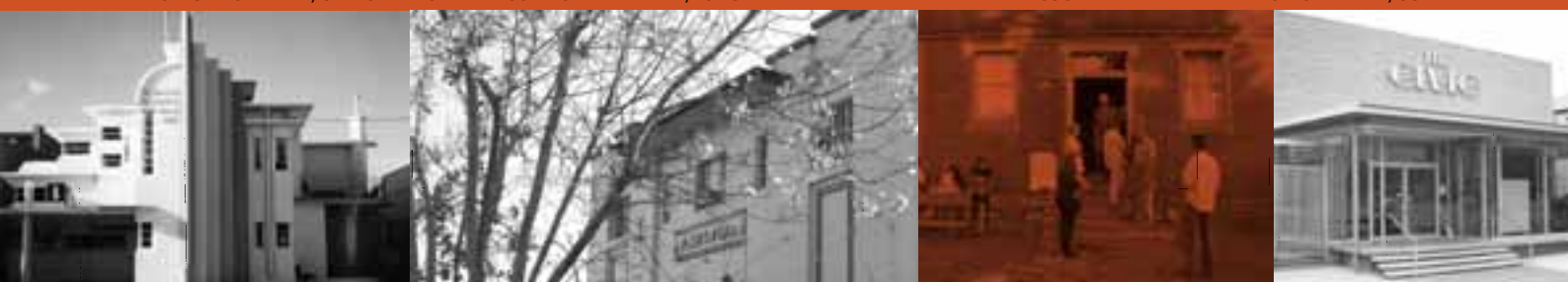
In the coming year Metro Screen and the FTO will work in consultation to develop the training program and resources, and identify appropriately qualified tutors to deliver the course and assess trainees. The training will be offered in two separate regional locations, in late 2003 and early 2004.

MALACHI-GILMORE HALL, OBERON

MONTREAL COMMUNITY THEATRE, TUMUT

HILL END FILM SOCIETY

CIVIC THEATRE, GUNNDAH



“WITH THE NEAREST
CINEMA 230KM AWAY,
THE LOCAL FLICKS
HAVE BROUGHT THE
COMMUNITY
TOGETHER FOR A
GENUINE CINEMA
EXPERIENCE—
WE’VE EVEN GOT
FRESH POPCORN !”

ANGELA O'BRIEN, CHAIRPERSON, TWO EIGHT TWO EIGHT, GULARGAMBONE COMMUNITY CULTURAL CENTRE

Work continued on the production of a distribution guide, developed to assist regional cinema operators understand the way in which film exhibition and distribution occur in Australia and internationally. Long-time consultant within the distribution industry, Libby Rhys-Jones, was commissioned to write a handbook dealing with the processes, policies and activities of the distribution companies.

The handbook explores the basics of distribution and the companies involved. It also includes a comprehensive listing of commercial and independent distribution companies and other industry contacts, and a glossary of terms.

The Distribution Guide was officially launched by the Hon. Bob Carr, Minister for the Arts and Premier of NSW, at the Saraton Theatre in Grafton in January. The Premier commended the ongoing work of the FTO in assisting and supporting regional communities to reclaim the magic of going to the movies.

Responses to the Guide from the industry have been positive. In addition to cinema owners and exhibitors, it has proven to be a popular resource for independent filmmakers and government film agencies. To date 110 copies have been sold.

FLICKS IN THE STICKS

Each year the FTO hosts a number of one-day workshops in regional locations, designed to assist participants in establishing and managing community cinemas and film activities. *Flicks in the Sticks* examine issues such as distribution and programming, cinema management, effective marketing and promotion, insurance, and funding. They also provide delegates with the opportunity to share ideas and projects, and help to generate state-wide regional cinema networks.

The workshops are coordinated by the FTO and organised in association with relevant local Regional Arts organisations and a community cinema project. In 02/03 *Flicks in the Sticks* workshops were held at the Civic Theatre in Gunnedah in November, and the Montreal Community Theatre in Tumut in June. The Tumut workshop was particularly well received with around 70 delegates attending from around the state, and attracted wide coverage in local television, radio and press.

PUBLIC AWARENESS

FTO staff continued to increase the public profile of FTO programs and services in regional NSW. This year the Regional Cinema officer visited the Central West, Grafton and Far West regions, Junee and Lithgow/Portland, meeting with regional Councils, Arts Councils, film societies, community and cultural groups and cinemas.

A number of radio interviews were conducted for national and local stations, drawing attention to innovative community cinema initiatives. The FTO also presented papers at the NSW Department of State and Regional Development *Community Economic Development Conference* in Wagga Wagga in September, and at the *Groundswell National Regional Arts Conference* in Albury-Wodonga in October.

Information is regularly published on the website and the FTO maintains a regional cinema email list to contact organisations and individuals about new developments or upcoming events. As at 30 June regional cinema subscribers exceeded 850.

In mid-2002, the FTO circulated a Regional Cinema Survey to over 500 local Councils, Arts Councils, arts and cultural organisations and regional film groups. The survey was designed to gauge the growth and spread of cinema activities across NSW, and followed a previous survey carried out by the Local Governments and Shires Association of NSW in 1996, which found that 50% of towns in NSW did not have access to cinema.

Responses from the survey indicated that 65% of towns with a population greater than 1,000 now have an operational cinema and a further 16% of towns of this size are within 40 kilometres of the nearest commercial or community cinema.

Many communities with populations of less than 1,000, including towns such as Hill End, Nundle, Bonalbo, Tabulan, Ewingar, Trundle, Drake, Gulargambone, and Denman are also taking part in the regional cinema revival with regular screening programs underway.

This growth suggests that Australia's continuing passion for film, and the FTO's various initiatives and programs, are contributing to a healthy revival of cinema and screenings in regional areas. The FTO is continuing to analyse the survey data and will be developing a comprehensive regional cinema database.

PUBLIC LIABILITY

In recent years the sustainability of many cultural organisations and regional cinema projects have been challenged by the public liability insurance crisis which saw premiums rise by up to 400% and many groups unable to secure or renew coverage. Several community cinema projects were forced to postpone or cease screenings until coverage was secured, while others forged partnerships with local Councils or other community groups to continue their activities.

In 2003 Alliance Australia, NRMA Insurance and QBE joined forces to establish Community Care Underwriting Agency (CCUA), a new community insurance scheme providing affordable public liability insurance to community organisations and events. This scheme is available to incorporated Not For Profit organisations which provide or organise community services or events, have an annual turnover of less than \$2M and are comprised largely of volunteers.

16MM DISTRIBUTION

It has been common practice for many smaller regional groups to base their community cinema operations on the 'non-theatrical' 16 millimetre (mm) format as a more affordable, mobile and less complicated alternative to 35mm and other forms of projection. 16mm prints of many new release films have been made available through two companies—16 Millimetre and Roadshow Non-Theatrical Film & Video Hire (a division of Roadshow Film Distribution).

In early 2002, Roadshow announced that they would be scaling back the acquisition and distribution of new release films in the 16mm format. Due to declining revenues from 16mm bookings, the company decided to place greater focus on the profitability and commercial appeal of film titles when determining whether or not to strike 16mm prints.

This announcement has highlighted the issue of the long-term sustainability of cinema projects based solely on this somewhat outdated format and the FTO is investigating viable alternatives to 16mm projection. Several regional cinemas and film groups have made the transition to video or digital projection and base their activities on new technology. However the central issue arising from this transition is one of expense. The 16mm format provided very affordable access to film, whereas digital projection equipment and sound systems can cost more than many small community groups can afford. The FTO will continue to examine this issue in the coming year.

“IT WAS A D
ENTERTAINING, ED
AND EMP

REBEL PENFOLD-RUSSELL, CEO, LATENT IMAGE PRODUCTIONS (ON *HOW LONG IS A PIECE OF STRING*)



The FTO's New Media program supports the professional and creative development of NSW new media and digital effects practitioners. The program supports initiatives designed to enhance the skills base in digital effects and facilitates networking and debate to increase understanding of the potential of digital technology for the film and television industry. Funding is directed towards initiatives that promote the effective application of digital media to film and television production.

Highlights for the year saw the delivery of a second digital effects seminar, *Adding Strings To Your Bow*, the placement of a record eight trainees through the Digital FX Traineeship Scheme and support for the inaugural X|Media|Lab—an intensive development initiative for new media projects.

DEFINITE E3-
EDUCATIONAL
POWERING.”

W

Sydney's reputation as a world class centre for film and television production has been enhanced by the growing international profile of local digital visual effects houses. As this sector of the industry has developed, the need for experienced staff has also grown. However, local companies have often found it difficult to recruit Australian artists with appropriate levels of experience. While there was no lack of available talent, the opportunities for artists to gain experience in the sector were rare as the training costs had proved prohibitive for local companies.

The FTO established the Digital Visual FX Traineeship Scheme in 1998 to develop meaningful career pathways and increase opportunities for practitioner and industry development. Aspiring digital artists are placed with established commercial digital visual effects companies to provide appropriate work experience in the post-production industry. Successful applicants are employed by a participating company for a six-month period, and gain experience working on real film and television projects, with real deadlines 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, zspace and Complete Post.

The FTO has proven to be a leader in this field of targeted industry development and to date, 33 trainees have been awarded placements. Of these 18 have secured permanent positions within the industry, 12 are pursuing freelance work as digital artists and in other production/post-production roles, and one is undertaking further study. Recognising the outcomes of this initiative, Film Victoria has recently established a similar scheme for Victorian digital artists.

Former trainees continue to make significant contributions to the sector working variously on film, television and commercial projects. Aidan Sarsfield, placed in Round 2 with Animal Logic, continues to work for the company and was recently credited as 3D Supervisor on *The Matrix Reloaded*. Composer George Zwiener, placed with Animal Logic in Round 5, has worked on a number of high profile features including *The Quiet American*, *Moulin Rouge*, *Hero*, *Ghost Ship* and *Swimming Upstream*.

The FTO continues to monitor the scope and emerging needs of the Scheme, ensuring that the professional development opportunities offered reflect the requirements of the dynamic and evolving post-production sector. In the previous reporting period the Office sought additional funds from Treasury to establish Digital FX Producer attachments, complimenting the existing traineeships by providing skills development at a more senior level where there are fewer experienced practitioners operating. This bid was unsuccessful, and other options to finance the program have proved unfeasible. It is unlikely the FTO will pursue this proposal in the coming year.

The reporting period proved industrious for the post-production sector and as a result the FTO was able to facilitate the placement of eight trainees in Round 7. Since the Scheme's inception placements have averaged four per round, however the FTO was able to utilise previous underspent New Media monies to fund the additional positions. Applications closed on 2 April 2002 and a total of 91 applications were received. An assessment panel consisting of Shilo McClean, Viveka Weiley and Nick Hore (FTO) shortlisted a group of twenty applicants from which the final eight were selected by the partner companies.

TRAINEE	PLACEMENT
Simon Bronson	zspace
Andrew Ritchie	Animal Logic
Sheldon Gardner	Animal Logic
Peter Richards	Animal Logic
Andrew Lodge	Animal Logic
Camela Cheng	Ambience Entertainment
James Rose	Ambience Entertainment
Helen Clemens	Complete Post

Animal Logic trainees Andrew Ritchie, Sheldon Gardner, Peter Richards and Andrew Lodge received placements as 3D animators, composers and designers, and worked on a variety of projects including *The Matrix* sequels, *Farscape* and several television and commercials productions. Camela Cheng and James Rose saw out a busy six months at Ambience Entertainment, Camela as a 3D animator and James moving from tape operator to compositor, gaining experience in a wide array of programs. At zspace, Simon Bronson was put to work as a compositor, working on TV idents for UKTV and the ABC. Helen Clemens completed her traineeship with Complete Post's Sydney facility in May, working in the design team and contributing work on matte paintings for Ned Kelly.

ROUND 8

Applications for Round 8 closed on 1 April with a total of 105 applications received. Placements will be determined in the coming year.

DIGITAL EFFECTS SEMINAR

A seminar on the effective use of digital effects in film and television production, titled *Adding Strings To Your Bow*, was held at Hoyts at Fox Studios on 10 September. Designed to meet a range of script and production requirements, the program followed on from the FTO's successful *How Long Is A Piece Of String* seminar in 2001. Panel discussions explored a range of digital options available to filmmakers to stretch production dollars. The program concentrated on three specific areas—titles and design, modifying landscapes and creating synthetic realities, and complex 3D character animation. Speakers on the day represented leading Australian digital visual effects and design companies, including GMD, Animal Logic, Photon, Complete Post, Rising Sun Pictures, kotij, Ambience Entertainment and Box Communications. David Booth, Michael Gracey and Wayne Haag were amongst the individual digital artists and supervisors that also presented material. The program achieved strong attendances and good feedback from the industry.

X|MEDIA|LAB

Each year, the FTO allocates New Media funds to support innovative projects and activities that promote the development of expertise in digital media. This year the Office was instrumental in establishing an intensive development initiative for new media projects—the X|Media|Lab.

X|Media|Lab provided a three-day production workshop and concept laboratory for practitioners working in film, interactive media, games, entertainment, advertising, arts and information technology. Creative teams collaborated with mentors from a range of disciplines in a 'hothouse' environment to explore innovations in content development and production from around the world.

Delivered in June, as part of the *Sydney Film Festival* program, the Lab was mentored by a network of internationally renowned digital media experts, headed by Frank Boyd, Director of Creative Development in the BBC's Innovation and Learning Department. Preliminary feedback from the eight participating teams indicated the process has proved invaluable to the ongoing development of their projects.

In the coming year the FTO has committed to examining digital and interactive content development, and the models explored in the X|Media|Lab process will prove useful in this research.

METRO SCREEN NEW MEDIA PROGRAM

FTO New Media funds provide support for Metro Screen's innovative digital media program. In 2002 funds were directed towards the Metro Web DVD Drama Project, a production and training proposal delivering experiential training in new production technologies. The twelve-week course provided instruction in concept design, content modeling, interactive design, pre-production, production and authoring. The resultant project was a DVD web drama hybrid.

"THE FTO DFX TRAINEESHIP OFFERS 100% PROFESSIONAL INDUSTRY EXPERIENCE... IN FIVE YEARS AT ANIMAL LOGIC I HAVE CONTINUED TO EXPAND MY TECHNICAL HORIZONS... NOW I AM SHARING MY KNOWLEDGE AND MENTORING THE LATEST INTAKE OF TRAINEES."

**AIDAN SARSFIELD, DFX TRAINEE 1998
& CHARACTER SUPERVISOR, ANIMAL LOGIC**

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

The FTO continued to experience unprecedented demand on its production funds in the financial year 02/03. A combination of factors contributed to this situation including an extremely competitive international market, which challenged NSW producers in their efforts to secure reasonable foreign advances, and a continued increase in the costs of filming. As a result, a number of productions requested a higher than usual level of investment from state agency funding in order to meet financing requirements.

Demand continued this financial year to outstrip the annual allocation of \$1.9M. As a short-term one-off measure, additional funds were diverted from the Revolving Fund to bolster Production Investment. The FTO has been discussing with the NSW Government the need for additional funds for production investment. The Government has since announced that annual funding for Production Investment will more than double, bringing the total annual allocation to \$4M to take effect in the new financial year.

At the FTO Board's instruction at the February board meeting, production investment applications were frozen until mid-May while a workable solution was finalised. The Board agreed to institute competitive rounds, recognising this as the most practical short-term and equitable solution to support NSW production with the limited investment funds available. Competitive rounds are in effect for the new year and the situation will be closely monitored. Industry bodies such as the Screen Producers Association of Australia, the Australian Writers' Guild and Australian Screen Directors Association were consulted throughout the establishment of the competitive rounds process, to ensure a smooth transition for filmmakers. The FTO has reassessed and expanded its decision-making criteria to take into account the competitive assessment process.

**"THE STREAMLINED DECISION-MAKING PROCESS
THE FILM STILL GOT MADE BUT THE ENTIRE PROCESS
AND EFFICIENTLY ... AND THE FTO IS MORE
PRODUCTIVE, AS**

RUTH CULLEN, PRODUCER, BECOMING JULIA



A MAN'S GOTTA DO

PROCESSES MEANT THAT ENERGY WAS USED WISELY BUT WAS CREATIVE AND AS WELL AS ENJOYABLE."

PRODUCTION LOAN FINANCING FUND (REVOLVING FUND)

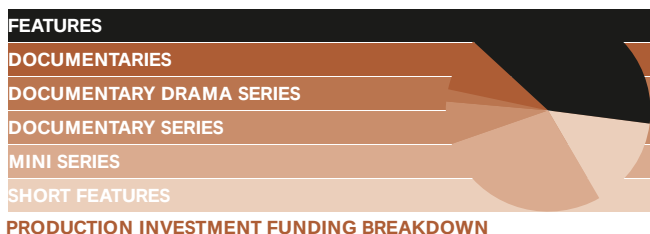
The Production Loan Financing Fund was established with a one-off appropriation of \$5M to assist NSW producers meet their cashflow requirements. For this financial year only the Fund was sourced to provide \$1M to the Production Investment Fund and currently stands at approximately \$4M.

Loans are made against marketplace financial commitments such as pre-sales and distribution guarantees which are payable on or within 12 months of delivery. 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.

The FTO seeks security for funds lent by way of a direction deed with marketplace attachments (eg distributors). Pursuant to the direction deed pre-sale or distribution guarantee payments are made directly to the FTO, with rights licensed under those agreements reverting to the FTO in the event of default in repayment. Additional security such as a first ranking charge, corporate guarantee or letter of credit must also be in place to secure the payment obligations under the distribution guarantee or pre-sale. It is expected that overseas distributors will cashflow at least 40% of their commitment during production.

The international distribution and exhibition marketplace is becoming increasingly competitive and in recent years there have been notable changes in the media landscape particularly in the European broadcasting environment. As a result the commercial outcomes of some distributors working in these markets have dramatically altered within a short period of time. This has resulted in delays in repayment or default on some FTO loans. The FTO has in such circumstances commenced legal action or renegotiated repayment terms and continually reviews its legal documentation for the Fund to minimise loan defaults. The FTO is swift to act in recovering overdue payments and has briefed UK lawyers to pursue a UK sales agent which has defaulted on repayments. The FTO has also recovered a further \$16,970 on another outstanding loan.

During the year projects approved for production loans were Ned (\$445,000), More Than Scarlet (\$57,500) and The Illustrated Family Doctor (\$105,000). The FTO received \$85,000 in interest.



PRODUCTION INVESTMENT FUNDING BREAKDOWN

PRODUCTION INVESTMENT

Production investment funding 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. The FTO has participated in a range of film and television projects productions ensuring that alternative financing models are encouraged to provide a diverse state of production in NSW.

This year the Office received 23 applications for production investment and funded 22. Although usually a minority investor, FTO funding remains essential in ensuring that production continues to take place in NSW.

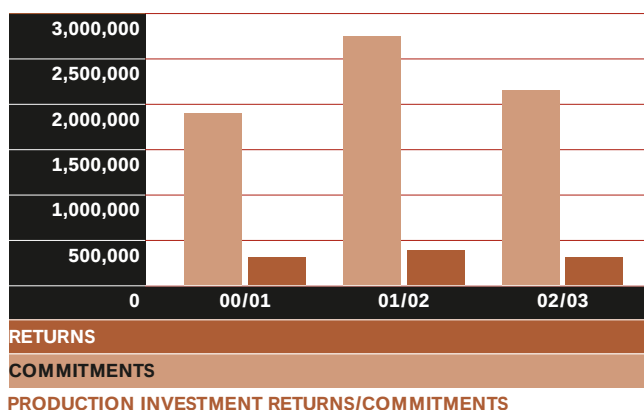
Total production investment committed for the year was \$2,157,142. The FTO received \$309,877 in production investment returns. The percentage breakdown of expenditure was: 39.87% feature film, 8.53% documentary, 1.45% documentary dramas series, 6.72% documentary series, 27.81% mini series and 14.5% short feature.

The \$2.2M committed in production investment this year generated \$25.4M production spending in NSW.

The Production Investment Guidelines are reviewed each year. The most significant change to the Guidelines was the introduction of competitive rounds for investment for the financial year 03/04. The FTO Board approved five funding rounds and retained caps on investment—\$350,000 for feature film; \$30,000 per documentary; and \$250,000 per telefeature or television series.

The FTO Board also approved the introduction of a legal/administration fee for successful production investment applications. Where the FTO investment is \$150,000 or greater, the FTO will charge a 2% legal fee to help offset the legal costs. The fee is calculated on the amount of the approved FTO investment and will be included in the FTO's total equity investment in the production. The Office expects the producer to accommodate the fee within the production budget and it will be deducted from the first drawdown of the FTO's investment.

To ensure that the FTO's funds support a wide range of film and television practitioners, a number of limits were introduced. No commitment in excess of \$350,000 will be made to any one producer in one financial year, nor will the FTO commit more than a total of \$400,000 in one financial year to any group sharing production infrastructure. These limits will be enforced unless, at the Board's discretion, the FTO considers there to be exceptional circumstances. The commitment to high quality intensive script development was reflected in the decision taken by the Board to give projects developed through the Aurora program preference in a production investment funding round.



PRODUCTION INVESTMENT RETURNS/COMMITMENTS

The FTO allocates a small amount of money from the Production Loan Financing Fund 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 usually held against broadcaster presale payments.

Assistance was provided to one feature film this year, *More Than Scarlet*. The availability of this facility and quick turnaround on requests enables the FTO to provide support to producers with urgent cashflow requirements.

INITIATIVES

The FTO invests in selected co-financed initiatives with television broadcasters and other government funding agencies. This year there was less opportunity to support such initiatives, due to the demand on the Production Investment Fund. The FTO has agreed to commit limited and capped funds next year to one indigenous initiative where the cost is shared by other partners such as the Australian Film Commission and a broadcaster.

FRIDAY NIGHT DRAMA

The FTO co-developed and produced a short feature with SBS Independent as part of their Friday Night Drama initiative. *So Close To Home* (formerly *With Mother*) was selected from over 80 projects. Written by Madeleine Blackwell, directed by Jessica Hobbs and produced by Sam Jennings and Martin Williams, *So Close To Home* will be screened on SBS television as part of the series which is scheduled for primetime on Friday nights from 10 October. The FTO invested \$250,000 in this program.

CRITICAL ACCLAIM

The *50th Sydney Film Festival* screened a number of FTO funded projects. All three titles in the Best Documentary category of the Dendy Awards, *Desperate Man Blues*, *Painting With Light In A Dark World* and *The Shadow Of Mary Poppins*, were films that had received FTO investment, two of them utilising alternative funding models. *Desperate Man Blues* was awarded the prize.

In the 'Fiction Under 15 Minutes' category the indigenous drama *Black Talk* was nominated and won its category. Other titles screening in the main program included *Preservation*, a gothic short feature directed by Sofya Gollan, *Becoming Julia*, a documentary about gender transition by Ruth Cullen and *The Original Mermaid*, the story of Annette Kellerman by Ian Collie and Lisa Mathews.

FTO projects were well represented at the 2002 *Emirates AFI Awards*. *Walking On Water* received six awards, Best Original Screenplay for Roger Monk, Best Editing for Reva Childs, Best Actress in a Leading Role for Maria Theodorakis, Best Actress in a Supporting Role for Judi Farr and Nathaniel Dean was presented with Best Actor in a Supporting Role.

Beneath Clouds collected Best Direction (Ivan Sen) and Best Cinematography (Allan Collins). Best Costume Design and Best Production Design were won by *Dirty Deeds* (writer/director David Caesar). *The Road From Coorain* was awarded Best Telefeature/Miniseries for producer Penny Chapman, Best Direction (television drama) for Brendan Maher, Best Actress for Juliet Stevenson and an Open Craft Award for Design.

At the *Lexus IF Awards* *Walking On Water* received the Mushroom Pictures IF Award for Best Script (Roger Monk); and *Beneath Clouds* took home the Animal Logic IF Award for Best Direction (Ivan Sen) and the Kodak IF Award for Best Cinematography (Allan Collins).

Lantana was nominated for Best Actress (Kerry Armstrong), Best Screenplay (Andrew Bovell) and Best Film at the *London Film Critics' Circle Awards* 2003. *Lantana* continues to achieve international success, winning the Prix du Jury and Prix de la Critique International at the 2002 *Cognac Film Festival*; Best Screenplay for Andrew Bovell and Best Actor for Anthony LaPaglia at the 2002 *Durban International Film Festival*. It was voted Best Foreign Film in the English Language at the 2002 *British Independent Film Awards* and at the 2002 *ARIA Music Awards*, composer Paul Kelly with Shane O'Mara, Steve Hadley, Bruce Haymes & Peter Luscombe took home Best Soundtrack Album.

Walking On Water has recently screened at *Rio de Janeiro*, *Seattle*, *Vancouver* and *Taiwan*, the *London Australian Film Festival*, and also featured in the *Singapore Australian Screenings* held in February 2003.

Beneath Clouds won Best First Feature and shared Best Newcomer Actress for Danielle Hall at *Durban*.

One of the FTO/SBSI/AFC Indigenous Dreaming in Motion shorts *Turn Around* received successful screenings at *Clermont-Ferrand Short Film Festival*, the *Cannes Junior Festival* in Les Mureaux, the *Aspen Short Film Festival* and the *Saint-Tropez Festival*.

DISTRIBUTION

NSW FILM CORPORATION CATALOGUE

The FTO continues to manage, on behalf of the investors, the licensing and rights for the 20 titles in the NSW Film Corporation catalogue, which the FTO regained control of in 1998.

A disbursement to investors was carried out in the later part of the year that included all royalties received to March 2003.

In October 2002, the FTO received permission from Treasury to retain the balance of the Statutory and Other Funds (SOFA) account, which had previously been utilised to fund the fees and charges incurred in repatriating the catalogue. These funds will be used over the next three years to attract additional film production and business to NSW.

MARKETING AND DISTRIBUTION WORKING PARTY

Preliminary discussions have occurred on the potential issues for a working party on marketing and distribution. This will be further explored this coming year. The distribution climate has improved slightly in Australia with a number of new companies being established which have supported Australian films.

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



**“WITHOUT THE ASS
THE REGIONAL FIL
WE WOULD NOT
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AND LOCAL RESOUR
CONTRIBUTED SO MU
LOOK AND FEEL OF**

RACHEL WARD, DIRECTOR, MARTHA'S NEW COAT

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MARTHA'S NEW COAT



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HAVE BEEN
VANTAGE OF
LOCATIONS
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THE FILM.”
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Film and television production brings significant cultural and economic benefit to NSW, and consequently the FTO strives to expand the level of production activity in the state. The responsibility of marketing NSW as a production location, and of facilitating productions choosing to shoot here, falls to the FTO's Production Liaison Unit.

DRAMA PRODUCTION EXPENDITURE IN AUSTRALIA

\$M	NSW	VIC	QLD	SA/NT/WA	TOTAL
98/99	290	149	100	24	564
99/00	351	128	80	14	573
00/01	304	144	124	39	611
01/02	353	178	109	22	662
02/03	140	149	199	25	513

Source: Australian Film Commission. (02/03 figures are preliminary)

This year NSW recorded a downturn in the level of production from \$353M to \$140M. This was caused by a lack of both local and international production. For example, when the big budget feature *I Robot* was delayed and relocated to Canada, Fox Studios, who was to host the production, was unable to find another large project at short notice. This coincided with *Gothika* also relocating to Canada, and *The Fountain* being cancelled, leaving the studio underutilized for five months. The resultant lull in activity impacted significantly on business and employment and has been compounded by a reduced production level for local film and television.

This episode exposed the dilemma confronting the industry in Sydney—there are generally more large scale projects seeking to film in Sydney than Fox Studios can accommodate, yet the city's filmmaking capacity can be near-idle for months on end. This is due to the large projects that Sydney attracts which have long lead times, complex planning requirements, and uncertain production schedules, leading to frequent misalignment with studio availability.

The recent private sector announcements of plans for more studios in Sydney should help resolve this problem by providing more space, more sound stage options and greater flexibility. One eight stage (four in phase one) complex is underway at Kurnell in Sydney's south and another eight stage complex (three in phase one) is proposed for the north-west. Already under construction and opening later this year is a floodable 'tank' stage located in Lane Cove. This stage, which can also be used as a normal, dry, sound stage, should be a major attraction for productions incorporating water-based scenes. The FTO has been advising the investors in these projects in a range of factors, including marketing, design and industry liaison.

Another significant enhancement has been the construction of the Trackdown Scoring Stage on the Fox Studio lot, which will enable the recording of full orchestral film scores in Sydney. This facility should assist local filmmakers to score and record locally as well as lure international projects to use the facility and Sydney musicians.

Overall, Sydney's worldwide reputation as a centre for production continues to climb. While attractive locations and lower costs remain important to the international market, the prime attractor is the scale and depth of the creative, technical and production management community based in the city. This reputation is an invaluable asset to the industry and the FTO intends to defend it vigorously and ensure that the production environment remains attractive, particularly in respect of cost-competitiveness.

Local feature and television production remains flat. Sources of finance for feature production has diminished while cost pressures on television networks is curbing their enthusiasm for new program development.

The NSW production industry also suffered a setback with the shutdown of the *Farscape* series. The task of finding a replacement is hindered by the unavailability of the 12.5% tax offset rebate for international television productions. The FTO has been working with the film agencies in other states to convince the Federal Government to correct this anomaly.

This year saw the establishment of an enhanced marketing partnership with the now federally-funded AusFILM. With significantly boosted financial resources and personnel, AusFILM brings significant marketing clout to the joint promotional effort with the state film agencies and member businesses. As a result of these efforts Australia will have high visibility in key international markets at a time when increasing competitive pressure is emerging from nascent industries in South Africa, New Zealand and parts of Eastern Europe.

During the year AusFILM, the FTO and other partners participated in outbound marketing ventures to Los Angeles, New York, Chicago, New Orleans and London, a more intense and coordinated thrust than in previous years. The aim of these marketing ventures is to expose key decision-makers in feature, television and commercials production to the depth and sophistication of the NSW industry, and to establish contacts with a range of producers in a position to consider Australia as a destination for projects. The FTO also explored the Asian market with a view to identifying new business opportunities and increased market awareness with visits to India, China and Korea. Participating companies reported identifying new business worth several million dollars as a result of the venture.

This activity is supplemented by inbound marketing, where the FTO and AusFILM assist creative and production executives from abroad to visit Australia and acquire local, on-the-ground knowledge of NSW and its filmmaking culture. The FTO provides appropriate translation services as required for these visits.

Feedback from these encounters shows that Sydney and NSW have clear competitive advantages based on the skills, creativity, crews, services and facilities developed over many years of local production. This world standard capability has been enhanced in recent years with experience gained in large scale and complex features, such as *The Matrix Reloaded* and *Matrix Revolutions*.

The FTO has continued to revise its promotional materials for offshore markets and has adopted the DVD format for its moving image footage. FTO board members have sought to take a more prominent role in marketing activities, and Deputy Chair Laurie Patton led the FTO mission to the *Shanghai International Film Festival* to assist with activities promoting the NSW industry.

EINSTEIN'S WIFE



JESSICA



MARKING TIME



PITCHING FOR PRODUCTIONS

Each year the FTO pitches for footloose projects to shoot in NSW by providing tailored location information packages. The total number of projects pitched for by the FTO continues to increase annually, despite recent global aberrations disrupting travel and international filmmaking. However, the pattern and success rate of the pitching process has changed substantially over the last four years.

This year the FTO pitched for 62 projects with a potential value of US\$2.29B, up from 57 projects at US\$1.2B in the previous year. This clearly reflects a greater interest from larger budget projects, where Sydney is perceived to have a competitive advantage.

During the four-year period ended 30 June 2003, the FTO pitched on a total of 215 projects. Of these an estimated 51 have been completed around the globe with 18 shooting in the United States, 11 in Canada, 1 in New Zealand, 1 in Mexico, 1 in Romania, 5 in Queensland, 2 in Victoria, 1 in South Australia and 11 in NSW.

This represents a strike rate of 5.1% and is well in excess of the 1-2% average acknowledged by most film commissions as standard. These figures do not take into account films that located to NSW but which were not formally the subject of a pitch. For a full listing of pitches and inward visits by overseas production representatives to NSW see Appendix 08.

RETAINING PRODUCTION IN NSW

Although international production brings significant economic benefit to the state, the health of the industry is reliant upon local production. The talent and crew base developed by local production provides the vital competitive advantage to attract major international productions to NSW. Therefore it is essential that a strong local sector be maintained.

Most of Australia's filmmaking talent and businesses are based in NSW, however film production is highly mobile and there is significant competition, both international and domestic, for projects. This financial year saw film agencies in other states continuing to leverage their production investment resources to lure production to their respective states. The Government has since announced increased production investment funding for NSW, to take effect in the coming year.

In the meantime the Government and the FTO are concentrating on other strategies to increase the state's attractiveness to filmmakers by ensuring that the systems for location filming permits are fast and efficient and that fees and charges are fair and reasonable. In addition, considerable effort is being made to work with productions at an early stage to anticipate possible difficulties and develop alternative solutions. The FTO is increasing its focus on building strong relationships with producers, production managers and location managers so that they are more inclined to seek assistance at the planning stages rather than after a crisis has developed.

The FTO had hoped to be able to encourage greater levels of post-production in NSW, but success has been elusive. There has been a recent trend for the Hollywood studios to return post-production to California, where expensive digital special effects work can be more closely supervised. The cost advantages of the Australian post-production sector have not proved sufficient to overcome this trend.



DANNY DECKCHAIR



The FTO and the NSW Department of State and Regional Development (DSRD) continue to utilise the joint Film and Television Industry Attraction Fund to selectively attract footloose international and domestic productions to NSW. This year the funding was offered to four high value international telemovie and television projects—The Natalie Wood Story, two pilots for Warner Bros/NBC, Newton and Future Tense, and I'm a Celebrity—Get Me Out of Here. This action reflected the intention to win more production to NSW to counter the negative impact on the industry that followed the winding-up of the Farscape series. High value television has proved to be an essential component in the structure of the film and television production sector, making a significant contribution to the development of skilled filmmakers. Winning more of it for the state is considered vital. This strategy is being frustrated however by the non-availability of the Federal Government's 12.5% tax rebate for television productions. Concerted efforts are being made by the FTO, AusFILM and the other states to redress this oversight and convince the Federal Government to adopt a more comprehensive and balanced scheme. Changes in the US television sector, with the rising popularity of reality programming and concomitant decrease in drama, is another obstacle.

**“THIS RIGHT NOW
IS THE CHEAPEST,
THE EASIEST,
AND THE MOST
FRIENDLY PLACE
TO MAKE A FILM
IN THE ENGLISH
LANGUAGE...”**

In an effort to encourage film and television production in regional NSW, the FTO has continued to assist in the establishment of a network of Regional Film Liaison Offices. These Offices provide a point of local contact and work with local, state and federal agencies to promote filming locations and ensure the smooth operations of film and television production in regional areas. Seven regions have established or are developing film liaison services in regional NSW:

Film Hunter
Film Broken Hill
Film Illawarra
Film Mid North Coast
Northern Rivers Screenworks
Canberra Snowy Mountains
Central West

Regional communities have reported significant benefits from attracting film and television production, including television commercials. The reality series I'm a Celebrity—Get Me Out Of Here filmed two series (one for the UK market and another for the US) in the Tweed Valley area. In June the FTO and the NSW Department of State and Regional Development hosted the *Rivers to Rainforest* regional film tour to promote the locations and services available in regional areas. A group of television commercial producers scouted locations in the Mid North coast and Northern Rivers regions, including Murwillumbah, Mullumbimby, Lennox Head, Yamba, Coffs Harbour, Dorrigo and Port Macquarie. The feedback from participants was positive with producers stating that the tour had favourably changed their views about filming in regional NSW. In conjunction with the regional offices, the FTO also held a number of information seminars in Newcastle and the Illawarra to promote programs of assistance available to filmmakers in NSW.

**THERE IS NO
OTHER PLACE
LIKE THAT.”**

**RICK McCALLUM, PRODUCER, STAR WARS
(ON FILMING IN SYDNEY)**

REGIONAL FILMING FUND

The Regional Filming Fund (RFF) continued to provide financial assistance to Australian productions shooting outside the Sydney metropolitan area, delivering economic benefit to local communities through the use of local services and short-term local employment. The RFF provided assistance to six productions: five television drama programs (including two mini series) and one feature film. These productions filmed in various regions including the Central West, the Illawarra and the Hunter Valley. The annual allocation, which is \$500,000, generated about \$1.3M in direct expenditure in the regions for the year, and resulted in the employment of about 600 local people in range of jobs, including cast extras, production assistants and local advisers. Projects funded included Jessica, Marking Time, A Man's Gotta Do and Martha's New Coat. The regional spend by RFF productions was more than three times that of the grants committed by the FTO. As half of the projects supported through the Fund were short features with modest production budgets the total regional spend was less than the previous reporting period. The FTO reviewed the RFF Guidelines in July. To ensure a greater minimum level of regional production spend, the amount of assistance a production is eligible to apply for was decreased from 50% to 35% of the regional budget. Productions eligible to apply are now limited to feature films, television series, serials, documentaries, mini series and telemovies. A full listing of projects funded through the Regional Filming Fund can be found at Appendix 03.

LOCAL GOVERNMENT ASSOCIATION (LGA) CONFERENCE

The FTO has an annual presence at the *LGA Conference*, which was held in Broken Hill in October. The conference provides the opportunity to meet representatives from local government who grant permits for filming, and to discuss any filming concerns. The Premier, the Hon. Bob Carr launched a new brochure promoting filming in regional NSW at the Conference. The locations portfolio, which was produced by the FTO and DSRD, highlights the spectacular locations and network of regional film offices that support filmmakers filming in regional areas.

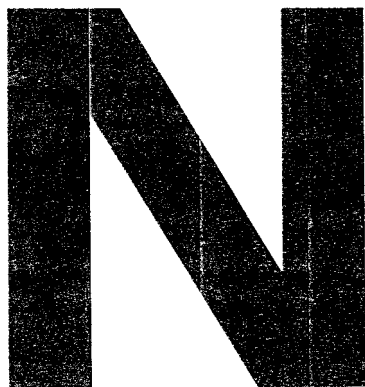
The FTO strategy of utilising policy initiatives to make positive and lasting improvements to the production environment, particularly for location filming, continues to bear fruit. The NSW Local Government Filming Protocol has come to the attention of film commissions around the world and is being copied and adapted in a number of centres. The FTO continues to work on new protocol developments aimed at improving the production environment by facilitating a whole-of-government approach to accessing services and facilities and determining fee structures.

These new systems require an adjustment in approach by the film sector if they are to work smoothly. FTO staff take every opportunity to develop greater understanding among producers, production managers and location managers of how the new policies work, and how the FTO can facilitate and mediate when problems arise.

Location fees charged by councils, which have been a source of major aggravation in the past, have been greatly tempered by the introduction of the Local Government Filming Protocol. However, the imposition of unjustified parking fees for production vehicles continues to be a concern. The FTO has obtained the support of the Roads and Traffic Authority to develop new, specialised guidelines for film related parking.

The FTO has continued to play a mediating role when disputes have arisen between authorities, property managers and producers. A log of production problems is being maintained in order to identify and address the nature of reoccurring problems so that preventative steps can be taken in the future.

To facilitate a whole-of-government approach to filming matters the Film Industry Steering Committee met on a number of occasions throughout the year to consider NSW's infrastructure needs in relation to film and television production.



FILMING PROTOCOL DEVELOPMENT

The Local Government Filming Protocol was actively promoted to both local government agencies and production companies as the preferred model for processing filming applications and setting fees. Many local councils have fully adopted the Protocol and a number of others are in the process of aligning their filming policies with it.

The Office has been monitoring responses to and efficacy of the Protocol, identifying areas where further clarification or refinement is required and has addressed these accordingly. Most difficulties regarding filming permits emerge from just a handful of councils, and more assertive efforts to win their compliance with the Protocol appear necessary in the future.

A Protocol to guide State Agencies in their dealings with the production sector continues to be developed and will be released early in the next reporting period. During the course of the year changes in the insurance environment raised significant issues for the owners and managers of public properties in respect of their use for filming purposes. Additionally, concern about possible terrorist attacks on prominent state icons such as the Sydney Harbour Bridge raised security concerns about film shoots. The State Agency Protocol will address these and other issues so that agencies may establish clear guidelines that protect their interests as well as ensuring Sydney remains the most film friendly city of its size.

The State Government amended the State Environmental Planning Policy No. 4 to further streamline filming applications. This amendment clarifies the powers of councils and means that filming activity entirely on private land will not usually require council permission (although councils should be notified). The amendment also provides a more straightforward path for approvals to film on certain state-controlled lands in NSW.

The Office has also begun the process of assisting the property sector in Sydney in the drafting of a Protocol specific to the needs of property owners and managers. Many buildings in Sydney are now hosting filming activities, including feature films, television and television commercials, and the sector believes a Protocol addressing their requirements would greatly streamline the approvals process. This activity is being undertaken with the Property Council of NSW, and should result in a further improvement in Sydney's film friendly image and reputation for professionalism.

DIGITISATION

The digitisation of the location library has been completed with all photographs scanned and entered into the system. All new data acquisition is now originated digitally. Plans to make this facility available online will not be actioned as many of the images in the collection have been contributed from outside sources for internal FTO use only. The FTO does make the system available to the industry at its premises and promotes its use by location managers and scouts.

SAFETY

Safety and related liability issues have become an acute society-wide issue and the Office is working with industry towards the release of the new Filming Safety Code aimed at ensuring safety best practice is standard across the sector. The FTO represents the state film agencies on the safety code committee, which also comprises the Screen Producers Association of Australia, the ABC, Media Entertainment Arts Alliance and Fox Studios.



BESIEGED—THE KELLY LEGACY



TRAVELLING LIGHT



A GIRL, A HORSE, A DREAM

TO POSITION NSW AS A PREFERRED CHOICE FOR LOCAL AND INTERNATIONAL FILMING
TO POSITION THE FTO AS AN ACTIVE FACILITATOR OF THE FILM AND TELEVISION INDUSTRY IN NSW

**“AS OUR FOUNDATION SUPPORTER THE
POTENTIAL AND SUPPORTED OUR VISION OF
ASIAN CINEMA TO SYDNEY AUDIENCES AND
AUSTRALIAN CONTRIBUTIONS TO OUR LOCAL**

PAUL DE CARVALHO, CO-DIRECTOR, SYDNEY ASIA PACIFIC FILM FESTIVAL

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THE RAGE IN PLACID LAKE

FTO RECOGNISED OUR
BRINGING THE BEST OF
AND DEVELOPING ASIAN
CAL SCREEN CULTURE.”
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The FTO maintains a relatively modest marketing budget considering the scope of the organisation's activities, requiring a strategic and targeted approach to advertising and promotional activities.

A proven communication strategy has been the development of strategic community partnerships, providing access to individuals and information networks not easily targeted through mainstream marketing methods, such as specific industry guilds or remote regional communities. Using this strategy the FTO works actively to increase participation in film related activities, engage new communities and promote an understanding of the role of the FTO.

FTO staff regularly present information sessions and workshops, this year travelling to Newcastle and Hunter Region, the Illawarra, Mid North Coast, Broken Hill, Northern Rivers, Snowy Mountains, and the North West. Our expanding network of regional practitioners has also been facilitated through the development of partnerships with regional arts development networks, regional film offices and community cultural organisations.

The Office is also exploring promotional opportunities in Western Sydney. The *Shooting West* Industry Information Day delivered at Casula Powerhouse in May, effectively showcased a wide range of FTO and industry services to emerging filmmakers in the region. Such initiatives enhance awareness of the role of industry development agencies and facilitate greater public access to government services and activities.

An integrated approach to corporate communication strategies was implemented this year, incorporating new processes and procedures. All marketing, advertising and promotional activities have been consolidated into one department and a Marketing Assistant was appointed. This structural change has enabled effective monitoring of the corporate identity ensuring a consistent FTO 'brand' is maintained. The FTO has since commenced a review of program marketing strategies, comparing advertising and promotional activities across the organisation to facilitate a cost effective and strategic approach.

New posters and screen slides were developed for display at industry events and screenings funded by the FTO. A DVD was also produced for the international market, showcasing NSW locations and industry capabilities to ensure NSW maintains a profile as a preferred and competitive location for offshore production.

The FTO newsletter is produced twice-yearly and electronic news bulletins are posted regularly to our 1,900 subscribers. The website is also an important element of the FTO's communication strategy, and is consistently promoted as a first point of contact for FTO programs and services. The redesigned site launched in the previous reporting period, has been well received and the enhanced navigation and usability design allows users to efficiently locate the information they require. Visits to the site rose by 43% in the last financial year.

PARLIAMENTARY SCREENINGS

The FTO regularly holds film screenings at Parliament House to showcase the talent, vision and creativity of local filmmakers. The program includes a Young Filmmakers Fund short, and an FTO supported feature. The screenings are open to Members of Parliament, electoral staff and their invited guests.

This year the Office was only able to organise one screening, as the number of sitting days in parliament were considerably reduced in the lead-up to the State election in March.

In July the FTO presented *Danny Deckchair*, written and directed by Jeff Balsmeyer, produced by Andrew Mason and co-produced by Lizzie Bryant. Starring Rhys Ifans, Miranda Otto and Justine Clarke, *Danny Deckchair* was shot in Bellingen on the state's Mid North coast and received a Regional Filming Fund grant from the FTO. The evening was hosted by the Hon. David Campbell, Minister for Regional Development, Minister for the Illawarra and Minister for Small Business. Screening before the feature was the Young Filmmakers Fund short, *Never The Twine*, written by James Rose and Linda Murdoch, directed by James Rose and produced by Patricia Dedal.

The FTO holds a number of functions and briefings each year to promote opportunities for local and international filmmakers, and to raise the profile of the functions and services of the Office. This year the following events were held:

SEPTEMBER 2002

Adding Strings To Your Bow digital fx seminar for filmmakers held at Fox Studios

OCTOBER 2002

Brochure promoting filming in regional NSW launched by the Premier, the Hon. Bob Carr at the *Local Government Conference* in Broken Hill

NOVEMBER 2002

Hosted *Flicks in the Sticks* workshop at the Civic Theatre, Gunnedah

Aurora follow-up workshop at the W Hotel, Woolloomooloo

JANUARY 2003

The Distribution Guide launched by the Premier, the Hon. Bob Carr at the Saraton Theatre in Grafton

MARCH 2003

Young Filmmakers Fund Round 12 projects announced by Joel Edgerton

Aurora Round 2 projects announced by Gillian Armstrong

New Feature Film Writers Scheme Round 1 projects announced by Gillian Armstrong

Annual FTO Christmas Party at the Ken Done Gallery, The Rocks

APRIL 2003

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

Aurora Round 2 Workshop at Paperbark Camp, Jervis Bay

MAY 2003

Hosted *Shooting West* Information Day at Casula Powerhouse Arts Centre

JUNE 2003

Hosted *Flicks in the Sticks* workshop at the Montreal Community Theatre, Tumut

Fourth *Young Filmmakers Fund Festival* presented as an umbrella event of the *50th Sydney Film Festival*

Rivers to Rainforest regional tour for TVC producers, organised in partnership with NSW Department of State and Regional Development

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

BOARD

The FTO Board is scheduled to meet regularly every 4-6 weeks throughout the year. This year Board meetings were held at the FTO's offices on 8 occasions, and by teleconference for specific and urgent matters on another 8 occasions. In addition, informal briefings for the Board were held with staff to update the Board on the operations, issues and policies of individual departments of the FTO.

HUMAN RESOURCES

As part of the negotiated 16% increase in salaries staged over four years from 2000, salaries for employees under the *Crown Employees (Public Sector-Salaries January 2002) Award* were increased by 4% in January 2003. This will be followed by a further 5% from July 2003.

An office-wide performance review system was developed and implemented, and individual reviews are conducted six-monthly to discuss progress against agreed targets. This process has also proved effective in identifying professional development opportunities, and a number of staff have undertaken further training as a result.

As part of an ongoing review of the FTO's human resources operations, the procedures and processes relating to recruitment, employment and induction have been improved. A priority for the coming year will be the formal ratification of the Flexible Working Hours Policy which has been successfully adopted by the Office.

CORPORATE SERVICES PROVISION AND CORPORATE GOVERNANCE

The FTO transferred its corporate services processing functions to the Powerhouse Museum in July 2002. These functions had previously been carried out by the Central Corporate Services Unit of the NSW Department of Public Works and Services since the early 1990's.

This move to the Powerhouse has given the FTO a great deal more flexibility in its financial and human resources operations, processing and reporting, and has coincided with the Government corporate services reform platform.

The FTO and the Powerhouse are in the process of implementing a comprehensive Service Level Agreement for all aspects of the corporate services provision.

The FTO continued to fulfil its reporting and statutory requirements throughout the year.

INFORMATION MANAGEMENT

The FTO has continued to review and streamline its information management strategies and procedures. Reviews of the Office's data management and records management practices and policies were undertaken during the year. The recommendations from these reviews will be incorporated into a comprehensive analysis of the FTO's total information management policies, procedures and practices for the forthcoming year.

A large part of this analysis will be the implementation of an appropriate records management system for the Office, in accordance with the *State Records Act*, which will be carried out in conjunction with the Powerhouse Museum. It is expected that the results of these changes will lead to more efficient and cost effective methods for total information management across the FTO.

BUSINESS CONTINUITY

As part of the re-location of the FTO's corporate services to the Powerhouse Museum, the FTO utilises the services of the same external provider for off-site storage of data tapes.

It is anticipated that the FTO will continue to work with the Powerhouse Museum in reviewing and investigating strategies and procedures for all aspects of business continuity and records protection.

GOVERNMENT DOCUMENTARY DIVISION

All outstanding matters relating to the closure of the Government Documentary Division in December 2001 were finalised in the reporting period. The FTO has also produced a basic guide to the production process for government information programs, to assist government agencies in the development of future productions.





AWARDS ACHIEVED AT LOCAL AND INTERNATIONAL FESTIVALS

	00/01	01/02	02/03
Young Filmmakers Fund	5	3	5

REASONABLE RETURN OF INVESTMENT

Since 1992, the FTO has invested \$20,411,000 for an overall return of \$4,999,000, a 24.49% return of investment. These figures are calculated on funds expended, not funds committed, in any one given year.

INVESTMENT CONTRIBUTION TO ECONOMIC BENEFIT IN NSW

	00/01	01/02	02/03
FTO investment in film and television production	\$1.8M	\$2.7M	\$2.2M
Production expenditure in NSW generated by investment	\$30.4M	\$29.9M	\$25.4M

FILM PRODUCTION SPEND IN NSW

	00/01	01/02	02/03
	\$304M	\$353M	\$140M

FACILITATE REGIONAL ACCESS TO CINEMA

In 02/03 the FTO facilitated regional access to cinema with a range of initiatives:

- The Distribution Guide published and launched, and 110 copies sold/distributed as at 30 June 2003.
- Hosted 2 Flicks in the Sticks workshops (Gunnedah and Tumut).
- Regional Cinema Officer visited 6 regional areas to meet with cinema and community groups.
- FTO staff conducted 8 interviews on regional radio and spoke at 2 regional arts and cultural conferences.
- Two Regional Cinema Fact Sheets completed (Funding & Resources and 16mm Projection).

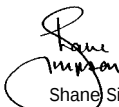
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Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, we certify, to the best of our knowledge and belief, and in accordance with a resolution of the Board of the New South Wales Film and Television Office, that:

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 2003, and of the operations for the year then ended;

We are not aware of any circumstance 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: 20 October 2003



Andrew Mason
Deputy Chair

At: Sydney
Date: 20 October 2003



GPO BOX 12
SYDNEY NSW 2001

To Members of the New South Wales Parliament

AUDIT OPINION

In my opinion, the financial report of the New South Wales Film and Television Office:

(a) presents fairly the Office's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
(b) complies with Section 41B of the *Public Finance and Audit Act 1983* (the Act).

The opinion should be read in conjunction with the rest of this report.

THE BOARD'S ROLE

The financial report is the responsibility of the members of the Board of the New South Wales Film and Television Office. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the summary of compliance with financial directives and the accompanying notes.

THE AUDITOR'S ROLE AND THE AUDIT SCOPE

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

evaluated the accounting policies and significant accounting estimates used by the members of the Board in preparing the financial report, and
examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the members of the Board had failed in their reporting obligations.

My opinion does *not* provide assurance:

about the future viability of the Office,
that it has carried out its activities effectively, efficiently and economically, or
about the effectiveness of its internal controls.

AUDIT INDEPENDENCE

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

providing that only Parliament, and not the executive government, can remove an Auditor-General, and
mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

S McLeod, FCPA
Director of Audit

Sydney
21 October 2003

	NOTE	ACTUAL 2003 \$'000	BUDGET 2003 \$'000	ACTUAL 2002 \$'000
EXPENSES				
Operating Expenses				
Employee Related	2(a)	1,698	1,346	1,506
Other Operating Expenses	2(b)	2,434	1,971	2,022
Maintenance		48	27	35
Depreciation & Amortisation	2(c)	142	142	154
Grants and Subsidies	2(d)	6,087	5,038	4,117
TOTAL EXPENSES		10,409	8,524	7,834
Less:				
RETAINED REVENUE				
Sale of Goods and Services	3(a)	0	409	169
Investment Income	3(b)	291	249	291
Other Revenue	3(c)	1,416	0	851
TOTAL RETAINED REVENUE		1,707	658	1,311
NET COST OF SERVICES	18	8,702	7,866	6,523
GOVERNMENT CONTRIBUTIONS				
Recurrent Appropriation	4	7,406	7,406	6,996
Capital Appropriation	4	44	44	44
Acceptance by the Crown Entity of Employee Benefits and Other Liabilities	5	137	123	99
TOTAL GOVERNMENT CONTRIBUTIONS		7,587	7,573	7,139
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		(1,115)	(293)	616
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	14	(1,115)	(293)	616

[The accompanying notes form part of these statements]

	NOTE	ACTUAL 2003 \$'000	BUDGET 2003 \$'000	ACTUAL 2002 \$'000
CURRENT ASSETS				
Cash	7	7,759	7,839	8,034
Receivables	8	1,093	335	1,309
Other Financial Assets		0	974	0
TOTAL CURRENT ASSETS		8,852	9,148	9,343
NON-CURRENT ASSETS				
Plant and Equipment	9	97	96	194
Receivables	8	0	1,053	1,053
TOTAL NON-CURRENT ASSETS		97	1,149	1,247
TOTAL ASSETS		8,949	10,297	10,590
CURRENT LIABILITIES				
Payables	11	636	136	136
Provisions	12	131	96	96
Other	13	6	670	670
TOTAL CURRENT LIABILITIES		773	902	902
NON-CURRENT LIABILITIES				
Other	13	52	453	453
Provisions	12	4	0	0
TOTAL NON-CURRENT LIABILITIES		56	453	453
TOTAL LIABILITIES		829	1,355	1,355
NET ASSETS		8,120	8,942	9,235
EQUITY				
Accumulated Funds	14	8,120	8,942	9,235
TOTAL EQUITY		8,120	8,942	9,235

[The accompanying notes form part of these statements]

	NOTE	ACTUAL 2003 \$'000	BUDGET 2003 \$'000	ACTUAL 2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PAYMENTS				
Employee Related		(1,628)	(1,300)	(1,459)
Grants and Subsidies		(6,087)	(5,038)	(4,295)
Other		(3,594)	(2,824)	(3,279)
TOTAL		(11,309)	(9,162)	(9,033)
RECEIPTS				
Sale of Goods and Services		0	409	224
Interest Received		256	249	327
Other		2,113	826	1,651
TOTAL		2,369	1,484	2,202
CASH FLOWS FROM GOVERNMENT				
Recurrent Appropriation		7,406	7,406	6,996
Capital Appropriation		44	44	44
Cash Reimbursements from the Crown Entity		115	77	66
NET CASH FLOWS FROM GOVERNMENT		7,565	7,527	7,106
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	(1,375)	(151)	275
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Plant and Equipment		(45)	(44)	(36)
Repayment of Revolving Fund Advances		610	0	3,200
Advances from Revolving Fund		(1,755)	0	(1,808)
NET CASH FLOWS USED ON INVESTING ACTIVITIES		(1,100)	(44)	1,356
NET INCREASE/(DECREASE) IN CASH		(275)	(195)	1,631
Opening Cash and Cash Equivalents		8,034	8,034	6,403
CLOSING CASH AND CASH EQUIVALENTS	7	7,759	7,839	8,034

[The accompanying notes form part of these statements]

2003					2002			
	RECURRENT APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND	CAPITAL APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND	RECURRENT APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND	CAPITAL APPROPRIATION	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET								
APPROPRIATION/EXPENDITURE								
- Appropriation Act	7,406	7,406	44	44	6,996	6,996	44	44
- Additional Appropriations								
- s 21A PF&AA-Special Appropriation								
- s 24 PF&AA-Transfer								
- Functions Between Departments								
- s 26 PF&AA Commonwealth								
- Specific Purpose Payments								
	7,406	7,406	44	44	6,996	6,996	44	44
OTHER APPROPRIATION/EXPENDITURE								
- Treasurer's Advance								
- Section 22-Expenditure								
- for Certain Works and Services								
- Transfers from Another Agency								
- (s 26 of the Appropriation Act)								
TOTAL APPROPRIATIONS/EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND (INCLUDES TRANSFER PAYMENTS)	7,406	7,406	44	44	6,996	6,996	44	44
AMOUNT DRAWN DOWN AGAINST APPROPRIATION		7,406		44		6,996		44
LIABILITY TO CONSOLIDATED FUND		0		0		0		0

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.

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 View;
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) PROJECT DEVELOPMENT

Project Development funding is recognised as payments are made (Note: 2(d)). Unpaid instalments scheduled in each contract have been shown at year end as commitments in Note: 2(d) and Note: 15(b). If 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: 13). Further details are provided in Note: 16.

(d) PRODUCTION INVESTMENT

Production Investment funding is recognised as payments are made (Note: 2(d)). Unpaid instalments scheduled in each contract have been shown at year end as commitments in Note: 2(d) and Note: 15(b). Investment Grants 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: 16.

(e) ADMINISTERED ACTIVITIES

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

(f) REVENUE RECOGNITION

Revenue is recognised where the FTO has control of the goods 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.

(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 are 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.

(ii) 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.

(g) EMPLOYEE BENEFITS AND OTHER PROVISIONS

(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 benefits accrued in the future.

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

As a result of the adoption of Accounting Standard AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets', accrued salaries and wages and on-costs has been reclassified to 'Payables' instead of 'Provisions' in the Statement of Financial Position and the related note disclosures, for the current and comparative period. On the face of the Statement of Financial Position and in the notes, reference is now made to 'Provisions' in place of 'Employee Entitlements and Other Provisions'. Total employee benefits (including accrued salaries and wages) are reconciled in Note: 12 'Current/ Non-Current Liabilities Provisions'.

(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 benefits and Other Liabilities'.

As a result of the adoption of Treasury Circular NSW TC 03/08 long service leave is measured on a present value basis. The present value method is based on the factors determined by the Government Actuary and applied to remuneration rates at year end for all employees with five or more years of service.

The Superannuation expense for the financial year is determined by using the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(n) 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.

(i) 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.

(o) 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.

(j) 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 the 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.

(p) 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.

(k) PLANT AND EQUIPMENT

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

(q) 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.

(l) 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.

(r) 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).

(m) 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

(s) RECLASSIFICATION OF FINANCIAL INFORMATION

In order that all expenses are classified according to their nature, 'Expenses Associated with Grants and Subsidies' previously reported under Other Operating Expenses and 'Legal Expenses Associated with Grants and Subsidies' previously reported under Grants and Subsidies are now reported as 'Other Operating Expenses' but under more appropriate headings. Where practical comparative amounts were re-classified to ensure that in the main, there was comparability with the current reporting period.

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

	2003	2002
	\$'000	\$'000
Employee Related Expenses comprise the following specific items:		
Salaries and Wages (including Recreation Leave)	1,493	1,330
Superannuation	99	74
Payroll Tax on Superannuation	6	4
Long Service Leave	34	21
Workers Compensation Insurance	8	12
Payroll and Fringe Benefits Tax	58	65
	1,698	1,506

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. The results in non-monetary revenue described as 'Acceptance by the Crown Entity of Employee Benefits and Other Liabilities' (Refer Note: 1(h)(ii)).

(b) OTHER OPERATING EXPENSES

	2003	2002
	\$'000	\$'000
Advertising	84	99
Auditor's Remuneration (Audit or Review of the Financial Reports)	28	24
Communications/IT	71	53
Contractors	166	190
Consultancies	51	105
Corporate Services	98	75
Doubtful Debts	183	120
External Assessors and Advisors*	228	145
GDD Productions	0	116
Hosted Workshops and Events*	81	28
Insurance	10	10
Legal Fees*	361	185
Marketing and Promotional Activity	353	187
Office and Administration Costs	131	142
Operating Lease Rental Expenses (Minimum Lease Payments)	264	262
Travel and Accommodation	239	197
Miscellaneous Operating Expenses	86	84
	2,434	2,022

*External Advisors and Assessors', 'Hosted Workshops and Events' and 'Legal Fees' all include amounts expended that directly and specifically relate to the provision of grants and other industry programs operated by the FTO.

(c) DEPRECIATION AND AMORTISATION

	2003	2002
	\$'000	\$'000
DEPRECIATION		
Computer Equipment	28	19
General Plant and Equipment	4	4
AMORTISATION		
Office Fit Out	110	131
	142	154

(d) GRANTS AND SUBSIDIES

	2003*	2002
	\$'000	\$'000
Aurora Script Development Workshops	130	78
Australian Childrens' Television Foundation	110	110
Industry and Audience Development	611	367
New Media	202	93
Other Industry Promotion	107	499
Production Investment Fund	3,216	1,605
Project Development	1,037	1,010
Regional Filming Fund	493	242
Young Filmmakers Fund	181	113
	6,087	4,117

*Grants and Subsidies paid includes the expensed portion of 02/03 funding commitments (see Note: 2(e)) as well as unpaid commitments brought forward from previous years.

2. EXPENSES (CONTINUED)

(e) DETAILS OF FUNDING PROGRAMS APPROVED IN 02/03

	EXPENSED*	FORWARD YEARS COMMITMENT**	TOTAL
	\$'000	\$'000	\$'000
Aurora Script Development Workshops	84	36	120
Australian Childrens' Television Foundation	110	0	110
Industry and Audience Development	611	0	611
New Media	202	0	202
Other Industry Promotion	107	0	107
Production Investment Fund	1,565	592	2,157
Project Development	757	188	945
Regional Filming Fund	314	70	384
Young Filmmakers Fund	56	198	254
	3,806	1,084	4,890

*Details of grants approved in 02/03 and included Note: 2(d).

**Details of unpaid grants (excluding GST) approved in 02/03, which will be expensed in forward years.

3. REVENUES

(a) SALE OF GOODS AND SERVICES

	2003	2002
	\$'000	\$'000
Revenue from GDD Productions	0	259
GDD Productions Refunds	0	(177)
Revenue from GDD Print Sales	0	87
	0	169

The Government Documentary Division was closed in December 2001. There was no activity or income in the 02/03 financial year.

(b) INVESTMENT INCOME

	2003	2002
	\$'000	\$'000
Interest	291	291
	291	291

(c) OTHER REVENUE

	2003	2002
	\$'000	\$'000
Project Development Returns	81	145
Production Investment Returns	330	508
Others	1,005	198
	1,416	851

4. APPROPRIATIONS

	2003	2002
	\$'000	\$'000
RECURRENT		
Total Recurrent Drawdowns from Treasury (per Summary of Compliance)	7,406	6,996
	7,406	6,996
Comprising:		
Recurrent Appropriations (per Statement of Financial Performance)	7,406	6,996
TOTAL	7,406	6,996
CAPITAL		
Total Capital Drawdowns from Treasury (per Summary of Compliance)	44	44
	44	44
Comprising:		
Capital Appropriations (per Statement of Financial Performance)	44	44
TOTAL	44	44

5. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

	2003	2002
	\$'000	\$'000
The following liabilities and/or expenses have been assumed by the Crown Entity:		
Superannuation	99	74
Payroll Tax	6	4
Long Service Leave	32	21
	137	99

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

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

7. CURRENT ASSETS-CASH

	2003	2002
	\$'000	\$'000
Cash at bank and on hand	7,759	8,034
	7,759	8,034

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.

8. CURRENT/NON-CURRENT ASSETS-RECEIVABLES

	2003	2002
	\$'000	\$'000
CURRENT		
Sale of Goods and Services	105	146
Cashflow Loans	0	40
GST Receivable	135	31
Accrued Interest	153	118
Revolving Fund	1,083	1,174
	1,476	1,509
Less: Provision for Doubtful Debts	383	200
	1,093	1,309
NON-CURRENT		
Revolving Fund	0	1,053
	0	1,053

9. NON-CURRENT ASSETS-PLANT AND EQUIPMENT

	2003	2002
	\$'000	\$'000
PLANT AND EQUIPMENT		
At Cost	616	622
Accumulated Depreciation at Cost	(519)	(428)
TOTAL PLANT AND EQUIPMENT AT NET BOOK VALUE	97	194
RECONCILIATIONS		
Carrying Amount at Start of Year	194	312
Additions	45	36
Depreciation Expense	(142)	(154)
CARRYING AMOUNT AT END OF YEAR	97	194

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

	QUANTITY	COST
		\$'000
Computer Equipment	34	4
Office Equipment	33	6

10. RESTRICTED ASSETS

Cash at bank includes \$3,917,215 (2002 \$2,772,715). This amount represents the available cash component of the Production Loan Financing Fund, a revolving fund of \$5M used to assist film production by way of repayable advances secured against guaranteed payments from broadcasters, distributors and exhibitors. This balance fluctuates depending on the amount of loans outstanding at any one time.

In addition, funds of \$51,659 (2002 \$545,731) are held on behalf of investors and relate to the activities of the former Australian Films International Inc and to the former New South Wales Film Corporation. Refer Note: 13.

11. CURRENT LIABILITIES-PAYABLES

	2003	2002
	\$'000	\$'000
Accrued Salaries and Wages	32	43
Creditors	603	93
	635	136

12. CURRENT/NON-CURRENT LIABILITIES-PROVISIONS

	2003	2002
	\$'000	\$'000
EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Recreation Leave	131	96
Long Service Leave On-Costs	1	0
Payroll Tax on Long Service Leave	3	0
	135	96
AGGREGATE EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Provisions-Current	131	96
Provisions-Non Current	4	0
Accrued Salaries and Wages (Note: 11)	32	43
	167	139

13. CURRENT/NON-CURRENT LIABILITIES-OTHER

	2003	2002
	\$'000	\$'000
CURRENT		
Prepaid Interest-Revolve Fund Loans	6	45
Funds Held on Behalf of Other Government Departments	0	60
Interest on Project Development Grants Payable to the Crown Entity	0	19
Liability to Consolidated Fund		0
NSW Government	0	546
	6	670

During the year, the final reconciliation was carried out for the Government Documentary Division, which was closed in December 2001. This reconciliation resulted in the reclassification of the balance as funds that were due to the FTO, and as such, these were included as Other Revenue under Note: 3(c).

Permission was received from NSW Treasury during the year for the FTO to utilise funds previously classified as Liability to Consolidated Fund-NSW Government. These funds have been reported and recognised as Other Revenue under Note: 3(c).

NON-CURRENT

Funds Held on Behalf of Investors in Motion Pictures	52	453
	52	453

A reconciliation was carried out during the year of Funds held on Behalf of Investors in Motion Pictures. This resulted in a repayment to the FTO of expenses previously paid on behalf of the films, and a disbursement of royalties to investors and guarantors, which included the FTO. The FTO's repaid expenses and its portion of this disbursement have been reported and recognised as Other Revenue under Note: 3(c).

14. CHANGES IN EQUITY

CHANGES IN EQUITY-MOVEMENT	ACCUMULATED FUNDS		TOTAL EQUITY	
	2003	2002	2003	2002
Balance at the beginning of the financial year	9,235	8,619	9,235	8,619
Changes in equity-transactions with owners as owners	0	0	0	0
TOTAL	9,235	8,619	9,235	8,619
Changes in equity-other than transactions with owners as owners				
Surplus/(Deficit) for the year	(1,115)	616	(1,115)	616
TOTAL	(1,115)	616	(1,115)	616
BALANCE AT THE END OF THE FINANCIAL YEAR	8,120	9,235	8,120	9,235

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

As at 30 June 2003, the FTO had no capital commitments.

(b) OTHER EXPENDITURE COMMITMENTS

As at 30 June 2003, the FTO had committed the following amounts for payment within the next twelve months:

	2003	2002
	\$'000	\$'000
Aurora Script Development Workshops	40	46
Industry & Audience Development	0	56
Project Development	250	303
Production Investment	686	1,879
Regional Filming Fund	77	201
Young Filmmakers Fund	220	140
TOTAL	1,273	2,625

The total expenditure commitments include GST of \$115,757 (\$239,000 in 01/02) which is a contingent asset for the FTO.

(c) OPERATING LEASE COMMITMENTS

	2003	2002
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	280	228
Later than one year and not later than five years*	844	0
TOTAL (INCLUDING GST)	1,124	228

*The lease on the FTO's premises on Level 7, 157 Liverpool Street, Sydney was renewed on 1 June 2003 for a period of 4 years. An estimated amount of \$101,000 (01/02 \$20,727) is expected to be claimed from the Australian Taxation Office as input tax credits.

16. 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
30 June 2003	1,037	81
PRODUCTION INVESTMENT (EXCLUDING MINOR CASHFLOW LOANS) (PERIOD ENDING)		
30 June 1998	1,757	567
30 June 1999	1,674	221
30 June 2000	2,439	687
30 June 2001	2,102	308
30 June 2002	1,605	508
30 June 2003	3,216	330

In any given year there is no correlation between Grants Provided and Returns Received. Returns are dependent upon the profitability of a project, and as such, the likelihood and the timing of returns cannot be quantified accurately.

17. CONTINGENT LIABILITIES

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

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

There is a variation between budgeted and actual net cost of services of \$836,000. However, approval was received during the year from Treasury to increase the Net Cost of Services by \$1,000,000 to account for the additional expenditure in Grants and Subsidies. As such, the variation to the amended Net Costs of Services is only \$164,000.

18. BUDGET REVIEW**FINANCIAL PERFORMANCE**

Variations in Employee Related expenses were attributable to redundancy and maternity leave payments, and in Grants and Subsidies due to the increase in grants and subsidies for Production Investment.

The increase in Other Revenue is due to the accounting recognition as income of the funds from the Statutory and Other Funds Account and the funds due to the FTO from the Public Monies Account which were previously treated as Liabilities.

ASSETS AND LIABILITIES

There is variation of \$822,000 between budgeted and actual total equity. This is attributable to the additional \$1,000,000 in Grants and Subsidies expended during the year. The approval received during the year from Treasury for the increase in Net Cost of Services accounts for this variation.

CASH FLOWS

The cash flow reflects the variations outlined above.

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

	2003	2002
	\$'000	\$'000
NET CASH FROM OPERATING ACTIVITIES	(1,375)	275
Cash flows from Government/Appropriations	(7,450)	(7,040)
Acceptance by Crown Entity of Employee Benefits and Other Liabilities	(137)	(99)
Depreciation	(142)	(154)
Provision for Doubtful Debts	(183)	(120)
Decrease/(Increase) in Provisions	(47)	(14)
Increase/(Decrease) In Receivables and Other Assets	58	8
Decrease/(Increase) in Creditors	(491)	335
Decrease/(Increase) in Other Liabilities	1,065	286
NET COST OF SERVICES	(8,702)	(6,523)

20. 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 3.39% (01/02 3.52%) and the rate at year end was 3.75% (01/02 3.73%).

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 Minor Cashflow Loans debtors. The carrying amount approximates net fair value.

MINOR CASHFLOW LOANS

The FTO provides Minor Cashflow Loans for small amounts of funds over a stipulated period of time at an agreed rate of interest to support projects during the early production period prior to the drawdowns from the projects major funding sources. Loans must be secured by a distribution agreement or presale to a broadcaster and do not exceed the amount of the presale or guarantee. The carrying amount approximates net fair value.

PRODUCTION LOAN FINANCING FUND (REVOLVE FUND)

The FTO provides a Production Loan Financing Fund out of a \$5M revolving facility provided by NSW Treasury. Loans are recognised as they are drawn down by the production. They must be secured by a distribution agreement, a presale to a broadcaster or a first ranking charge on the distribution company as well as a direction deed.

The first drawdown 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 fees are taken up as income when the loan is made. The carrying amount approximates net fair value.

TRADE CREDITORS AND ACCURALS

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 14 days after the date of an invoice. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (30 June 2002, \$0).

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. After specified costs and expenses are deducted, these royalties are then 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 either reconciled or distributed under the terms of the contract. The carrying amount approximates net fair value.

21. AFTER BALANCE DATE EVENTS

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

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TITLE		APPLICANT	WRITER	AMOUNT
FEATURES				
A Bit Touch And Go		John Emery	John Emery	\$16,000
A Half Of Two Lives		Christine Olsen	Christine Olsen	\$13,000
Anglers, The	Allan Powell	Allan Powell	\$10,000	
Atmosfear	Total Perceptions P/L	Stephen Sewell	\$14,000	
Ballad Of Tui Lee, The		Chili Films P/L	Martin Edmond	\$10,000
Candy	Margaret Fink Films P/L	Luke Davies/Neil Armfield	\$22,000	
Chinese Whispers	Scarlett Pictures P/L	Liz Doran	\$13,900	
Cupidity	ACME Productions	Vanessa Bates	\$8,900	
Devil You Know	Second Sight Productions	Paulette Fisher	\$18,000	
Dreaming Of Dudley		John Meadows	John Meadows	\$12,500
Herd, The	TAMA Films P/L	Mark Forstmann/Jeff Stein	\$14,300	
Herd, The	TAMA Films P/L	Mark Forstmann/Jeff Stein	\$16,000	
Hide	Martin Murphy	Martin Murphy	\$11,000	
Hiroshima	Ellipsis Productions P/L	Keith Thompson	\$16,000	
Highways To A War		Sasci P/L	Christopher Koch	\$14,000
In Search Of Johnny Depp		Flatrock Pictures	Johanna Pigott	\$15,000
J	Proudly Productions	David Michôd	\$14,500	
Kangaroo Springs USA		Mark Morissey	Claire Haywood	\$11,000
Little Fish	Porchlight Films P/L	Jacqueline Perske	\$15,000	
Looking For Love		Linden Wilkinson	Linden Wilkinson	\$14,000
Mere Mortals	Alison Heather	Alison Heather	\$14,000	
Ming Goldman Story, The		Cleartone Wireless Company P/L	Libbi Gorr	\$11,800
My Generation	Lisa Garner	Fiona Curran	\$11,500	
Natural Selection	Porchlight Films P/L	Tim Richards	\$16,000	
New England	Blue Films	Roger Joyce	\$11,800	
Orange Crush	Brumax Films	Tim Scott Porter	\$12,200	
Prime Mover	Porchlight Films P/L	David Caesar	\$21,000	
Prisoner Of Love	Mandala Films	Stephen Davis	\$16,000	
Razor	Figurehead Films P/L	Jennifer Kremmer	\$17,000	
Red Room	Evelyn Richardson	Kathleen Stewart	\$15,000	
Rhythm And Rice	Khoa Do	Khoa Do	\$10,500	
Sentimental Values		Anthony Egan	Anthony Egan	\$10,000
Set Up	Siren Pictures P/L	Lynne Vincent McCarthy	\$16,800	
Storage	Rachel Landers	Rachel Landers	\$11,500	
Suddenly Single And Starving		Pod Film P/L	Tobsha Learner	\$10,000
Talk Shit And Dance Like A Girl		Igloo Films	David Hely	\$13,000
Test, TheJ.	McElroy Holdings P/L	Safina Uberoi	\$11,000	
Thunderstruck	Eddie Wong Films	Darren Ashton/Shawn Angus	\$4,000	
Uncertain Fate	Prairie Dog Films P/L	Christophe Wheeler/Graham Brammer/Ian Barry		\$25,000
Under The Dash	Pocket Pictures	Lynne-Maree Danzey	\$14,800	
Visitor, The	Greg Woodland	Greg Woodland	\$14,000	
TOTAL				\$566,000
DOCUMENTARY				
Deadly Slumber	Paul Scott Films P/L	Paul Scott	\$15,299	
Jabe Babe	Go Girl Productions	Janet Merewether	\$7,000	
Last Christmas In Jaranwallah		Zara Films P/L	Kay Rasool	\$15,000
The Sentimental Blokes		Fortian Productions P/L	Con Anemogiannis	\$15,000
Somewhere Between Heaven & Woolworths		The Film Gallery	Peter Clifton/Hugh Ballentine/Glen A. Baker	\$14,500
Spirit Cloud	Sean O'Brien	Sean O'Brien	\$13,964	
Way Of The Warrior		Seacam P/L	Peter Butt	\$5,700
TOTAL				\$86,463
TELEFEATURES				
Hell Has Harbour Views		Hilton Cordell Productions	Peter Duncan	\$11,000
TOTAL				\$11,000
TELEVISION SERIES				
Double Trouble	Caama Productions P/L	Shelley Birse/Mitch Torres/Beck Cole	\$15,000	
Dragonfire	Pacific & Beyond P/L	David Ogilvie/John Armstrong	\$20,000	
Transported	Hilton Cordell Productions	Chris Hilton/Ian Walker	\$18,000	
TOTAL				\$53,000
MINI SERIES				
RAN	Chapman Pictures	JohnAlsop/Sue Smith/Alice Addison	\$41,000	
TOTAL				\$41,000
ANIMATION				
Casa Bastado	Panchromatic P/L	Robert Adams	\$13,000	
Tashi	Film Graphics Entertainment	Stu Connolly	\$22,075	
Midnite	Rapt Animation	Richard Tulloch	\$13,200	
TOTAL				\$48,275

TITLE	APPLICANT	WRITER	AMOUNT
INITIATIVES–FRIDAY NIGHT DRAMA			
So Close To Home	Trinculo Productions P/L	Madeleine Blackwell	\$15,000
TOTAL			\$15,000
NEW FEATURE FILM WRITERS SCHEME			
Feeder Tara Wilkinson	Tara Wilkinson	\$12,000	
Hope Damien Power	Damien Power	\$12,000	
In-Human Mathew Murphy	Mathew Murphy	\$12,000	
Karaoke Killers Rob Reynolds	Rob Reynolds	\$12,000	
TOTAL			\$48,000
APPLICANT	DESTINATION	PURPOSE	AMOUNT
TRAVEL			
Andrew Taylor	Sao Paulo International Film Festival To accompany screening of Kabbarli	Professional Development	\$2,650
Danielle Hall	San Tropez Film Festival To accompany screening of Beneath Clouds	Professional Development	\$2,465
Kelrick Martin	Australian International Documentary Conference	Professional Development Indigenous Filmmaker	\$1,000
Kerry Armstrong	London Film Critics' Circle Awards Best Actress Nomination for Lantana	Professional Development	\$5,000
Lisa Hauge	MIPCOM	Seek finance and marketplace interest in production slate	\$5,000
Liz WattsCinemart		Seek finance and marketplace interest in production slate	\$5,000
Michelle Harrison Cinemart		Seek finance and marketplace interest in production slate	\$4,000
Anthony Anderson/Cate Shortland	Berlin/London/Los Angeles	Seek finance and marketplace interest in production slate	\$10,240
Heather Ogilvie	Strategic Partners Co-Production Conference	Seek finance and marketplace interest in production slate	\$1,500
Penny Robins	MIPCOM	Seek finance and marketplace interest in production slate	\$5,000
Phillip Bowman	MIPCOM	Seek finance and marketplace interest in production slate	\$5,000
Richard Turner	Strategic Partners Co-Production Conference	Seek finance and marketplace interest in production slate	\$1,500
Sally Regan	Cannes	Seek finance and marketplace interest in production slate	\$8,715
Stuart Sowcroft	MIPCOM/History Congress	Seek finance and marketplace interest in production slate	\$5,000
Tamara Popper	Cannes	Seek finance and marketplace interest in production slate	\$4,300
TJ Hanlon	Sundance To accompany screening of Beneath Clouds	Professional Development	\$5,394
Tracey Taylor	MIPCOM	Seek finance and marketplace interest in production slate	\$3,890
TOTAL			\$75,654
TOTAL DEVELOPMENT FUNDING			\$944,392

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE FORWARD COMMITMENTS–DEVELOPMENT

TITLE	APPLICANT	WRITER	AMOUNT
FEATURES			
Carrier, The Belinda Chayko	Belinda Chayko	\$13,600	
Keeping It Family Keeping It Family Productions		Kent Williams	\$12,000
Perfect Drive, TheMacgowan Films P/L	Justin Walsh	\$16,500	
White Crane, The Paul Brown	Paul Brown	\$16,000	
Zebras, The J McElroy Holdings P/L	David Williamson	\$16,000	
TOTAL			\$74,100
TELEFEATURES			
Hell Has Harbour Views	Hilton Cordell Productions	Peter Duncan	\$13,500
TOTAL			\$13,500
DOCUMENTARY			
Shift, The Kaye Harrison	Kaye Harrison	\$13,890	
TOTAL			\$13,890
TOTAL FORWARD COMMITMENTS			\$101,490

308 Applications		
78 Funded		
TYPE	COMMITTED	% OF TOTAL SPEND
Features*	\$614,000	65.02%
Documentaries	\$86,463	9.16%
Television Series	\$53,000	5.61%
Mini Series	\$41,000	4.34%
Animation	\$48,275	5.11%
Travel	\$75,654	8.01%
Initiatives	\$15,000	1.59%
Telefeatures	\$11,000	1.16%
TOTAL	\$944,392	100%
*Includes New Feature Film Writers Scheme		

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE DEVELOPMENT RETURNS 02/03

PROJECT	PRINCIPLE RETURNED	INTEREST TO TREASURY	ROYALTIES
A Man's Gotta Do	\$13,000	\$3,770	
Cave In The Snow	\$658		
City Of Fear	\$15,654		
Einsteins Wife	\$6,438		
Glue Factory, The	\$9,426		
Helen's War-Portrait Of A Dissident	\$12,580		
Lantana			\$583
Night We Called It A Day, The	\$23,588		
Piano, The			\$1,193
Priscilla Queen Of The Desert			\$954
So Close To Home (Friday Night Drama)	\$15,000		
Strictly Ballroom			\$521
Thunderstruck	\$4,000	\$146	
Yakity Yak	\$19,400	\$4,853	

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE
PROJECTS THAT WENT INTO PRODUCTION IN 02/03 THAT HAVE RECEIVED FTO DEVELOPMENT INVESTMENT

TITLE	DEVELOPMENT INVESTMENT	PRODUCTION INVESTMENT
A Man's Gotta Do	\$13,000	\$300,000
City Of Fear	\$14,260	\$30,000
Einstein's Wife	\$6,090	
Glue Factory	\$8,650	
Go Big (Fellowship–Rosemary Blight)	\$20,000	\$250,000
Handle With Care (Fellowship–Mary-Ellen Mullane)	\$20,000	\$55,000
Helen's War–Portrait Of A Dissident	\$12,580	\$30,000
Molly And Mobarak (Fellowship–Tom Zubrycki)	\$20,000	
Night We Called It A Day, The	\$20,100	\$408,820
So Close To Home	\$15,000	\$250,000
Thunderstruck	\$4,000	\$160,000
Yakity Yak	\$19,400	

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE

PROJECTS WHERE DEVELOPMENT INVESTMENT HAS BEEN ROLLED OVER INTO PRODUCTION

PROJECT	AMOUNT
City Of Fear	\$14,260
Helen's War-Portrait Of A Dissident	\$12,580
So Close To Home	\$15,000

PROJECT	APPLICANT	AMOUNT
FEATURE		
A Man's Gotta Do Oilrag Productions P/L		\$300,000
Illustrated Family Doctor, The	Pod Film	\$400,000
Night We Called It A Day, The	Night & Day Films P/L	\$8,820
Rage In Placid Lake, The	Macgowan Films P/L	\$2,822
Thunderstruck	Eddie Wong Films P/L	\$160,000
Travelling Light	Toi-Toi Films P/L	\$1,500
TOTAL		\$873,142
DOCUMENTARY		
Besieged-The Kelly Legacy	Film Projects P/L	\$20,000
Desperate Man Blues	Cube Media	\$30,000
From The Sky To The Sea	Claude Gonzales & Tamara Popper	\$30,000
Helen's War-Portrait Of A Dissident	Sonja Armstrong Productions	\$30,000
Jimmy Little's Gentle Journey	Indigo Films	\$15,000
Man Who Stole My Mother's Face, The	Hatchling Productions P/L	\$30,000
Big Men, Bigger Dreams	Sixfoot6 Films	\$29,000
TOTAL		\$184,000
DOCUMENTARY SERIES		
Airships, The	Rob McAuley Productions	\$60,000
Handle With Care Iris Pictures P/L		\$55,000
Home Made Histories	Arcadia Pictures	\$30,000
TOTAL		\$145,000
DOCUMENTARY DRAMA SERIES		
kNOT At Home	Big hART Inc.	\$42,000
TOTAL		\$42,000
MINI SERIES		
Jessica	Screentime P/L	\$350,000
Marking Time	Southern Star Entertainment P/L	\$250,000
TOTAL		\$600,000
SHORT FEATURE DRAMA INITIATIVES		
So Close To Home	Second Sight Productions P/L	\$250,000
Floodhouse	Eidolon P/L	\$33,000
Preservation	Chilling Pictures P/L	\$30,000
TOTAL		\$313,000
TOTAL PRODUCTION INVESTMENT		\$2,157,142

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE FORWARD COMMITMENTS-PRODUCTION INVESTMENT

PROJECT	APPLICANT	AMOUNT
Go Big	RB Films P/L	\$250,000
More Than Scarlet	Red Carpet Productions P/L	\$400,000
Snobs	Southern Star Entertainment P/L	\$250,000
TOTAL		\$900,000

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE PRODUCTION INVESTMENT 02/03

23 Applications		
22 Funded		
TYPE	COMMITTED	% OF TOTAL SPEND
3 Features	\$860,000	39.87%
7 Documentaries	\$184,000	8.53%
1 Documentary Drama Series	\$42,000	1.95%
3 Documentary Series	\$145,000	6.72%
2 Mini Series	\$600,000	27.81%
3 Short Features	\$313,000	14.51%
ADDITIONAL INVESTMENT		
3 Features	\$13,142	.61%
TOTAL	\$2,157,142	100%

INVESTMENT RETURNS	\$309,877
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APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE PROJECTS APPROVED-PRODUCTION LOAN FINANCING FUND 02/03

PROJECT	AMOUNT
APPROVALS	
Illustrated Family Doctor, The	\$105,000
More Than Scarlet	\$57,500
Ned	\$445,000
REPAID IN FULL	
Dirty Deeds (approved 00/01)	
He Died With A Felafel In His Hand (approved 98/99)	

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE PROJECTS APPROVED-MINOR CASHFLOW LOAN 02/03

PROJECT	AMOUNT
APPROVALS	
More Than Scarlet	\$40,000
In prior years Minor Cashflow Loans were provided from the Production Investment Fund. The decision was made in 02/03 to provide these from the Production Loan Financing Fund.	

APPENDIX 01 PROJECT DEVELOPMENT AND FINANCE READERS AND BUDGET ANALYSTS

READERS	Elise McCredie	BUDGET AND FINANCE ANALYSTS
Martha Ansara	Catriona McKenzie	Sandra Alexander
Miro Bilbrough	Kathryn Millard	Jenny Day
Sue Castrique	Antonietta Morgillo	Ben Grant
Belinda Chayko	Mary-Ellen Mullane	Tony Grierson
Sam Conway	Margot Nash	Mary-Ellen Mullane
Gillian Coote	Peter Neale	David Noakes
Jenny Day	Julie Nimmo	Brenda Pam
Claire Dobbin	David Noakes	Vicki Watson
Wesley Enoch	John O'Brien	Liz Watts
Louise Fox	Nicholas Parsons	Martin Williams
Barry Gamba	Scott Patterson	
Glenda Hambly	Tim Richards	
Michelle Harrison	Mira Robertson	
Claire Haywood	Paul Roy	NEW FEATURE FILM WRITERS SCHEME ASSESSORS
Paul Humfress	Peter Sainsbury	Belinda Chayko
Sam Jennings	Dennis Smith	Vincent Sheehan
Steve Kinnane	Morgan Smith	Greg Woodland
Susan Lambert	Billy Marshall Stoneking	
Rachel Landers	Safina Uberoi	
Gillian Leahy	Liz Watts	
Curtis Levy	Martin Williams	NEW FEATURE FILM WRITERS SCHEME SCRIPT CONSULTANTS
Melissa Lucashenko	Greg Woodland	Belinda Chayko
Alison Lyssa	Alexa Wyatt	Rachel Landers
Robert Marchand	Aviva Ziegler	Vincent Sheehan
Lynne Vincent McCarthy	Tom Zubrycki	Greg Woodland

APPENDIX 02 AURORA PROJECTS FUNDED 02/03

TITLE	WRITER	PRODUCER	DIRECTOR	AMOUNT
Cut Snake	Blake Ayshford	Nicholas Parsons	Nicholas Parsons	\$30,000
Shiver	Christina Andreef	Helen Bowden	Christina Andreef	\$30,000
Ice	Sofya Gollan	Matt Carroll	Sofya Gollan	\$30,000
Highway Toll	Raymond Devitt	John Cruthers	Marcus Gale	\$30,000
TOTAL				\$120,000

APPENDIX 02 AURORA ASSESSORS

Sally Browning (FTO)	Wesley Enoch	Tim Richards	Kate Woods
Jan Chapman	Chris Noonan	Duncan Thompson	
Claire Dobbin	Jonathan Ogilvie	Keith Thompson	

PROJECT	APPLICANT	REGION	REGIONAL SPEND	JOBS	AMOUNT
SHORT FEATURE					
Floodhouse*	Eidolon P/L	Illawarra	\$121,976	35	\$60,988
Martha's New Coat	New Town Films P/L	Hunter (Singleton)	\$125,534	88	\$43,277
Preservation*	Chilling Pictures P/L	Camden Park	\$29,366	3	\$10,278
MINI SERIES					
Jessica*	Screentime P/L	Central West (Millthorpe/ Carcoar and other locations)	\$430,000	200	\$100,000
Marking Time*	Zodiac P/L	Hunter (Singleton)	\$197,300	200	\$69,055
FEATURE					
A Man's Gotta Do*	Oilrag Productions P/L	Illawarra	\$353,764	65	\$100,000
TOTAL			\$1,257,940	591	\$383,598

*Denotes estimated regional spend and employment on original application. Final cost report not yet received. Final figures can vary significantly from pre-production estimates, consequently the amount granted to the production may also vary.

APPENDIX 04 YOUNG FILMMAKERS FUND PROJECTS FUNDED 02/03

PROJECT	APPLICANT	TYPE	AMOUNT
ROUND 12			
Deluge	Flordeliz Bonifacio/Samantha Jennings	Drama	\$30,000
I Remember 1948	Fadia Abboud	Experimental Documentary	\$30,000
Gabriel	Janine Burchett Gardner/Cherie Knott	Drama	\$30,000
Aerosol	Wojciech Wawrzyniak/Karel Segers	Animation	\$30,000
TOTAL			\$120,000
MARKETING ALLOWANCES			
Beach Story	Karen Colston	Drama	\$2,000
Contact	Andrew Arbuthnot	Drama	\$4,500
Laquiem	Andree Greenwell	Experimental	\$2,827
Search	Hannah Hilliard/Bronwyn Kidd	Drama	\$1,000
The Demon Fault	Elizabeth Tadic	Documentary	\$3,330
TOTAL			\$13,657

APPENDIX 04 YOUNG FILMMAKERS FUND BROADCAST SALES AND DISTRIBUTION DEALS 02/03

CONTACT	
Queer Screen distribution to gay & lesbian film festivals	
THE DEMON FAULT	
2003 SBS Australia	
SEARCH	
Showtime Australia	

APPENDIX 04 YOUNG FILMMAKERS FUND YFF FESTIVAL JUNE 2003

Avoca	Easter Tide, The	Museum Of Dreams	Stray Heart
Contact	Laquiem	Never The Twine	Tree
Demon Fault, The	Mongrel's Ghost	Search	

APPENDIX 04 YOUNG FILMMAKERS FUND ASSESSORS

ROUND 12	ROUND 13
John Benson	Andrew Arbuthnot
Peter Carstairs	Barry Gamba
Amanda Duthie (FTO)	Melissa Hasluck
Gaby Mason	Robert Herbert
Tim Slade	Jo-Anne McGowan (FTO)
Lee Whitmore	Janet Merewether

SEARCH		
Canberra International Film Festival, Australia, 2002		
Adelaide International Film Festival, Australia, 2003		
25th Creteil International Women's Film Festival, France, 2003		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
CONTACT		
10th Raindance Film Festival, London, UK, 2002		
St Louis International Film Festival, USA, 2002		
Chilean International Festival of Short Films, Chile, 2002		
Lisbon Gay & Lesbian Film Festival, Portugal, 2002		
Canberra Short Film Festival, Australia, 2002		
Capital Queer Film Festival, Canberra, Australia, 2002		
Melbourne International Movie Festival, Australia, 2002		
RedCarpet Night, Sydney, Australia, 2003		
Los Angeles Short Film Awards, USA, 2003		
La Manica Tagliata, Italy, 2003		
Sydney Mardi Gras Film Festival, Australia, 2003, Winner: Panavision Award, Highly Commended		
Melbourne Queer Film Festival, Australia, 2003, Commended		
Brisbane Queer Film Festival, Australia, 2003		
BFI London Gay & Lesbian Film Festival, UK, 2003		
Inside Out Festival, Toronto, Canada, 2003		
OutTakes Tour, New Zealand, 2003		
OUTFEST, Los Angeles, USA, 2003		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
LAQUIEM		
8th Rio de Janeiro International Short Film Festival, Brazil, 2002		
Molodist International Film Festival, Kyev, Ukraine, 2002		
Manchester International Short Film Festival, UK, 2002		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
CONTEMPORARY CASE STUDIES		
Commonwealth Film Festival, Manchester, UK, 2002		
NEVER THE TWINE		
Commonwealth Film Festival, Manchester, UK, 2002		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
NEW SKIN		
Lexus IF Awards, Sydney, Australia, 2002, Outstanding New Talent Award: Director Anthony Hayes		
AVOCA		
Melbourne International Film Festival, Australia, 2002, Winner: Emerging Australian Filmmaker Award		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
THE DEMON FAULT		
10th International Environmental Film Festival, Barcelona, Spain 2003, Winner: Special Prize Documania		
YFF Screenings/50th Sydney Film Festival, Australia, 2003		
BEACH STORY		
Edinburgh Film Festival, Scotland, 2002		

APPENDIX 05 DIGITAL VISUAL FX TRAINEESHIP SCHEME TRAINEES

ROUND 7	COMPANY
Simon Bronson	zspace
Camela Cheng	Ambience Entertainment
Helen Clemmens	Complete Post
Sheldon Gardner	Animal Logic
Andrew Lodge	Animal Logic
Peter Richards	Animal Logic
Andrew Ritchie	Animal Logic
James Rose	Ambience Entertainment

APPENDIX 05 DIGITAL VISUAL FX TRAINEESHIP SCHEME ASSESSORS

ROUND 8		
Marcus Darcy	Nick Hore (FTO)	Shilo McClean

ORGANISATION	PROJECT	AMOUNT
EVENTS & PROJECTS PROGRAM		
Australian Film Institute	Emirates AFI Awards 2002	\$40,000
Australian Film Television and Radio School	Scriptwriting Award 2003	\$2,000
Australian Guild of Screen Composers	Membership Services	\$5,000
Australian International Documentary Conference	Australian International Documentary Conference 2003	\$17,500
Australian Screen Directors Association	ASDA Screen Culture Program	\$17,000
Australian Screen Directors Association	Persistence of Vision Conference 2002	\$7,500
Australian Screen Directors Association	Strategic Planning Workshop	\$2,700
Australian Teachers of Media Inc.	Study Guides	\$10,000
Australian Writers' Guild	Membership Services	\$10,000
Australian Writers' Guild	New Narrative Workshop Series	\$5,000
BASC P/L	Byron All Screens Celebration	\$15,000
Cinewest	5th Auburn International Film & Video Festival for Children & Young Adults	\$4,000
Cinewest	Professional Development Program & Cinematheque	\$20,000
Coffs Harbour Arts Council Inc.	Cool Bananas	\$6,000
dLux Media Arts	d>art	\$10,000
dLux Media Arts	Future Screen	\$8,000
dLux Media Arts	Membership Services	\$5,000
dLux Media Arts	Tour dLux	\$10,000
Flickerfest P/L	12th Flickerfest International Short Film Festival	\$15,000
Flickerfest P/L	Flickerfest National Tour (NSW)	\$5,000
Freerange Animation	Japanime	\$4,000
IF Magazine P/L	IF Magazine 2002	\$13,000
IF Media	Lexus IF Awards	\$12,000
Information and Cultural Exchange	Emerging Communities Digital Filmmaking Program	\$3,500
Island Quarry Association Inc.	Flickerfest Byron IQ Tour 2003	\$500
Manly Screenworks Film Festival	Screenworks Short Film Festival	\$2,000
Metro Magazine	Metro Magazine	\$10,000
Metro Screen Ltd	Indigenous Mentor Program	\$4,200
North Coast Camera	Workshops and Accredited Training	\$12,000
Northern Rivers Screenworks Ltd	Screenworks Masterclass Series	\$4,000
Northern Rivers Writers Centre	Byron Bay Writers Festival	\$6,000
Open City Incorporated	Real Time—OnScreen	\$5,000
Performing Arts Newcastle Ltd	The Shoot Out Chats	\$3,000
Queer Screen	Mardi Gras Film Festival	\$10,000
Queer Screen	QueerDoc	\$4,000
Queer Screen	Parramatta Film Festival	\$6,000
Screen Me!	Screen Me! Blue Mountains Short Film Festival	\$2,000
Screen Producers' Association of Australia	SPAA Conference 2002	\$8,000
Screen Producers' Association of Australia	SPAA Fringe 2002	\$3,000
Short Sited Film Festival	Short Sited 7 Film Festival	\$2,500
South East Arts Region (SEAR) Inc.	South East Film Festival	\$7,500
Sutherland Shire Council	Sutherland Shire Film Festival	\$2,000
Sydney Asia Pacific Film Festival	Sydney Asia Pacific Film Festival 2003	\$20,000
Sydney Film Festival	Sydney Film Festival 2003	\$45,000
Sydney Film Festival	Travelling Film Festival	\$20,000
The Octapod Association	Electrofringe	\$9,000
Tropfest Events P/L	Tropfest 2003	\$20,000
Women in Film & Television NSW Inc.	WOW International Film Festival	\$5,000
Women in Film & Television NSW Inc.	WOW Tour	\$3,000
TOTAL		\$460,900
ORGANISATION PROGRAM		
Metro Screen Ltd	Indigenous Mentor Scheme	\$14,000
	Membership Services	\$48,000
	Metro Digital Salon	\$7,500
	Mobile Unit Services	\$55,000
	Multicultural Mentor Scheme	\$14,000
	Tools & Technology Program	\$12,000
TOTAL		\$150,500
NEW MEDIA PROGRAM		
Metro Screen Ltd	Web DVD Drama Project	\$45,000
Australian Academy of Digital Arts & Sciences	X Media Lab	\$30,000
TOTAL		\$75,000

APPENDIX 06 INDUSTRY & AUDIENCE DEVELOPMENT ASSESSORS

Sharon Baker (FTO)	Brendan Smith (FTO)
Tony Grierson	Nick Hore (FTO)

ORGANISATION	PROJECT	AMOUNT
Australian International Documentary Conference	Australian International Documentary Conference Byron Bay 2003	\$42,500
Blackfella Films	The Black Book	\$5,000
Sydney Film Festival	Booking Guide 2003	\$40,000
TOTAL		\$87,500

APPENDIX 08 PRODUCTION LIAISON PROJECTS PRODUCED IN NSW 02/03

FEATURES/TELEMOVIES/MINI SERIES	TV DRAMA SERIES	LOW BUDGET/SHORT/PARTIAL
A Man's Gotta Do*	All Saints*	A Natural Talent*
Blackjack*	Always Greener*	Baghvati*
Bondi Tsunami	Fireflies*	Diamond Girl
Close To The Heart	Home And Away*	Easter Tide, The*
Future Tense*	Love Bytes*	Great Dark, The*
Go Big*	Out There*	Life Study*
Grim	Pizza (Series 3)	Lovesong (aka Fears Of Desire)*
Jessica*	Snobs*	Not About AJ
Junction Boys*	Twentyfourseven	POV*
Looking For Natalie Wood*	White Collar Blue*	Restless Imperfect, The*
Marking Time*		
Newton*	SHORT FEATURES	
Night We Called It A Day, The*	Floodhouse*	
Postcard Bandit*	Martha's New Coat*	
Picture This	Preservation*	
The Crop	So Close To Home*	

*Received FTO assistance through the Production Liaison Unit.

APPENDIX 08 PRODUCTION LIAISON INWARD VISITS 02/03

There were fewer AusFILM sponsored visits this year due to discontinued availability of discounted tickets from the sponsor carrier. As a result the majority of visits followed approaches brought directly to the FTO.

Entertainment Partners (Sydney) requested assistance to host a visit from six representatives from the Toronto based, Comweb Group. Comweb has interests in camera and lighting equipment hire, studio site development and financial services as well as being producers of television drama. Attending were Paul Bronfman (President of Comweb), Mark Prior (Entertainment Partners, Toronto), Bill White (President, William F. White International), Rick Nelson (Executive VP, Comweb), Rohitt Blatt (Financial Manager, Comweb) and Stephan D. Smith (Manager, Los Angeles Centre Studios). The group met various equipment rental and studio development stakeholders with a view to developing Australian partnerships. *Ex: Toronto (July 02)*

The FTO facilitated a visit from Monika Serester from the Australian Consulate in New York. Ms Serester works with AusFILM to create business links with East Coast agencies and companies in the television commercial industry. She visited commercial production companies, production service companies, post-production facilities and studios in preparation for the subsequent trade missions that AusFILM organised in Los Angeles, New York and Chicago. *Ex: New York (August 02)*

Following this initiative AusFILM sponsored a visit from John Caffera (Bates Agency, New York) who came to Sydney to meet with production companies, production service providers and inspect technical facilities and studios. *Ex: New York (September 02)*

The FTO assisted with a visit from representatives from the Sidus Corporation in Seoul, Korea. Producer Seung-Moo Lee and director Sung-Won Im were in Australia in search of local partner-producers for a project called Laundry Warrior. The FTO organised meetings with producers, production service companies and post-production facilities and facilitated a scout to Broken Hill for the project. *Ex: Seoul (October 02)*

The FTO hosted a brief visit from ten representatives from Kodak Korea, Cinema Service, CJ Entertainment, Korea Pictures, The Sidus Corporation, Tube Entertainment, Big Blue Film and Cineworld. The delegation was delivered an industry overview covering distribution, production trends and government assistance in NSW. *Ex: Korea (October 02)*

Later the same month the Australian Broadcasting Corporation hosted a training exercise for 32 management representatives from the Korean Broadcast Service as part of a five-day training course. The FTO assisted in this exercise. *Ex: Korea (October 02)*

Assistance was provided to Austrade Hanoi for a Vietnamese delegation seeking business opportunities with Australian companies in the film and television industries. Fourteen delegates participated in the visit, representing various government and private companies. *Ex: Hanoi (November 02)*

FTO representatives met with the first AusFILM inbound group of 2003. In attendance were three agency Directors of Broadcast Production from Grey Worldwide (Nancy Axthelm), Young and Rubicam, New York (Kenneth Yagoda) and McCann Erickson, New York (Peter Friedman). *Ex: New York (February 03)*

The FTO hosted a visit from John-Neale Patton from Abarta Productions who scouted locations and sourced period aircraft for a feature film called Red Wing. *Ex: Los Angeles (February 03)*

Brett Leonard (director) and Scott Karol (producer) from Fierce Entertainment visited Sydney to scout locations and meet crew for an independent feature film called Man Thing. This is the first character from the Marvel stable to be adapted and financed by Marvel comics. The film will be completed in the second half of 2003 in Sydney. *Ex: Los Angeles (March 03)*

TITLE	PRODUCER	STATUS
12 Days Of Terror	Fox Television/Orly Adelson	Considering locations
44 Minutes	Fox Television	Completed in Canada in 03
A Woman On Top	Von Zerneck/Sertner Films	Awaiting response
Abandon Ship	Fox Television	Considering locations
Alexander The Great	Bazmark/Universal/Dreamworks	Scouting NSW
Alkali Iowa	Mark Christopher	Considering locations
Amsterdam	Geoffrey Wright	On hold
Catch That Girl	Fox Television	Considering locations
Cipher	Dan Lupovitz Productions	Considering locations
Clown	Stonegate Entertainment	Completed in Canada in 03
Exorcist Prequel	Morgan Creek Productions	In pre-production
Flight Of The Phoenix	20th Century Fox	Considering locations
Freeing Mr Jiggs	Evan Katz	On hold
Future Tense	Warner Bros	Pilot completed in Sydney in 03
Gothika	Warner Bros	Completed in Vancouver in 03
Guam Goes To The Moon	Kerner Entertainment	On hold
Homeland Security	Paramount TV	Shooting in US in 03
House Of Usher	20th Century Fox	On hold
I Robot	Fox Pictures/Mystery Clock	Shooting in Vancouver in 03
I'm A Celebrity–Get Me Out Of Here	Granada Productions	Completed in NSW
Jane Plan, The	Walt Disney Pictures/Paul Steinke	Considering locations
Junction Boys, The	Orly Adelson Pictures	Completed in NSW in 02
Joe's Last Chance	Jeffrey Silver	Completed in Mexico in 03
Laundry Warrior	Sidus Corporation	On hold
Lawns	GrossBart Barnett Productions	On hold
Lonely Planet	Working Title	Considering locations
Looking For Natalie Wood	Von Zerneck/Sertner Films	Shot in NSW in 03
Lost In Space	Fox Television	Pilot in Mexico in 03
Lowball	Four by Four Films	On hold
Outer Limits	Bob Relyea/Jeff Coleman/Mark Victor, MGM Pictures	On hold
MacGyver	Paramount TV/Ralph Berge	Awaiting decision
Maiden Voyage	Carlton Entertainment	Completed in New Zealand in 03
Man Thing	Fierce Entertainment	In production 03
Mage, The	Jeffrey Chernov/Spyglass Entertainment	Considering locations
Mask II, The	New Line Entertainment	In production in NSW
Mondo Beyondo	Good Machine Inc	Considering locations
Mute Singer	Carl Irwin	Considering locations
Necropolis	Green Epstein Bacino	On hold
Newton	Warner Bros TV	Pilot in Sydney in 03
Paycheck	Paramount Pictures	Considering locations
Potter's Field	Phoenix Pictures	Considering locations
Proving Ground	Davis Entertainment	Awaiting green light
Redemption	Fox Television	On hold
Red Dwarf	Red Dwarf Films/RGM Films	Shooting Victoria or Queensland in 03
Red Water	Gallant Entertainment	On hold
Red Wing	Abarta Productions	Awaiting decision
Repairman Jack	Beacon Pictures	Considering locations
Returning Lily	Von Zerneck-Sertner Films	Completed in Queensland/NSW in late 02
Riddick	Universal Pictures/Mark McNair	In production in Canada in 03
Rocky Horror Birthday Show	Fox Television	Production dormant
Runelords, The	Story Island Entertainment	Reconsidering locations
Russell	Ian Jessel/Martin Brown Films	Shooting in NSW in 03
Sahara	20th Century Fox	Shooting in Morocco in 03
Sailmaker, The	Arama Entertainment	Considering locations
Seventh Heaven	Mission Pictures	On hold
Shadowlands	Zanzibar Productions/Martin Brown	Considering locations
Shadow Walkers	Regency/Fox/Icon	Proposed shoot in Vancouver in 03
Stealth	Sony Columbia Pictures	Shoot in NSW in 03
Student Stalker	Lionsgate	On hold
Sword In The Stone	Disney/ Fountain Films	Considering locations
Wish You Were Here	Film Engine	Considering locations
Wuthering Heights CA	Fox Television/MTV	On hold

APPENDIX 09 CONSULTANTS

CATEGORY	NUMBER OF ENGAGEMENTS	TOTAL COST
Management Services	6	\$52,350
Organisational Review	1	\$8,400
Training	1	\$5,850
TOTAL CONSULTANCIES LESS THAN \$30,000		\$66,600

FLEXIBLE WORK PRACTICES

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

EQUITY & ETHICS

All staff are informed and aware of the FTO's policies which promote equal employment opportunity.

APPENDIX 11 STAFF STRUCTURE A FOUR YEAR COMPARISON

CLASSIFICATION AND GRADINGS	STAFF NUMBERS AS AT			
	30/6/00	30/6/01*	30/6/02*	30/6/03*
Senior Executives	1	1	1	1
Clerk Grade 11/12	3	3	2	2
Clerk Grade 9/10	3	3	2	2
Clerk Grade 7/8	4	6	8	7
Clerk Grade 5/6	1	1	1	1
Clerk Grade 3/4	3	4	5	5
Clerk Grade 1/2	1		1	1
TOTAL	16	19	19	19

*Snapshot as at 30 June.

APPENDIX 11 STAFF STRUCTURE 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.

APPENDIX 12 EQUAL EMPLOYMENT OPPORTUNITY REPORT EEO ACHIEVEMENTS

Being a small agency of less than 20 people, there is limited opportunity for major achievements or outcomes in EEO. As such, the FTO has no specific planned outcomes or priorities in EEO. Wherever possible, the FTO adheres to and follows the key outcomes identified for public sector employment, specifically:

a diverse and skilled workforce;
improved employment access and participation for EEO group members; and
a workplace culture displaying fair practices and behaviours.

APPENDIX 12 EQUAL EMPLOYMENT OPPORTUNITY REPORT TRENDS IN THE REPRESENTATION OF EEO GROUPS¹

EEO GROUP	BENCHMARK OR TARGET	% OF TOTAL STAFF ²			
		2000	2001	2002	2003
Women	50%	81%	53%	58%	74%
Aboriginal people and Torres Strait Islanders	2%				0%
People whose first language was not English	20%				12%
People with a disability	12%				0%
People with a disability requiring work-related adjustment	7%				0%

APPENDIX 12 EQUAL EMPLOYMENT OPPORTUNITY REPORT TRENDS IN THE DISTRIBUTION OF EEO GROUPS³

EEO GROUP	BENCHMARK OR TARGET	DISTRIBUTION INDEX			
		2000	2001	2002	2003
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100				0
People whose first language was not English	100				n/a
People with a disability	100				0
People with a disability requiring work-related adjustment	100				0

¹ Staff numbers are as at 30 June.

² Excludes casual staff.

³ The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

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; and
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 International Film Festival and Regional Film Screenings, in Sydney, Armidale, Broken Hill, Coffs Harbour, Kempsey, Lismore, Murwillumbah, Newcastle and Port Macquarie. This was in conjunction with Women in Film and Television NSW.

All programs of assistance offered to individuals by the FTO are open to women. In 02/03:

Development Assistance–78 applications funded, 39 were women applicants
Production Investment–22 applications funded, 10 were women applicants
Young Filmmakers Fund–4 applications funded, 3 were women applicants
Digital FX Traineeship Scheme–8 placements offered, 2 were women applicants

APPENDIX 14 ACCOUNTS PAYABLE PERFORMANCE AGED ANALYSIS AT THE END OF EACH QUARTER

QUARTER	CURRENT (IE WITHIN DUE DATE)	LESS THAN 30 DAYS OVERDUE	BETWEEN 30 DAYS & 60 DAYS OVERDUE	BETWEEN 60 DAYS & 90 DAYS OVERDUE	MORE THAN 90 DAYS OVERDUE
September Quarter	\$121,272	\$15,943	\$681	\$2,498	\$33,538
December Quarter	\$56,973	\$13,160	\$57,504	\$2,437	\$32,055
March Quarter	\$317,706	\$4,676	\$568	\$568	\$27,699
June Quarter	\$145,341	\$36,629	\$3,667	\$19,974	\$883

APPENDIX 14 ACCOUNTS PAYABLE PERFORMANCE ACCOUNTS PAID ON TIME WITHIN EACH QUARTER

QUARTER	TOTAL ACCOUNTS PAID ON TIME			TOTAL AMOUNT PAID
	TARGET	ACTUAL		
September Quarter	90%	93%	\$1,941,903	\$2,084,112
December Quarter	90%	90%	\$2,751,957	\$3,071,998
March Quarter	90%	91%	\$2,079,542	\$2,292,337
June Quarter	90%	94%	\$2,437,237	\$2,585,001

During 02/03 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.

APPENDIX 15 GOVERNMENT ENERGY MANAGEMENT POLICY

CORPORATE COMMITMENT

The FTO is committed to energy management principles and to achieving sustained reduction in energy use. 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. As such, the avenues for energy conservation are limited.

PLANNING

The FTO adopted an Energy Management Plan in 00/01. The goals of the Plan are to, wherever possible, include Green Power in electricity contracts, purchase energy efficient office equipment, and benchmark the FTO's performance.

PERFORMANCE

The table below details the energy usage and costs for the FTO over the past three years. The percentage decrease achieved in energy use and in costs exceeds the goals set out in the FTO's Plan and also that for the whole-of-government target. The FTO's energy usage:

	02/03	01/02	00/01	% CHANGE
KWh	59,896	72,913	89,888	-33%
Cost	\$6,100*	\$8,077*	\$8,644*	-29%

*Excluding GST

In accordance with requirements under the *Ethnic Affairs Commission Amendment Act 1996*, the FTO has developed an Ethnic Affairs Priorities Statement (EAPS) and is committed to building on the State's culturally diverse society through its programs of assistance. Priority areas of opportunity are identified 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;
training for community applicants;
loans and grants criteria;
audience development;
industry development; and
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.

KEY EAPS ISSUES AND STRATEGIES FOR THE FTO FROM THE 02/03 CORPORATE PLAN

ETHNIC AFFAIRS INITIATIVE	STRATEGIES/TASK	PERFORMANCE INDICATORS	OUTCOMES ACHIEVED
Access to Information.	Identify languages in target markets and translate publications to suit.	Number of specific publications and publicity materials. Level of increase in NSW production from culturally diverse backgrounds.	Produced promotional brochures in Chinese, Japanese and Korean.
Industry Development.	Broaden the pool of individuals involved in industry development programs, particularly encouraging people from diverse backgrounds.	Work with Carnivale and Metro Screen who are active within the NESB communities. Proportion of readers from NESB or culturally diverse backgrounds.	Metro Screen's Multicultural Mentorship Scheme funded. 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 filmmakers of non-English speaking background to FTO programs.	Publicise relevant funding programs (eg Young Filmmakers Fund) in publications identified as having a significantly diverse readership. Develop initiatives to promote FTO programs and services to filmmakers from culturally and linguistically diverse backgrounds.	Filmmakers from culturally and linguistically diverse backgrounds were targeted through the promotion of FTO grant programs in publications with a significant culturally diverse readership such as ArtsWest. Links and partnerships with Community Cultural Development organisations and Western Sydney-based arts organisations were also developed through events such as Shooting West, an information and workshop day held at Casula Powerhouse.
Data Capture.	Improve the collection of data on ethnicity of applicants in order to support accountability and improved performance.	Data capture method identified.	All applicants to the FTO's script development programs are requested to complete a data ethnicity sheet. This information is entered into a database to track performance in this area.
Staff Training.	Provide staff with 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.
Loans and 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 project assessors in selecting material for investment to ensure that where possible contemporary/diverse culture is reflected in cinema/television production.
Audience Development.	Explore opportunities for funding multicultural audience development in the industry.	Participate in events supporting multicultural ideals.	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.
Liaise with key Government bodies.	Participate in policy debates with key Commonwealth and State agencies which impact on funding culturally diverse projects.	Continue liaison across portfolio on multicultural program development. Cooperative implementation of specific strategies.	Supported in 02/03: Auburn International Film & Video Festival for Children & Young Adults; Sydney Asia Pacific Film Festival; Metro Screen Multicultural Mentor Scheme; Cinewest Television Production Workshop & Cinematheque; Emerging Communities Digital Filmmaking Program. FTO liaison with Western Sydney Unit at Ministry for the Arts has resulted in increased support from Treasury for a Western Sydney strategy.

THE DISTRIBUTION GUIDE

Published December 2002

STACKS OF FACTS 2003 EDITION

Published January 2003

LOCATION LOCATION LOCATION 2002 EDITION

Published September 2002

FILMING IN REGIONAL NSW, AUSTRALIA

Published October 2002

Produced jointly with NSW Department of State & Regional Development

SYDNEY FILM CENTRE OF AUSTRALIA (DVD)

Published March 2002

APPENDIX 18 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 New South Wales Film and Television Office is correct as at 30 June 2003.

ESTABLISHMENT

The New South Wales Film and Television Office (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 the FTO's:

investment in development of film and television projects;
management of the NSW Film Corporation catalogue of films;
grants to Industry & Audience Development projects and other organisations;
Government Documentary projects;
promotion of Sydney and NSW as film and television locations; and
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 02/03 the FTO received no Freedom of Information (FOI) applications. No applications were brought forward from 01/02. There were no internal reviews of decisions under the Act conducted in 02/03 by the FTO.

APPENDIX 19 RISK MANAGEMENT

The FTO's insurance requirements are covered by the Treasury Managed Fund, a self insurance scheme administered by the GIO. This inclusive scheme covers workers compensation, property and public liability.

During the year the FTO instigated one claim relating to a break-in to the FTO offices in June. Total cost of the claim is estimated to be approximately \$5,000.

JULY 2002

Sally Browning, Manager Development & Finance Unit: Travelled to Edinburgh, Scotland and London, UK as an invited observer of Olsberg SPI's Screen Strategy course, a high-level, intensive course providing business development training for producers. Researched options for an Australian version of the course to be delivered in November 2003 and attended meetings in London with creative artists' agents to discuss advisors for Aurora 2003.

OCTOBER 2002

Kingston Anderson, Manager Production Liaison: Travelled to USA to attend meetings and functions organised by AusFILM in Chicago, New York and Los Angeles.

NOVEMBER 2002

Jane Smith, Chief Executive/Laurie Patton, Deputy Chair: Travelled to Shanghai, China to represent NSW film industry during Australia Week and hosted a screening and a post-production company delegation.

Kingston Anderson, Manager Production Liaison: Travelled to Busan, Korea as a guest of the Busan Film Commission to participate in *Bifcom* 2002, a film commission expo.

JANUARY 2003

Garry Brennan, Manager Production Liaison: Travelled to New Orleans as part of AusFILM marketing team to attend NATPE, the conference of the National Association of Television Program Executives, where program makers from around the world were lobbied regarding the advantages of filming in NSW. Also travelled to Los Angeles for liaison with Hollywood studio executives and producers regarding proposed production in NSW.

MARCH 2003

Jane Smith, Chief Executive: Travelled to Mumbai and led a delegation to *Frames* 2003, a conference in Mumbai, India to meet with key players in the Indian film industry. This was the first time the FTO had explored this market, formally showcasing NSW as a filming destination at the Conference trade expo.

APRIL 2003

Garry Brennan, Manager Production Liaison: Travelled to Los Angeles as part of AusFILM marketing delegation to exhibit at *LA Expo*, North America's premier filming locations market. Conducted liaison meetings with Hollywood studio executives and producers regarding future projects for NSW.

MAY 2003

Jane Smith, Chief Executive: Travelled to France for the *56th 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.

Garry Brennan, Manager Production Liaison: Travelled to London as part of AusFILM marketing delegation to exhibit at the *London Production Show*. Visited broadcast executives and producers to discuss potential for co-productions in NSW.

APPENDIX 21 DEPARTMENTAL REPRESENTATIVES ON SIGNIFICANT COMMITTEES

JANE SMITH—CHIEF EXECUTIVE

AusFILM Board and Executive Committee

Screen Finance Group

Australian International Documentary Conference, Local Organising Committee

KINGSTON ANDERSON—MANAGER PRODUCTION LIAISON (TO DEC 02)

Association of Film Commissioners International Board

AusFILM Marketing Committee

AusFILM Finance Committee

GARRY BRENNAN—MANAGER PRODUCTION LIAISON (FROM JAN 03)

AusFILM Marketing Committee

AusFILM Policy Committee

Screen Production Safety Review Committee

APPENDIX 22 MAJOR WORKS IN PROGRESS

Nil to report.

The Board of the FTO met on 15 occasions during the year. Eight of these meetings were held by teleconference. Meetings attended by Board members:

SHANE SIMPSON

Attended 14. Eligible to attend 15.

LAURIE PATTON

Attended 8. Eligible to attend 9.

AMDREW MASON

Attended 4. Eligible to attend 6.

MEGAN McMURCHY

Attended 13. Eligible to attend 15.

SUE MASTERS

Attended 9. Eligible to attend 15.

LIBBY RHYS-JONES

Attended 10. Eligible to attend 15.

ROBERT CONNOLLY

Attended 14. Eligible to attend 15.

SARAH DOWLAND

Attended 12. Eligible to attend 15.

APPENDIX 24 GUARANTEE OF SERVICE

SERVICE STANDARDS

responses to correspondence within three weeks of receipt;
telephone inquiries 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; and
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 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 25 REVIEWS AND AUDITS UNDERTAKEN

Script Development
Receipts & Distributions for Feature Films
Records Management

APPENDIX 26 CONSUMER RESPONSE (COMPLAINTS HANDLING)

The FTO received three complaints this year, all relating to guidelines and funding. The issues have been reviewed.

APPENDIX 27 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 NSW Public Sector Agencies, the FTO has prepared a draft Privacy Management Plan.
As part of the implementation of the FTO's integrated records management policy, which was reviewed in 02/03, the FTO's Privacy Management Plan will be officially adopted and implemented in 03/04.

APPENDIX 28 OCCUPATIONAL HEALTH & SAFETY REPORT

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 29 DISABILITY ACTION PLAN

Consistent with its obligations under the *Disability Services Act* and to the industries in which it operates, the FTO adopted a Disability Action Plan in 2000. The broad objectives of this plan are to ensure that people with disabilities have equality of access and are able to participate in opportunities that are available to people without disabilities.
As proposed in the 2000 Plan, the FTO is currently reviewing progress against the Plan's objectives and updating the Plan where necessary.

APPENDIX 30 WAGES & SALARIES EXCEPTIONAL MOVEMENTS

A 4% wage increase was awarded to staff covered by the *Crown Employees (Public Sector Salaries-January 2000) Award* effective January 2003.

APPENDIX 31 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 32 COST OF ANNUAL REPORT

The total cost of producing the FTO Annual Report 02/03 was \$21,238 (exclusive of GST). 900 copies were printed. Electronic copies of FTO Annual Reports can be obtained from www.fto.nsw.gov.au.

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PRODUCED BY
SHARON BAKER (PTO)

DESIGN AND PRODUCTION BY
ANTHONY BATTAGLIA & CATIE DYCE
BOX COMMUNICATIONS
WWW.BOXTM.COM

PRINTED BY
CONTACT PRINTING

2003

