



NEW SOUTH WALES FILM AND TELEVISION OFFICE ANNUAL REPORT

97.98

TO
ASSIST, PROMOTE AND STRENGTHEN
THE FILM AND TELEVISION
INDUSTRY IN NEW SOUTH WALES
SO AS TO PROMOTE AUSTRALIA'S
CULTURAL IDENTITY,
ENCOURAGE THE EMPLOYMENT
OF AUSTRALIANS IN ALL ASPECTS
OF FILM AND TELEVISION
PRODUCTION, ENCOURAGE
INVESTMENT IN THE INDUSTRY,
ENHANCE THE INDUSTRY'S EXPORT
POTENTIAL, ENCOURAGE
INNOVATION AND ENHANCE
QUALITY IN THE INDUSTRY. MISSION



HOUSE GANG II



IN THE WINTER DARK



THE BOYS

FRONT COVER: [1] IN THE WINTER DARK [2] RADIANCE
OPPOSITE PAGE: DARK CITY

97.98

ANNUAL REPORT

NEW SOUTH WALES FILM AND TELEVISION OFFICE



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ISSN 1037-0366



WELCOME TO WOOP WOOP



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THE BOYS

PREMIER'S MESSAGE

It is with great pleasure that I present to Parliament the 1997/98 Annual Report of the NSW Film and Television Office (FTO).

The year has been one of progress and activity for the FTO under the guidance of the inaugural Board of Directors which was appointed 18 months ago.

With the FTO's assistance, NSW has enjoyed an active year of production and development which has clearly demonstrated the position of the film and television industry as a major contributor to the state's cultural and economic life.

Over the past year, production levels have increased significantly and the Australian Bureau of Statistics confirmed, with the release of their latest figures, that NSW nationally accounted for 44% of total full-time production industry employment. This represented a 54% increase in NSW production employment since the 1991 Census.

Sydney's profile as an internationally competitive and desirable filming location was also enhanced when Fox Studios opened its doors for business. The studios are already employing many local filmmakers.

NSW was the base for major international productions including *The Matrix*, *Dark City* and *Babe: Pig in the City* confirming that our industry has captured international attention as one of the most exciting and progressive in the world.

With a flourishing industry, developing and enhancing skills is important to meet our local and international interests.

This Government recognises the importance of the many FTO development initiatives that encourage and nurture the industry such as the Young Filmmakers Fund which I introduced in August 1996. This fund has produced many successes, and I was delighted when *Fetch* directed by Lynn-Maree Danzey, became the first Young Filmmakers Fund film to be selected for competition in Cannes this year.

In April 1998 my Government announced a strategy, worth an additional \$560,000, to focus on skills development in the area of new media and digital technology for the film and television industry. Part of this program will complement the investment by the Department of State and Regional Development in a Digital Media Studio at Metro Television.

My Government and our various agencies are participants in what is becoming one of the most dynamic and energetic industries in this country.

I look forward to another successful year of partnership.



Bob Carr

PREMIER'S MESSAGE



Premier, Minister for the Arts
and Minister for Ethnic Affairs

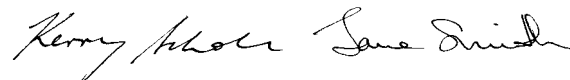
LETTER FROM THE CHAIR & DIRECTOR

The Hon R J Carr, MP
Premier of NSW, Minister for the Arts and Minister for Ethnic Affairs
Parliament House
SYDNEY NSW 2000

Dear Premier

Pursuant to the provisions of Section 10 of the *Annual Reports (Statutory Bodies) Act 1984*, we have pleasure in submitting to you the Annual Report for the New South Wales Film and Television Office for the year ended 30 June 1998 for tabling in Parliament in accordance with the provisions of the Act.

Yours sincerely

The block contains two handwritten signatures in black ink. The signature on the left is 'Kerry Schott' and the signature on the right is 'Jane Smith'.

Dr Kerry Schott

Jane Smith

LETTER FROM THE CHAIR & DIRECTOR

LETTER FROM THE CHAIR

Dear Premier,

This was the first full year of operation for the Board of Directors of the FTO. It has been mainly a year of review and reform. The FTO had various procedures and processes in dealing with the film and television industry that needed improving and we have done so and will continue down this track. Less bureaucracy, more transparency and 'fairness' should result for those applying for funding or assistance.

In this review and reform the FTO focused on its primary role - as a development agency. The Creative Initiatives program was established to kickstart a new initiative. A range of activities were supported including Fellowships for mid-career filmmakers, a Director's Attachment scheme for emerging directors (a joint initiative with the Australian Screen Directors Association) and the establishment of TropNest, a centre for nurturing new writing talent.

The FTO had funding for the growth area of new media. The new media strategy the FTO developed focuses on skill development and includes a digital visual FX (effects) traineeship scheme, support to Metro Television's new digital media studio program and new media screen culture funds.

A long unresolved issue was the licensing of films to Pepper Distribution by the FTO's predecessor, the NSW Film Corporation. For many years some parts of the film industry have been concerned about these past arrangements. The FTO Board established a sub-committee to investigate the situation early this calendar year. On 8 August 1998 the FTO was delighted to reach agreement with Pepper Distribution (Pepper) to terminate existing distribution agreements for the 20 Australian films licensed to Pepper between 1983 and 1987. The distribution rights for these films (including **Newsfront** and **My Brilliant Career**) have now been assigned to the FTO. The FTO is discussing with the individual producers what they wish the FTO to do with the distribution rights.

The Board requested a review of the activities of Government Documentary Division (GDD) by John Morris to broaden the activities of that unit and to move to full cost recovery in a timely manner. The Board recognises GDD's important development role and the cost and social benefits that government agencies and NSW more generally derive through using GDD's services. The Board wishes to protect GDD's positive contribution.

In the next year the Board expects to be concerned with further ongoing reform, including more 'user friendly' service, marketing, changing industry environment and growing threats to 'local content' rules, and demands for locations and assistance in relation to filming the 2000 Olympics. The lease on the FTO's current premises expires soon and we also expect to move. Next year will be busy.

LETTER FROM THE CHAIR

I acknowledge the commitment of my Board colleagues and thank them for their contribution for what has been a review and reform year at the FTO. We welcome the re-appointment of Errol Sullivan and John Politzer who each completed a one year term and have been re-appointed for three years each.

Last, but by no means least, the Board would like to thank the dedicated FTO staff and its director Jane Smith, for their work this year. It has been a year of considerable achievement, and not always easily won.

Yours sincerely



Kerry Schott
Chair

15 August 1998



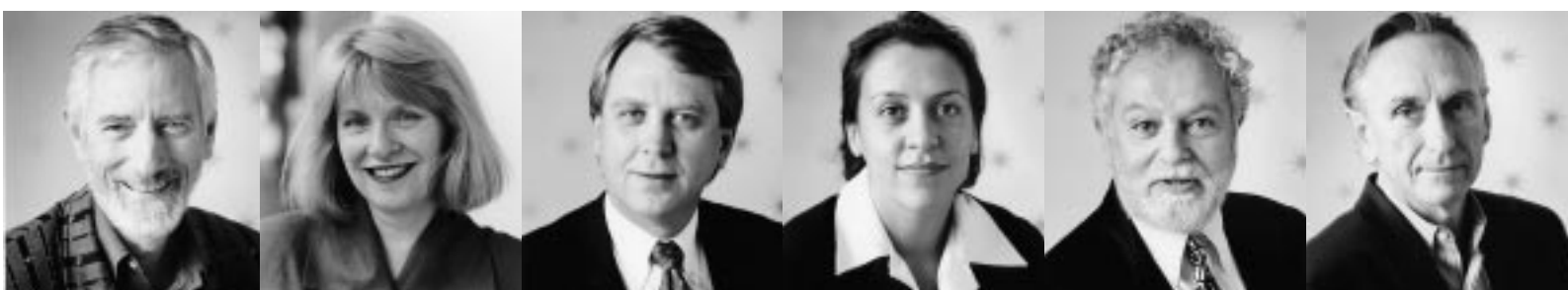
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MEMBERS OF THE BOARD

The Board of the New South Wales Film and Television Office (FTO) has met on 13 occasions over the past year with nine meetings held at the FTO's offices in East Sydney. Four interim Board Meetings were held by teleconference to consider urgent matters or urgent funding applications. Board members were eligible to attend all meetings and leave of absence was given for any meetings that Board members were unable to attend. The FTO Board was appointed on 1 January 1997 and members of the Board are:

- | | | |
|---|---|---|
| | CHAIR | |
| 1 | Dr Kerry Schott
Appointed for 3 years
(12 meetings) | Director of Deutsche Bank. Recently appointed as Director of Sydney Water and Chair of Australian Water Technologies Pty Ltd. Former Executive Vice President of Bankers Trust and Director of the Australian Film Finance Corporation. |
| | OTHER MEMBERS | |
| 2 | Mr Geoffrey Atherden
Appointed for 2 years
(8 meetings) | President of the Australian Writers' Guild, writer for television, theatre and feature films, member of the Australian Film Institute Awards Advisory Committee and former member of numerous committees of the Royal Australian Institute of Architects. |
| 3 | Ms Jan Chapman
Appointed for 3 years
(9 meetings) | Independent Producer (Holy Smoke, The Piano, Love Serenade, Naked, The Last Days of Chez Nous). Former producer with the ABC (Sweet and Sour, Come in Spinner and Two Friends). |
| 4 | Mr Laurie Patton
(Deputy Chair)
Appointed for 3 years
(10 meetings) | General Manager, Seven Queensland (Sunshine Television Network). Other positions held with the Seven Network include Network Director of Marketing and General Manager of ATN Channel Seven Sydney. Previously General Manager of Pan TV - World Movies pay television channel. |
| 5 | Ms Rachel Perkins
Appointed for 2 years
(7 meetings) | Director (feature Radiance) and producer, current Chair of National Indigenous Media Association - Film and Television Committee and Council member of the Australian Film, Television and Radio School. Former Executive Producer, Indigenous Programs Unit, ABC-TV. |
| 6 | Mr John Politzer
Re-appointed for 3 years from January 1998
after serving a one year term
(9 meetings) | REP film distribution consultant and acknowledged expert in film distribution. Also current Board Member of Griffin Theatre and the Sydney Film Festival. Former executive with Greater Union and former board member of the AFI. |
| 7 | Mr Errol Sullivan
Re-appointed for 3 years from January 1998
after serving a one year term
(6 meetings) | Chief Executive of Southern Star Entertainment (Police Rescue, Blue Heelers, The Sum of Us, Cody and Water Rats) and Producer (Blue Murder). Former Chair of the Film and Television Producers' Association (now SPAA) and Chair of the Australian Film Institute (1988-90). |

MEMBERS OF THE BOARD



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7

1997/98 has been a stimulating year for the NSW Film and Television Office (FTO) as we continue to strengthen our development role and streamline processes.

In February 1998 the NSW Premier announced the FTO's creative initiatives program which included a Fellowship Scheme targeted at mid career filmmakers who have made a significant contribution to the industry and need some help making the next major step in their career; a Director's Attachment program to assist aspiring directors attach to more experienced colleagues on features in production; and the inaugural sponsorship of TropNest - a new centre to provide support for script development and film culture housed on the lot of Fox Studios Australia.

Another key initiative was the announcement of the FTO's new media policy, also focused on skills development. This is a two year program and has three components - digital visual FX (effects) traineeships, support for Metro Screen (formerly Metro Television) and screen culture activities.

DIRECTOR'S REPORT



Sydney is building an excellent international reputation for digital visual effects and demand is growing, particularly following the opening of Fox Studios. Consequently, the FTO has responded with the establishment of the digital visual FX traineeship scheme, in partnership with private sector special effects companies. There have been over 230 inquiries from potential applicants about the scheme and 85 applications were received in the first intake.

New media funding was also provided to Metro Screen for a twelve month program associated with their new digital media studio, funded by NSW State & Regional Development.

New media screen culture will also be funded, to enhance the FTO's existing screen culture program, with the aim of encouraging the film, television and new media industries to explore future issues.

The FTO has supported a range of features which have achieved local and international recognition. These features included **The Boys** directed by Rowan Woods, which was selected for competition at the 1998 Berlin Film Festival and has achieved both critical and box office success in Australia; **In the Winter Dark**, adapted from Tim Winton's novel and directed by James Bogle, which was selected to open the Sydney Film Festival; and **Radiance** directed by Rachel Perkins, which premiered at the Sydney Film Festival and was voted Best Film by subscribers.

It has also been a strong year for documentary with programs such as **Urban Clan**, **To Get Rich is Glorious** being completed and a series under-way called **The Irish Empire** which investigates the Irish diaspora.

Decision making at the FTO has also been reviewed. With input from the industry, comprehensive guidelines have been developed for all funding programs - script development, production investment, production loan finance, the young filmmakers fund and screen culture. The FTO also called for expressions of interest from budget and finance analysts to assess projects requesting production investment funding.

We have been particularly proud of the achievements of the Young Filmmakers Fund (YFF). A diverse slate of projects is now complete and already proven the intent of the fund as a key strategy for locating talent at an early stage. The inaugural YFF Film Festival was a success with 14 of the completed films screened at a free event held at the Chauvel Cinema.

Many of these films have now been selected for screenings at other festivals in Australia and around the world - including **Fetch**, the first ever YFF film selected for screening in the international competition in Cannes.

The broadcaster SBS Independent has also agreed to view YFF projects at the rough cut stage with the idea of providing a presale. Plans are also underway for further collaboration between the Young Filmmakers Fund and SBSI for a co-funded initiative aimed at devising fresh, energetic television programs for production and broadcast in the forthcoming year.

NSW production levels have increased to \$289 million this year compared to \$164 million in 1996/97 and \$109 million in 1995/96.

The Production Liaison Unit (PLU) has had a busy year with many offshore productions considering NSW as their location. PLU worked closely with key members of the feature **The Matrix** as well as **Farscape** - a Henson science fiction feature project set to produce 22 hours of television - to encourage them to come to Sydney. These two projects alone will bring nearly \$100 million to the State.

The FTO is currently working with other key agencies and film industry representatives to improve the way that government approvals and public locations are accessed for filming, especially in Sydney.

This year the FTO provided a high level of support for screen culture activities, including becoming principal sponsor of TropFest '98 film festival. For the first time TropFest was linked to cafes in other capital cities and was watched by 35,000 people nationally. **I Want You**, one of the big winners of the evening, was selected to screen in competition at this year's Cannes Film Festival. With the FTO's continued support, the screen



FETCH [YOUNG FILMMAKERS FUND]



RADIANCE



TO GET RICH IS GLORIOUS

DIRECTOR'S REPORT

culture sector continues to grow in its stature and profile with events such as the Sydney Film Festival, Flickerfest and the Australian Film Institute Awards continuing to develop and promote innovation and excellence in the Australian industry.

The FTO's Government Documentary Division (GDD) continues its valuable role in supporting the industry by providing government film and video production work to it. GDD produced nineteen quality programs throughout the year which were highly regarded as evidenced by the many awards won in international competition by the Division. Program subjects ranged across issues such as the building of the Olympic sites for the 2000 Games to road safety for young children and the physics of car crashes. GDD remains committed to developing the talents of writers, producers and directors for the industry while offering exceptional service and value for money for their government clients.

Over the past year, the Office made a number submissions on behalf of the NSW industry including a review of child employment under the *Children (Care & Protection) Act 1987*, to the National Parks and Wildlife Service's draft Tourism and Recreation Strategy and to the review of the *Local Government Act 1993* on filming in local government areas. The FTO also assisted in the Department of the Communication and the Art's review into screen culture funding and activity at the federal level.

A significant issue for 1998 was the investigation into options to resolve the licensing of 20 Australian films to Pepper Distribution by the predecessor of the FTO, the New South Wales Film Corporation. An out of court settlement was reached on 8 August 1998 after the FTO commenced proceedings in the California Superior Court. The FTO has been assigned the rights following the termination of the distribution agreements. As part of that settlement the FTO also received about A\$712,479 as part payment of earnings previously due under the distribution agreements.

These Australian films are of historical significance and include award winning films such as **Newsfront**, **My Brilliant Career** and **Careful He Might Hear You**.

In addition, the FTO has taken an assignment of distribution rights in relation to three other Australian films granted to Pepper. FTO also proposes to transfer to these three Producers the rights acquired from Pepper so they can take control of their own films.

The FTO reviewed its structure resulting in some positions being re-graded and new positions being created. This has resulted in seven jobs being advertised to be finalised early in the new financial year.

The web page is nearing the end of its development phase and will be 'live' early in the new financial year.

I would like to thank the FTO staff for their continued support and dedication in a year of major change.

I also acknowledge the contribution of staff who resigned during the year. They were Monique Hohnberg, George Mannix, John McQuaid, Valérie Quéva, Rae de Teliga and Ian Walker.

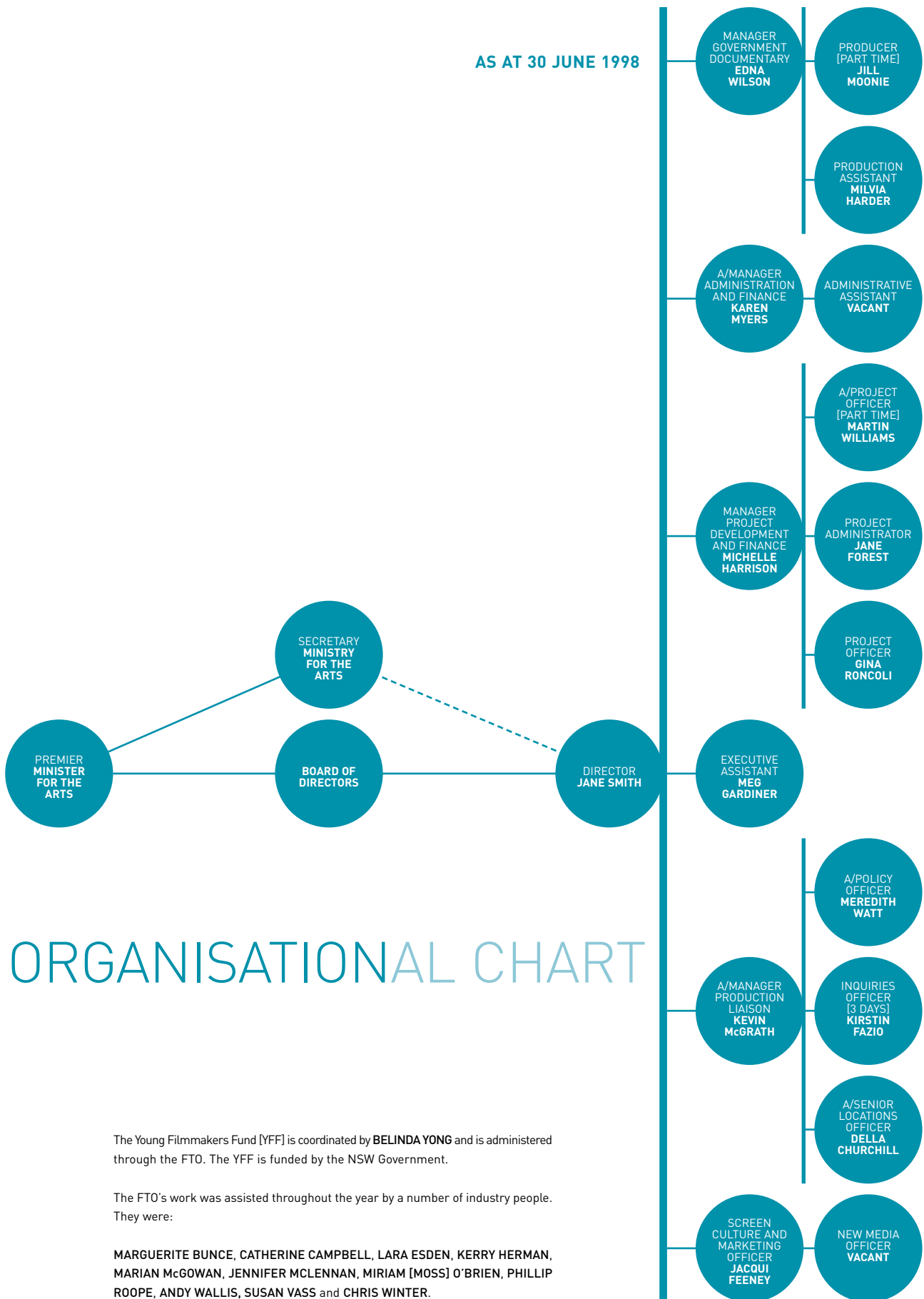
Jane Smith
Director

20 August 1998



MY BRILLIANT CAREER
NATIONAL FILM & SOUND ARCHIVE

AS AT 30 JUNE 1998



ORGANISATIONAL CHART

The Young Filmmakers Fund [YFF] is coordinated by **BELINDA YONG** and is administered through the FTO. The YFF is funded by the NSW Government.

The FTO's work was assisted throughout the year by a number of industry people. They were:

MARGUERITE BUNCE, CATHERINE CAMPBELL, LARA ESDEN, KERRY HERMAN, MARIAN McGOWAN, JENNIFER MCLENNAN, MIRIAM [MOSS] O'BRIEN, PHILLIP ROOPE, ANDY WALLIS, SUSAN VASS and CHRIS WINTER.

CHARTER

The New South Wales Film & Television Office (FTO) is a statutory authority established under *The NSW Film and Television Office Act 1988*. Amendments to the Act were proclaimed in the reporting period and took effect from 6 November 1996.

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.

CHARTER

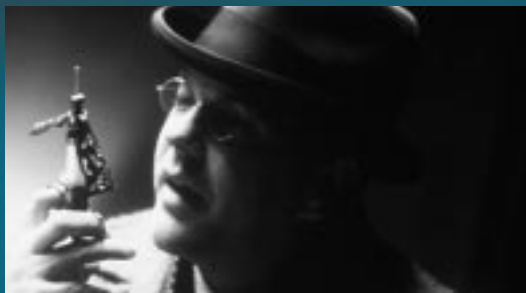


URBAN CLAN



HOUSE GANG II

97.98 HIGHLIGHTS



DARK CITY



IN THE WINTER DARK

97.98 HIGHLIGHTS/KEY ACHIEVEMENTS

JULY 1997

Winners of Round 3 of the Young Filmmakers Fund announced.

SEPTEMBER

Development of new Production Development and Finance guidelines.

Submission made to the Department of Communication and the Arts for the retention of Film Australia as an integrated operation housed at Lindfield.

Creative Initiatives fund totalling \$350,000 established.

OCTOBER

Launch of **Animal Acts**, a revised Code of Practice and information kit for the use of animals by the film industry with significant FTO input.

NOVEMBER

FTO begins investigating the issues and opportunities for the development of regional cinema and screen culture activity.

DECEMBER

Options explored for a streamlining of approval processes for filming on location.

JANUARY 1998

Production of a new NSW promotional brochure called **Untitled Project**, designed to reflect a location managers work-book.

FEBRUARY

An international survey reviewing 'best practice' on location for location owners and the film industry in major film centres around the world was undertaken.

A Fellowships scheme established to enhance career paths and strategically develop creative talents for experienced writers, script editors, directors, producers and documentary filmmakers.

A Directors Attachment Program to assist emerging directors to attach to feature film projects was established in association with the Australian Screen Directors Association.

MARCH

FTO became principal sponsor of TropFest '98 which attracted over 32,000 live-viewers on the night with hundred of others tuning in via satellite link-ups in cafes around Australia.

Winners of Round 4 of the Young Filmmakers Fund announced.

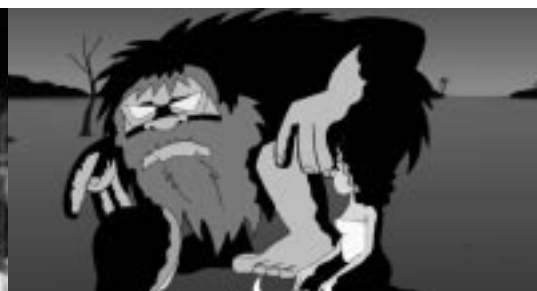
97.98 KEY ACHIEVEMENTS



RADIANCE



THE REAL MACAW



THE DREAMING SERIES

APRIL

A festival of Young Filmmakers Fund films was held at the Chauvel Cinema with fourteen of the completed films being screened over the weekend to over 700 viewers.

SBS Independent committed to viewing all Young Filmmaker Fund films at the rough cut stage with a view to offering a presale.

Review of FTO structure completed.

Screen Culture guidelines developed for the first time. The FTO will now accept applications for screen culture funds twice a year instead of once.

The first Young Filmmakers Fund film, **Fetch**, is accepted into the international short film competition in Cannes.

MAY

NSW Premier, Bob Carr announced the FTO's new media policy which focused on skills development in the area of new media and digital technology for the film and television industry. \$350,000 has been committed to a digital visual FX [effects] traineeship scheme to be run over 2 years in collaboration with the private sector. Funds were also allocated to Metro Screen's new media activities in their digital media lab and for new media screen culture.

The FTO continues to enhance NSW industry's export potential and increasing the number of job opportunities by promoting local talents to offshore filmmakers. This year, big budget productions such as **Matrix** and **Babe: Pig in the City** filmed in the State, with a 22 hour Henson animatronics TV series called **Farscape** commencing pre-production.

JUNE

Over \$1,000,000 committed to script development over the year with 78 projects receiving development funding. Over \$2 million was committed to 20 projects for production investment.

FTO supported feature, **In the Winter Dark**, opened the Sydney Film Festival. Closing night feature **Radiance**, also supported by the FTO, received the audience vote for best film.

The Government Documentary Division (GDD) produced nineteen programs over the year.

Awards from prestigious overseas festivals confirmed the quality of programs produced through GDD. These awards numbered 27 and came from New York, Illinois, California and Texas as well as local competition.

FTO committed production funds for a series of indigenous half hour dramas called **Native Titles**.

For the first time since the Revolving Fund's inception, the bulk of the money has been loaned. The balance of the fund at 30 June 1998 was \$355,653 after all allocations for approvals had been made.

The total production spend of the feature's and television production filmed in NSW, totalled \$289 million and amounted to almost double the 1996/97 spend.

AUGUST

An agreement was reached with Pepper Distribution resulting in the distribution rights being assigned to the FTO for the 20 Australian films licenced to Pepper between 1983 and 1987.



IN THE WINTER DARK



KICK



THE BOYS

97.98 FINANCIAL OVERVIEW

The Office's total expenditure for 1997/98 was \$8.183 million* - split between operating expenses (\$2.665 million), and Grants and Subsidies (\$5.518 million).

The Office also administers a \$5 million Production Loan Finance revolving fund which is not included in the Grants and Subsidies allocations.

The Office's Grants and Subsidies were:

Young Filmmakers Fund	\$386,000
Screen Culture	\$457,000
Script Development (including \$340,000 agreed but not paid at 30 June 1998)	\$1,451,000
New Media	\$88,000
Other Industry Promotion (including Creative Initiatives)	\$411,000
Production Investment Fund (including \$840,000 agreed but not paid at 30 June 1998)	\$2,615,000
Australian Children's Television Foundation	\$110,000

The level of funds committed to Grants and Subsidies this year was nearly \$1 million above the 1996/97 year.

This enhanced funding was possible through the use of \$1.18 million from returns on investment and interest, and through the Board's endorsement of the use of agency reserves to supplement the Office's activities, including creative initiatives such as fellowships (\$350,000) and screen culture grants (\$344,000).

The Government contribution to the Office's activities increased by \$37,000 to \$4.97 million.

ACCOUNTABILITY

The Office is fully accountable for the expenditure of public funds, therefore decisions approving application for funding are documented on a transparent process providing a detailed audit trail.

Applications by film producers and script writers for investments, loans and grants require approval by the Director for amounts up to \$150,000; by the Board for amounts up to \$750,000 for the Revolving Fund or \$250,000 for Production Investment; or the Ministry for the Arts (or the Minister for the Arts, the Premier) when the commitment exceeds these amounts. Payments are made in accordance with contracted cash flows.

*FINANCIAL STATEMENTS

State Government accounting practices do not allow for the recognition of unpaid Grants as a liability, therefore figures quoted in the Financial Statements are exclusive of commitments agreed but not paid at 30 June 1998.

As the full amount of the commitment is deemed by the Office to be owed to the applicant, and the assessments which result in the Grant are carried out within the financial year, to more accurately

97.98 FINANCIAL OVERVIEW



THE DREAMING SERIES

reflect the level of activity within the Office, figures quoted throughout the text of this report and within this Overview include all commitment decisions within the 1997/1998 financial year whether paid or not.

Other Operating Expenses noted in the Operating Statement as \$2.245 million are inclusive of totals for expenses incurred, and recouped, through the Government Documentary Division (\$864,000). The cost of administering the office including Employee Related Expenses, Other Operating Expenses, Maintenance, Depreciation and Amortisation is therefore more accurately shown as \$2.665 million (of which \$350,000 is related directly to the use of external assessors and legal fees in relation to projects).

FUNDING FOR 'GREATEST IMPACT'



KICK

The FTO has reviewed its funding activities to assess new directions for funding and to ensure the effectiveness of the existing mechanisms. 'Greatest impact' can be defined by promoting cultural identity, encouraging employment, encouraging industry investment, enhancing industry export potential, encouraging innovation and enhancing industry quality.

NEW SCHEMES CREATIVE INITIATIVES

In recognition of the FTO's crucial development role and insufficient funds for development in the industry generally, a program of creative initiatives was established by the FTO Board. The fund has been budgeted over 2 years at \$350,000 per annum from the FTO's reserves.

The criteria for the creative initiatives were:

- one-off expenditure to kickstart a new initiative in the NSW industry
- on-going expenditure where there is a major structural benefit to the NSW industry
- underpin the FTO's important development role
- provide an opportunity for lifting the FTO's profile.

Creative initiative projects were launched by the Premier, the Hon. Bob Carr, in February 1998 and include:

FELLOWSHIPS (\$225,000)

The aim of the fellowships scheme is to strategically develop the creative talents of mid-career filmmakers who have made a significant contribution to the film industry by enhancing career paths and providing developmental opportunities that would not otherwise be available.

Following discussions with industry people, this need was identified. There are a number of programs aimed at 'first timers' but not for mid-career filmmakers where it is difficult to make the next career step.



BASIC EQUIPMENT



THE REAL MACAW

The Australian Film Commission used to run a similar 'distinctly Australian' program but was unable to continue it due to funding levels.

TROPNEST (\$50,000)

TropNest was devised by John Polson, the creator of the very successful TropFest. Polson wanted to extend the support given to the aspiring filmmakers that contact TropFest by establishing 'an accessible centre for film culture in Sydney for the nurturing of new writing talent and the general bonding of the industry as a whole'. TropNest is a work space and supportive environment for a Writers in Residence program with successful applicants being given up to six weeks assistance to produce an extended treatment.

As the FTO had been the first sponsor of TropFest, it was considered appropriate to support TropNest as an alternative development activity which would further support the aspiring filmmakers that are attracted to TropFest.

FTO/ASDA DIRECTORS ATTACHMENT PROGRAM (\$20,000)

The FTO established, with the Australian Screen Directors Association (ASDA), a Directors Attachment Program to enable emerging NSW directors gain 'hands-on' experience with a more experienced colleague in the craft of directing.

The program aimed to bridge the gap between directing a short film and a feature or TV drama project.

Attachment guidelines were developed to emphasise the sensitive nature of the agreement between the director and the attachment, stressing that at all times the needs of the director and the production of the film were paramount. Flexibility was deemed to be critical.

To be eligible, applicants must have participated in a key creative role in at least two film or video works that had been publicly released. Successful attachments were each paid a weekly fee of \$400 up to a maximum of six weeks. The program is fully funded by the FTO and coordinated through ASDA.

OZDOX DOCUMENTARY WEBSITE (\$30,000)

Developed by ASDA, OZDOX's core elements are designed to make it an access point for the public into the world of actual filmmaking and a meeting point for filmmakers to explore the benefits of networking as a group. It also aims to use the interactivity of the Net as a focus for information sharing, co-operative resourcing, crewing and policy development to streamline the documentary filmmaking process.

SCREENWRITERS HANDBOOK (\$5,000)

This funding provided a comprehensive manual for screen writers covering a range of topics including writers contracts in film, television, documentary and multimedia, funding programs and guides to craft aspects of script layout.

The creative initiatives activities were designed to have 'greatest impact' in their respective areas. The program comprises either new activities or replications of other funding agencies' schemes that had lapsed due to a lack of funding. They cover a range of activities that encourage employment, innovation and enhance industry quality.



IN THE WINTER DARK



PRAISE

NEW MEDIA

The FTO Board approved a New Media policy in March 1998. This followed months of analysis of other funding bodies' activities and discussions with key people in film, television and new media. The intention is for the FTO to provide initiatives that will lead to a significant increase in the skills relating to the new technologies and their application to filmmaking.

The FTO policy focused on a program of skills development primarily in areas not targeted by other agencies. An analysis of the activities of other relevant funding bodies established that skills development is generally a component across their multimedia policies due to the embryonic state of the new media industry.

The principal focus for the FTO's new media program was on a strategic partnership with private sector companies to run a two year program of traineeships in the growing area of digital visual effects. No other body has specifically targeted the digital visual effects part of the industry.

The traineeships aim to assist aspirant digital visual artists to get the appropriate work experience needed to gain employment. They will provide a greater number of qualified and experienced people to meet the growing demand for digital visual effects in Sydney, from the increased recognition of the expertise and 'value for money' here and the greater number of productions resulting from the interest in Fox studios.

This traineeship scheme had a similar policy focus to the successful Young Filmmakers Fund - giving aspirant young filmmakers some 'work experience' to assist in establishing their careers.

The digital visual FX traineeship scheme has been complemented by the support of a year's program at Metro Screen to assist filmmakers wanting to make the transition into new media. Metro Screen plays an important role in the industry by providing training at 'entry level' which is accessible at the community level.

State and Regional Development had provided funding to Metro Screen for a digital studio. The FTO's new media funding has enabled a program of activity to be scheduled using the digital studio for next year. A Digital Winter School will enable ten filmmakers to participate in an intensive two week workshop and work on a web based project. The FTO funding will provide scholarships for young filmmakers on the inaugural Arts (Interactive Multimedia) course. This course has received accreditation from the Vocation and Education Training Accreditation Board (VETAB) which enables anyone successfully completing this course to have it recognised by the Department of Technical & Further Education (TAFE).

In addition, the FTO funded a Tools and Technologies Support Program to transfer technical understanding and expertise in computer based tools from experienced industry operators to new comers in the digital area. This skill development will be complemented by an Industry Placements Program to provide potential employment opportunities in new media for filmmakers.

These new media activities will be supported by a screen culture program which will expand the critical debate about new media.

The new media scheme was devised to effectively enhance the NSW skill base, building on talent, ideas and working methods that continue to improve its international reputation for innovation and excellence. The strategy is structured to have an impact at different levels of the industry to improve the skill base across the board.



THE DREAMING SERIES



WELCOME TO WOOP WOOP



URBAN CLAN

EXISTING SCHEMES The key existing FTO funding programs are script and project development, production investment, production loan finance fund, young filmmaker fund grants and screen culture grants.

PROJECT DEVELOPMENT AND FINANCE

The FTO plays a crucial role in the NSW film and television industry by providing funding for script development, production investment and production loan finance. Given the reduction in development funding available to the Australian industry generally, the FTO's role in development is an increasingly crucial one for the NSW film and television industry. The types of projects funded include feature films, television series (animation, children's, comedy and drama) and documentaries. The Young Filmmakers Fund (YFF) has proven to be a program of foresight and importance in developing new talent in NSW. The YFF has received substantial recognition, both within and outside the industry, this year. Each of these funding programs have been reviewed to ensure their effectiveness and impact.

Following extensive industry consultation, a comprehensive set of guidelines has been distributed to clarify the purpose and decision-making processes for each funding program. The external reader base was expanded through a published expression of interest. This was the first time the FTO (or any other funding agency) had publicly canvassed the industry's interest. The FTO also initiated a policy of providing more detailed responses, including reasons for rejection of funds, to all applicants with the aim to assist in the applicant's development process.

SCRIPT DEVELOPMENT

The FTO's role in development is a critical one for the NSW film and television industry. The FTO supports the development of scripts and projects towards eventual production. The criteria for funding projects includes the quality of the project, production viability and the economic benefit to NSW. There is a balance between the commercial potential, and the original and creative qualities of a project.

In 1997/98 the FTO received an appropriation of \$890,000 which was supplemented by revenue from development investments which are repaid at commencement of production. The expenditure total for this year was \$1,451,209 which includes \$343,913 of forward commitments from the previous year.

Development returns consist of not only script returns but also returns on travel investment. Each year, approximately 11% of scripts developed go into production.



TEARS [NATIONAL INDIGENOUS DRAMA INITIATIVE]



KICK

EXISTING SCHEMES

FTO FUNDS DELIVERING 'GREATEST IMPACT'

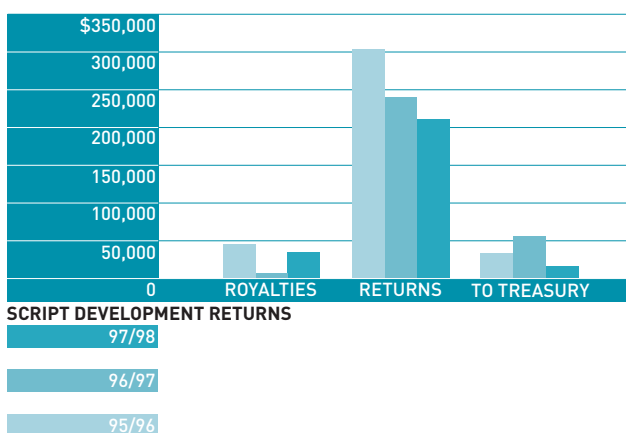
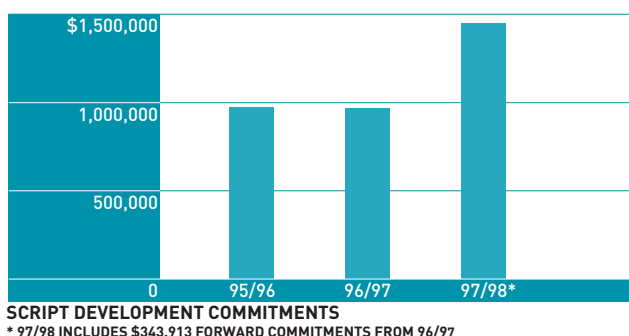
Two hundred and one development applications were processed by the FTO this year. There has been a steady decline in the number of applications received over the past two years. This can partly be attributed to the fact that the FTO no longer accepts incomplete applications combined with an expectation of increasing professionalism and quality in a very competitive application process.

The FTO has participated in a number of joint initiatives with other funding agencies and broadcasters. In these cases there may be multiple scripts assessed as a single application. These initiatives include Swimming Outside The Flags II, an animation initiative with SBS Independent and the Australian Film Commission (AFC); the second National Indigenous Documentary series co-funded with the Australian Broadcasting Corporation (ABC) and the Aboriginal and Torres Strait Islander Commission; and the first of the Native Title series of half hour indigenous dramas co-funded with the ABC and the AFC. These initiatives provide national opportunities for animation and indigenous programming.

This year 81 projects were approved for development funding. Of those approved, 60 were funded for the first time and 23 were approvals of further drafts for projects already in development with the FTO. We could expect the number of projects funded to gradually decline because of a limited amount of funds available and the increased fees and costs for development. The FTO now provides writers fees that are in line with the Australian Writers' Guild guidelines and there has been a small increase in the amounts paid to script editors per draft.

In the 1997/98 year the allocation of the development budget was as 70% to feature films, 11% for documentaries and television projects receiving 8% of the budget. Other projects, including initiatives as above, plus travel and an attachment, received the balance of funding.

Television projects consistently receive less of the FTO's development funds as they are usually developed internally by the commercial networks which have their own development budgets. It is also an FTO



requirement for applicants to have secured interest from a broadcaster preferably in the form of matched development funding. Most of the FTO television applications come from documentary filmmakers or producers working with the ABC and SBS rather than the commercial networks. For example, **Capital Hill** is a 4 hour mini series developed with FTO assistance that will be produced for the ABC in the next year.

Documentary filmmakers may now apply to the FTO for the full development budget which is a change from previous policy. The FTO continued to support documentaries with 10% per cent of the script development budget in 1997/98.

The FTO was pleased when several projects, whose development had been funded by the FTO achieved success this year with **Doing Time For Patsy Cline** winning best original script and **Black Rock** winning the Gold AWGIE and best adaptation at the 1997 Australian Writers Guild Awards.

Limited funding is provided for international travel in particular circumstances. Travel is funded when filmmakers with completed works have been invited to attend significant international festivals, or when filmmakers with projects in the latter stages of development need to travel for specific marketing or financing objectives. Filmmakers must provide a rationale and strategy for these proposals and in certain instances, matched dollar for dollar funding is required. Travel funding is repaid with interest from the filmmakers' next project that goes into production.

In 1997/98 eight individual applicants received amounts varying from \$2,108 to \$5,364 for travel, totalling \$31,516. FTO supported films and filmmakers attended important international festivals and markets including Cannes, Amsterdam, Vancouver and various festivals in the USA.

PRE-PRODUCTION ASSISTANCE

The FTO also assists projects to reach production by providing pre-production assistance which enables producers to secure finance and distribution, confirm key cast, find locations and crew and finalise budget and schedule. Preference is shown to projects that have secured prior investment from the Office.

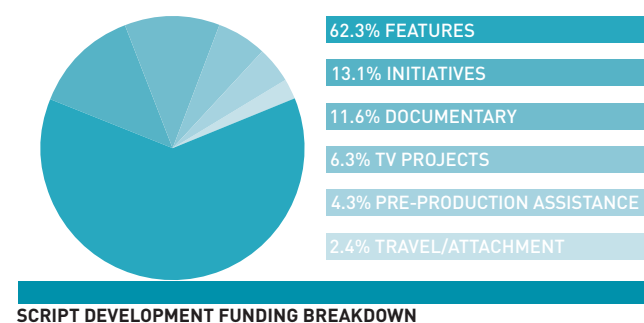
In 1997/98 \$59,590 was provided to four features and one documentary project.

PRODUCTION INVESTMENT FUND

The criteria for production investment by the FTO places emphasis on the quality of the script, its relevance to Australian culture and way of life and the economic benefits to NSW. Decisions are made within this framework, based on external reports (including budget and financial analysis) by industry professionals along with internal assessments by FTO project staff. The track record of the principals associated with a particular project and the full implications of the deal are taken into account. The key personnel attached to a project can be a determining factor when considering projects in a highly competitive context.

For the first time, the FTO developed Budget and Financial Analyst Guidelines and expanded the list of analysts used as consultants through a published expression of interest.

With medium budget films costing \$3-5 million, the FTO is a minor investor, providing strategic funds to enable projects to go into production and



ensuring they are produced in NSW rather than elsewhere in Australia. The FTO generally funds up to 10% of the budget, to a typical limit of \$300,000 in 1997/98. This ceiling was increased from \$200,000 to accommodate the increase in budgets in the industry where features are more likely to have a \$3-6 million budget. Higher amounts may be invested in exceptional circumstances.

This year the FTO provided production investment for nine feature films, of which two also received development funding from the FTO. Past FTO supported features that went on to further success this year included **Oscar and Lucinda** which opened the New York Film Festival, **In the Winter Dark** which was selected to open the 1998 Sydney Film Festival, **Radiance** was voted the most popular film at the 1998 Sydney and Melbourne Film Festivals; **Doing Time For Patsy Cline** won AFI's for Best Actor, Best Cinematographer, Best Costume and Best Original Score and film Critics Circle Awards for Best Actor, Best Music Score and Best Cinematography and most popular film at the 1997 Melbourne Film Festival; **The Well** won Best Actress at the AFI's and Best Adapted Screenplay at the Film Critics Circle Awards; **Thank God He Met Lizzy** won Best Actor at the Verona Film Festival and screened at the Edinburgh and Seattle Film Festivals and won best Supporting Actress at both the 1997 AFI and Film Critics Circle Awards.

The FTO provided production investment for three documentaries during the year, of which two were developed by the FTO. These are **The Irish Empire**, a 4 x 1 hour international documentary series produced with the Australian Film Finance Corporation, SBS Independent and the Irish broadcaster Radio Telefis Eireann (RTE) and **Fish** which documents the Bangarra Dance Company's stage production of the same name. Documentary funding equalled twenty per cent of the production investment budget. [Previously the minor cash flow facility was included in this figure but has now been recorded as a separate financing facility].

There were two television series funded this year, **House Gang series 2** and a pilot for a children's puppet and animation series, **Odd Sox**.

As you would expect, given the FTO puts most of its production investment into features, the return on investment by category is 77% for feature films, 22% for television projects, 0.5% for shorts and 0.5% for documentaries.

INDIGENOUS PROJECT SUPPORT

Projects supported by the FTO that have featured indigenous thematic material or in which Indigenous filmmakers have been the key creatives include **Photographic Memory**, **Wrap Me Up In Paperbark**, **Fish**, **Saturday Night**, **Sunday Morning**, **Pemulwy**, **The Dreaming** [Series 4], **Stolen Children Enquiry**, **The Last Warrior** and **Urban Clan**.

YOUNG FILMMAKERS FUND

This is the second full year of operation for the Young Filmmakers Fund (YFF) and it continues to achieve great success.

From 27 to 29 March 1998, the inaugural Young Filmmakers Fund Festival was held as a free event at the Chauvel Cinema in Paddington. Fourteen films screened over the weekend attracting almost 700 people to the Festival. Feedback from the industry was extremely positive providing recognition for the talent being nurtured by the Fund.

For the first time, a YFF film was selected for official competition at the 1998 Cannes International Film Festival. **Fetch**, a short drama funded in Round Two, was directed by Lynn-Maree Danzey, produced by Susan MacKinnon and written by Judi McCrossin and starred Matt Day, Rebecca Frith and Mindy [the dog].

Two YFF films were selected for screening at the 1998 Sydney Film Festival, **Fetch** and **Masseur**, a short drama funded in Round One of the YFF. **Masseur** was written and directed by John O'Brien, produced by Helen Linthorne and co-produced by Donna Cavanough.

A YFF marketing budget has been established directly resulting from the growth in the demand for screenings of YFF films at domestic and



URBAN CLAN



TEARS
[NATIONAL INDIGENOUS DRAMA INITIATIVE]



PASSING THROUGH
[NATIONAL INDIGENOUS DRAMA INITIATIVE]

international festivals and from broadcast and sales opportunities. The criteria for marketing funds includes the quality of the finished project in technical and creative terms, and the potential for further marketing and distribution. Preference is given to projects that have received invitations to highly regarded festivals on the local and international circuit.

As a measure of the funds commercial success, SBS Independent have formally agreed to view all YFF projects at rough cut stage, with the possibility of a pre-sale being offered to selected projects.

Further, the Australian Film Institute have formally advised the FTO that they will offer distribution for selected YFF films and have invited all successful applicants to contact them at the time of funding.

This year the FTO decided to invest in a joint initiative with SBS Independent to create a one-off television series targeted at the young filmmaker and a young (but not exclusively young) audience. The projects will be entertaining, bold and will stretch the boundaries of television. While still being finalised, the concept will be implemented fully in the forthcoming year.

PRODUCTION LIAISON UNIT

The Production Liaison Unit (PLU) plays a crucial role in providing impetus for growth within the film and television industry. In 1997/98, NSW hosted film and television production to the value of \$289 million with feature films completing work in the state, valued at \$186 million and \$103 million for television production. These figures confirm that steady growth is being achieved.

PRODUCTION EXPENDITURE IN AUSTRALIA

\$M	TOTAL	NSW	VIC	QLD	SA/WA/NT
1993/94	269	103	93	56	17
1994/95	287	137	78	57	15
1995/96	374	109	109	132	24
1996/97	409	164	122	107	16
1997/98	497	289	102	80	26

source: the Australian Film Commission

Growth in NSW's share of production has been stimulated by favourable exchange rates, the availability of the Fox Studios complex, the success and high visibility of Australian films and creative talents, as well as increased demand for content by free-to-air and cable television outlets.



THE DREAMING SERIES

Production originated offshore, but filmed in NSW has also grown, encouraged by the facilities offered by Fox Studios Australia, who opened their doors for business in April 1998. This high tech studio complex has been instrumental in securing larger budget productions such as **The Matrix** and **Babe: Pig in the City** which in turn have boosted the local spend and job opportunities.

According to the latest available Australian Bureau of Statistics figures, employment in the film, video and television industry in NSW is over 12,000 persons and accounts for 44% of the total Australian industry. This represents a 54% increase for the industry in NSW overall between the 1991 and 1996 Census.

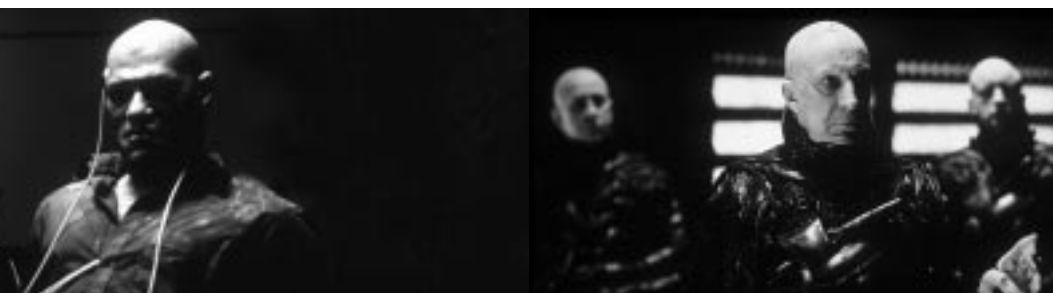
PLU continues to promote NSW locations and facilities along with NSW's creative and technical expertise. The State is represented at strategically important trade events including **Location Expo** and **Showbiz West** in Los Angeles. These events are attended by several thousand delegates requesting materials about filming in NSW.

These events also provide the opportunity to study current market trends and the activities of our principal competitors. It is estimated that there is \$1.5 billion worth of 'footloose' production looking for suitable, useable locations. The major destinations for US productions are Canada (Vancouver and Toronto) and Mexico, while Eastern European cities offer high-value locations and very low labour costs.

PLU has also continued to work with AusFILM, now an incorporated association. AusFILM coordinates and enhances the efforts of the state film agencies, alongside the major film facilities and service companies, to promote Australia as a shooting and post-production centre. AusFILM has hosted several 'familiarisation' trips by key producers and senior executives originating from the United States.

INWARD VISITS

The Production Liaison Unit worked closely with AusFILM in the year, maximising the impact of attendance at overseas markets. AusFILM also conducted its annual program of inward visits by key international production personnel.



THE MATRIX

DARK CITY

These familiarisation visits provide an important opportunity to influence the key decision maker. Senior production (and post production) personnel are introduced to our locations and industry capabilities. In the longer term, visiting programs build an all-important network of contacts and influence.

Visiting production personnel to receive assistance and support this year included a delegation from several large scale television production companies, who produce over twenty telemovies per year. Thomas Sanders and Rick Carter, two award winning production designers with credits that include **Jurassic Park**, **Braveheart** and **Private Ryan** both made project-assessment visits to Sydney.

GOVERNMENT DOCUMENTARY

The Government Documentary Division (GDD) acts as Executive Producer for the production of film and video programs for government organisations. GDD provides expert advice to Government on film and video production by assisting with creative and cost-effective production decisions and by providing an effective distribution and archiving resource.

Through its activities, GDD plays a vital role in encouraging the development and growth of expertise in film and video-makers in the non-broadcast area. The end result is one of well-made and effective films which represent good value for money for its government agency clients. The successful outcome of the advice and creative input GDD added to government programming, is reflected each year by the awards the FTO wins for its programs.

Government organisations utilising GDD services were broad-ranging and included the NSW Police Service, the Supreme Court of NSW, WorkCover NSW, Department of Health, NSW Child Protection Council, Tourism NSW, Bicentennial Park Trust, Olympic Co-ordination Authority, Roads and Traffic Authority, Department of School Education and Parramatta City Council.

GDD ensures that government funds are utilised with maximum efficiency and that government bodies are protected in the many complex aspects of film and video production.

One of the key aims of the management of GDD's tender system is to ensure that all government work is spread as broadly as possible across the private sector film industry in NSW.

At the Board's request, a review into the work of GDD was undertaken by John Morris, previous CEO of the Australian Film Finance Corporation. The review highlighted the unit's important and unique service to both the film industry and to government clients and its pivotal role in training film production companies to make effective and entertaining informational films.

As part of the review, GDD examined its decision-making processes especially on selection of tenderers for production work and found that these were satisfactorily transparent and efficient.

GDD continued to maintain the corporate records of government productions thus enabling matters of copyright, re-edits, talent clearances, selections from programs for use by other program makers (eg. television current affairs) to be easily managed. These materials are stored in optimum conditions and represent a resource which can be accessed by government and filmmakers.



POST-TRAUMATIC AMNESIA -
THE EMERGING MIND

This year the GDD arranged for the storage and cataloguing of NSW Police Service advertising and general production materials and NSW Health Department advertising material.

GDD also supplies advice to both government and the film and video industry on film matters. The division also arranges for work experience placements from schools in NSW.

SCREEN CULTURE GRANTS PROGRAM

For this year the FTO was able to increase its total screen culture budget by supplementing expenditure from reserve funds, enabling support for a range of new activities with strategic investment in others, including becoming principal sponsor of TropFest '98 in a critical year of the festival's growth.

TropFest began in 1993 and the FTO was its first and only principal sponsor with a \$1000 grant. The first festival attracted entries which were screened to a couple of hundred people at Darlinghurst's Tropicana Cafe in Sydney. This year, TropFest received a record 346 entries with 32,000 people turning up to Rushcutters Bay Park and Victoria Street Darlinghurst while hundreds of others tuned in via satellite in a handful of cafes around the country, making TropFest a national event for the first time.

The full range of commitments in 1997/98 totalled \$457,000 an increase from the \$336,624 allocated in 1996/97, excluding the \$110,000 given each year to the Australian Children's Television Foundation since 1993.

New activities supported ranged from an Indigenous Mentor Producer Scheme run by Metro Screen; to the establishment of the Independent Filmmaker (IF) Journal; the Newcastle Fringe Festival and research in to the digitisation of the Australian Film Institute's (AFI) news clippings library. The FTO has continued to support established activities such as the Sydney Film Festival and its Travelling Film Festival, and the NSW AFI Awards Screenings.

To increase the impact of the screen culture funding, feedback and accountability of the sector and the visibility of the FTO, guidelines were produced for the first time this year for 1998/99 funding.



TROPFEST '98



TROPFEST '98

ENCOURAGING PRODUCTION



FETCH [YOUNG FILMMAKERS FUND]



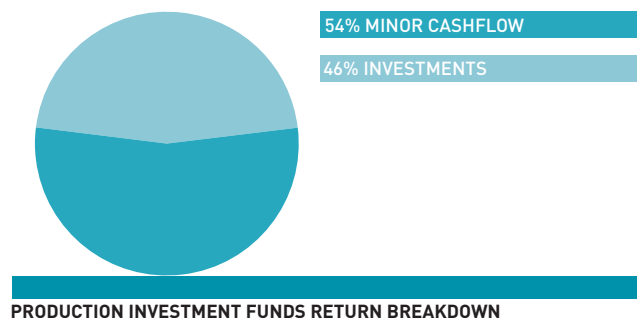
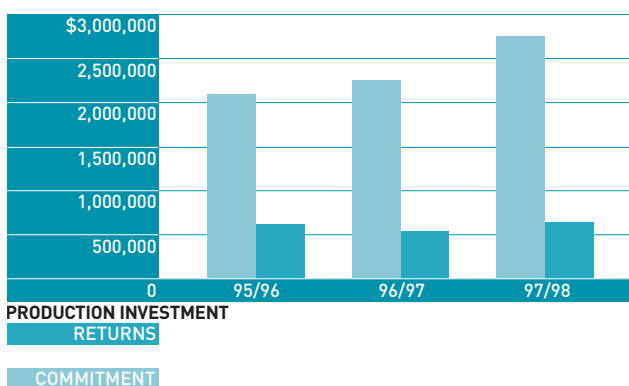
PRODUCTION INVESTMENT FUND

The FTO receives \$1.9 million as part of its appropriation for equity investment in film and television productions. This funding is supplemented by returns from projects that have previously received production investment and achieved sales or box office. In 1997/98, the FTO committed \$2,230,612 in production investment. The total spend in this area, when including unpaid balances of previous years' commitments, was \$2,746,000.

This amount of production investment generated nearly \$28 million of economic activity in NSW. A further \$2,096,250 was generated by the minor cashflow loan spend.

Over the year, there were 46 applications for production investment. Twenty projects received investment funds - nine features, three documentaries, one short/initiative and two television productions. Although less documentaries in number were supported, individual documentary projects were assessed as high quality projects and received a higher investment in percentage terms. That is, 20% of the 1997/98 budget - which is almost double last year's investment for documentary. Television productions received 13%, a significant increase from last year, with 60% allocated for feature film.

This year, the level of production spend in NSW was changed from 100% to 80% for out of state producers recognising their need to use some resources in their home territory and to attract more production to NSW. NSW producers are required to spend over 50% of the production budget in NSW.



MINOR CASH FLOW LOANS

Minor Cash Flow Loans are provided for particular projects which may have a cash flow problem in either pre-production and production where it is essential that the production momentum be maintained. The loans are provided for an agreed period of time, at an agreed rate of interest. Repayment is made from a secure cash repayment such as a presale to a broadcaster or a distribution guarantee. The minor cash flow facility has been particularly useful for documentaries that rely on pre sales as part of their budget. Documentaries received 80% of the funds.

This year \$262,777 was provided for these purposes over a spread of five projects. Projects were **Barry Humphries' Flashbacks**, **The Dreaming** (Series 4), **Island Style**, **Urban Clan** and **Railway Adventures Across Australia**.

PRODUCTION LOAN FINANCING FUND [REVOLVING FUND]

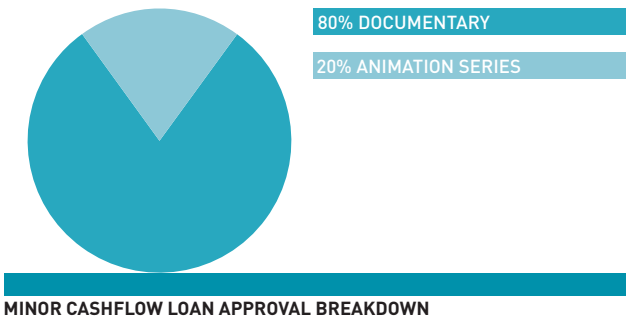
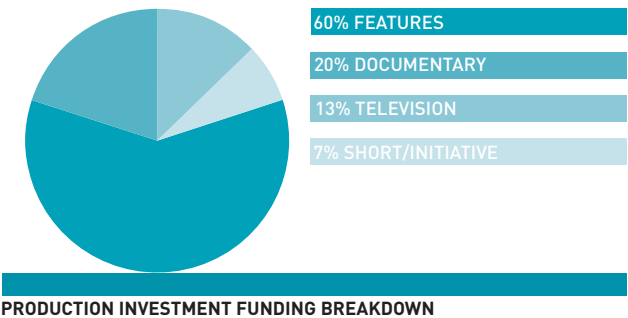
The FTO's Production Loan Finance Fund (PLFF) was established in 1995 with a one-off appropriation from the Government of \$5 million to maintain and attract film and television production to New South Wales. From the PLFF, funds are provided to film and television producers as 'soft' loans, not equity investment, secured by presale and distribution guarantee agreements and a First Ranking Charge. Projects have a limited term for repayment and must offer good security to promote the revolving nature of the fund.

The Board reviewed the exposure limit for any one company and approved an increase from \$2M to \$2.25M in recognition of the amount of activity in the NSW industry.

FILMS APPROVED FOR SUPPORT IN 1997/98 WERE

Kick	\$747,500
Looking For Alibrandi	\$750,000
Praise	\$600,000
Two Hands	\$750,000

For the first time since the fund's inception, the bulk of the revolving fund money has been loaned. The balance of the fund at 30 June 1998 was \$355,653 after all allocations for approvals had been made.



ENCOURAGING THE PRODUCTION OF FILMS IN NSW

Floating Life repaid its loan of \$300,000 in full during 1997/98. **The Boys** which had received support in the previous year was selected for competition at the Berlin Film Festival in 1998.

The production loan finance fund has been promoted throughout Australia to encourage production in NSW by FTO representation at conferences such as the Screenwest Big Picture Small Screen Conference, SPAA, the National Documentary Conference, the AWG conference, the ASDA conference, the Cannes International Film Festival.

PRODUCTION LIAISON UNIT

The period 1997/98 saw several major initiatives aimed at facilitating film production in New South Wales.

PLU made very positive steps in enhancing co-operation between the film industry and various state government departments and agencies.

There has been on-going dialogue with departments such as Community Services, Roads and Traffic Authority, Police, National Parks and Wildlife Service, Tourism, State and Regional Development and others, making them aware of the benefits and needs of the film industry, and the challenges of growth.

In collaboration with the Premier's Strategic Projects Unit, PLU has been developing strategies to streamline and standardise the approval of location access and other permits related to filming activities. Key stakeholders including the Screen Producers Association of Australia, the Media Entertainment and Arts Alliance (MEAA), Fox Studios Australia and location managers have been consulted.

The FTO is examining strategies aimed at improving and expediting processes and procedures. To this end, major centres around the world have been surveyed as to 'best practice' on location for location owners and the film industry.

LOCAL GOVERNMENT

The FTO hosted a stand at the annual Local Government & Shires Association Conference at Port Macquarie in October 1997. The presence of the FTO provided encouragement, especially to country based councils, to promote themselves as film friendly destinations. The benefit of this event is the opportunity to further educate local government on the benefits of working with the film industry.

PAYROLL TAX INCENTIVE

A report was commissioned from Deloittes Touche Tohmatsu to examine the feasibility of payroll tax adjustments to assist in generating additional employment and investment in the film industry. Policy advice on payroll tax has been submitted to Government. Federal tax reform discussions may affect consideration of changes to payroll tax.

POLICY INITIATIVES

The FTO is examining issues and policy developments across an extremely wide range of areas, representing the diversity of film industry activity and the full extent of the government and regulatory environment.

The use of animals in filming while common, required better education and management on all sides. Detailed consultations were held with animal handlers, welfare groups and the Department of Agriculture. The long and careful preparation on this issue culminated in an important new Code of Practice. The code and information kit for the use of animals by the film industry was successfully launched in October 1997.



IN THE WINTER DARK



RADIANCE

ENCOURAGING THE PRODUCTION OF FILMS IN NSW

A review of the employment of children under the *Children (Care and Protection) Act 1987* was held by the Department of Community Services. The FTO consulted with employer and union representatives and made a submission. Legislative changes to the Act have been delayed.

New legislation controlling firearms may make it more difficult for actors to use firearms for filming purposes. The FTO continues to liaise with MEAA and the NSW Police on this issue. A submission was made to the review of the Firearms Registry in October 1997.

Traffic Control for filming on roads has been the subject of much discussion within the industry. Current practices were reviewed in the year with the legal implications currently being examined.

Safety Guidance Notes form an important part of the safety standards that keep our workplaces safe and accident free. Discussions are underway with insurance underwriters and Workcover to resolve all film related insurance issues including underwater filming.

In consultation with the MEAA, the FTO has proposed to involve all government film agencies and selected industry facilitators to fund a revision and reprint of this vital publication. Phillip Roope was commissioned by the FTO to report on 'Recommendations for the regular updating and expanding of the Safety Guidance Notes'. This report recognised three key areas for urgent updating of the Notes, for which the FTO set aside \$1,500 for work to begin immediately to take advantage of the expertise gathered by **Babe: Pig in the City**, such as Animals, Animatronics and Computer Generated Imaging (CGI). The FTO is now consulting with the AFC to have them co-ordinate funding requests and oversee the revision process.

The FTO worked with industry stakeholders towards a better shooting environment. There has been on-going liaison with local councils on filming permits and fees including, Sydney City, Leichhardt, Sutherland, Botany and Randwick Councils. Proposed fee increases for filming in the Sydney City Council area were rejected following FTO and industry representations about the impact on the industry and the benefits the industry brings to the City.

A model policy package has been developed for distribution to local and state government organisations and location managers. Promotion, development and implementation of model film policy was undertaken for State and Local Government organisations including the National Parks and Wildlife Service, Police, Roads and Traffic Authority, NSW Parliament House, Historic Houses Trust and the Ports Authority.

PITCHING FOR WORK

While production levels are growing, PLU also continues to promote the State as a shooting destination for offshore producers. It also examines and analyses the effectiveness of overseas marketing and pitching for film production.

Interest in shooting in NSW continues strongly. In 1997/98 PLU pitched for 17 projects with a potential value of \$304 million (average budget of \$18 million). During the previous year, projects with a potential value of \$224 million considered filming in NSW.

OLYMPICS

The FTO established an active relationship with all relevant authorities to achieve successful coverage of the Olympics. PLU consulted with the Tourism Olympics Forum (TOF) on their Media Servicing Strategy for non-accredited media, and with the Olympics Coordination Authority on standard policy for location access to Olympic sites for documentary crews. Discussions with the Sydney Organising Committee for the Olympic Games (SOCOG) and the TOF are continuing. Without additional resources the FTO will concentrate on providing advice and support to SOCOG and TOF.



PRAISE



WELCOME TO WOOP WOOP

RESEARCH

The FTO is working with the NSW Ministry for the Arts to develop an appropriate framework for gathering statistical data on the industry. A system for sharing information with the Australian Film Commission is being established to ensure an up-to-date and comprehensive list of film productions and statistics. The Australian Bureau of Statistics is also providing research and information on employment trends within the industry.

GOVERNMENT DOCUMENTARY

GDD has a specific policy of producing all its government film and videos 100% in NSW with the intention to encourage employment and economic benefit within the State. When GDD commissions a film or video project on behalf of the Government all of the activity is contained within New South Wales. Therefore all writers, directors and producers, camera operators, production staff, post production facilities, duplication houses, cassette and cassette case manufacturers all benefit from the activity.

In the year 19 full programs, four revised programs, four major edits, 29 archival and news shoots, ten programs captioned and 11 translations into community languages were produced through the division.

This activity represented \$939,000 worth of production in the year. Program subject matter included the building of the Olympic sites for the 2000 games, workplace rehabilitation, road safety which included the physics of car crashes, education competency testing, community safety, and health issues which encompassed post traumatic amnesia, and child protection education and police training.

In 1996/97 GDD was commissioned to do a major archival project to record the building of the Sydney 2000 Olympic Games. This project which began in 1996 has increased substantially and is now providing the main source of visual material for all sections of the media and for promoting the Olympic activities of the NSW State Government.

TOTAL REVENUES EARNED BY GDD [FROM PRODUCTIONS AND PRINT SALES]

95/96	96/97	97/98
\$957,000	\$902,000	\$1,045,000

The Super 16mm ground and aerial film shoots became an on-going record of the development Homebush Bay and other Olympic venues in the Sydney area. This material is edited regularly and used extensively in progress reports to relevant bodies such as the International Olympic Committee and by the media in news and current programs for public broadcast. There was also been a constant demand for Olympic and tourism footage during the year from media both in Australia and overseas, by State and Federal Olympic organisations, such as SOCOG, and by independent filmmaking companies for use in corporate programs produced for Olympic building site contractors and Olympic sponsors. A program completed in June, **Building the Legacy**, was placed in all Austrade and Foreign Affairs offices overseas.



BUILDING THE LEGACY [OLYMPIC CO-ORDINATION AUTHORITY]

DEVELOPING TALENT



UNQUIET DREAM
[YOUNG FILMMAKERS FUND]

NEW SCHEMES CREATIVE INITIATIVES

One of the aims of the creative initiatives fund is to underpin the FTO's important developmental role. All of the initiatives funded this year have had a strong focus on developing talent.

FELLOWSHIPS (\$225,000)

The fellowships scheme supports mid-career filmmakers by enhancing career paths and providing developmental opportunities that would not otherwise be available.

Fellowships were established for Writers, Directors, Producers, Documentary Filmmakers and Script Editors as below:

Directors	3 x \$20,000	\$60,000
Producers	3 x \$20,000	\$60,000
Writers	2 x \$20,000	\$40,000
Script Editors	2 x \$17,500	\$35,000
Documentary	2 x \$15,000	\$30,000
Total Fellowship Program Allocation		\$225,000

The 1998 fellowships recipients, awarded in June 1998, are: Helen Bowden, Robert Connolly, Ross Matthews, Jonathan Shteinman and Vicki Watson (producers); Kathryn Millard and Rivka Hartman (writers); Sarah Gibson (documentary); Samantha Lang, Rowan Woods and Murray Fahey (directors).

The need for producer support was demonstrated by the number and level of applications so the selection panel decided to award four half fellowships and one full fellowship in order to meet the demand. Only one documentary fellowship was awarded.

No script-editing fellowships were awarded as too few applications were received to make an assessment of the relative merit of applications. It was considered that this was due to script editors requiring more time to organise editing attachments. Therefore the script editors fellowships will be re-advertised providing a longer time for application next year.

The FTO acknowledges the important contribution of script editors in the scriptwriting process and wishes to ensure these skills are strengthened and supported in the industry.



SAMANTHA LANG, ROBERT CONNOLLY, ROWAN WOODS, JONATHAN SHTEINMAN
SUCCESSFUL FELLOWSHIP RECIPIENTS

TROPNEST (\$50,000)

The TropNest Cottage, or the Nest as it's known, is a writers-in-residence initiative officially launched on April 6th by the NSW Premier and located on the Fox Studios lot. The Nest has been developed by TropFest founder and director, John Polson, in collaboration with script editor David Hely. David is the Creative Director of TropNest.

Eight rounds of four writers are selected each year and given a place to work at the Nest allowing writers to workshop their script treatments into a solid structure to commence First Draft.

The FTO allowed the 'Nesters' to submit treatments for development applications rather than the usual first draft for inexperienced writers. This is on a six month trial basis.

For the three rounds held this year TropNest received 85 applications for Round One, 72 applications for Round Two and 91 applications for Round Three.

FTO/ASDA DIRECTORS ATTACHMENT PROGRAM (\$20,000)

The joint FTO/ASDA Directors Attachment Program provides emerging directors with the opportunity to gain 'hands-on' vital learning experiences with a more experienced Director. The program has budgeted for 6 x 6 weeks attachments and is coordinated through the Australian Screen Directors Association (ASDA) with three attachments selected in the year.

Attachments who have successfully gained places so far are Galea McGregor to work with Peter Duncan on the production of **Passion**, Eliza Johnson to work with Gregor Jordan on **Two Hands** and Olivia Weemaes to work along side Bill Bennett on his new feature **In A Savage Land** to be shot in New Guinea. The FTO has also provided financial support to enable Olivia to travel to New Guinea for one week of her placement.

Reports provided to the FTO by the aspirant directors at the end of their attachment, highlight the invaluable knowledge gained through the program which will aid their future careers as directors. Experiences gained provide the opportunity to learn the precise role of the director in a feature film situation which differs greatly to the directors' role in working on a short film.

OZDOX DOCUMENTARY WEBSITE (\$30,000)

This site has been in development throughout the year and is currently planned to be launched at the Screen Producers Association annual conference in November 1998. While a beta site is in existence, it is currently being re-focused from a data repository/search based resource site, to an industry publications and networking site. It aims to stimulate and strengthen the growth of the documentary industry through the site's networking abilities.

SCREENWRITERS HANDBOOK (\$5,000)

The Screenwriters Handbook, produced by the Australian Writers' Guild is a practical and comprehensive 'one-stop shop' for information about the industrial and creative landscape specific to writers' needs. These details were not previously available in any one publication.

NEW MEDIA

In April 1998, the NSW Premier announced a package of FTO new media initiatives worth \$560,000 over two years.

The rationale for the new media policy has been discussed in Section One outlining the 'greatest impact'. The resultant policy is focused on skills development and the application of new media and digital technologies to the film and television industry.

DIGITAL VISUAL FX TRAINEESHIPS SCHEME

One of the key new media programs has been the establishment of the digital visual FX traineeship scheme in recognition of the growth occurring in this industry area. \$350,000 has been allocated to this program over a two year period.



GALEA MCGREGOR WITH PETER DUNCAN
DIRECTORS ATTACHMENT



TROPNEST COTTAGE
FOX STUDIOS LOT

DEVELOPING TALENT IN NSW FILM, TV AND NEW MEDIA

The aim of the traineeship scheme is to provide an opportunity for inexperienced, aspirant visual effects artists and producers to be involved in some real project work that will give them a start for their career. As a result it will expand the skills base in this high profile and creative technical area to sustain the industry and contribute to NSW's international recognition and increased export earnings.

The scheme will be established by a 50:50 partnership with eligible private sector companies who are using digital tools for production and post production in film and television.

Eligible companies were asked to express interest in participating in this traineeship scheme. Advertisements were placed and information flyers distributed in April/May 1998 calling for interested trainees. Over 200 guidelines were requested by potential trainees and 84 applications were received by the closing date of 5 June 1998.

Applications have been shortlisted by an industry panel coordinated by the FTO (refer Appendix E) with the final selection of trainees to be made by the participating companies.

The three companies chosen were Animal Logic, Dfilm Digital Film Services and Brilliant Interactive Ideas (which were announced by the Premier, along with the first intake of trainees on 27 July 1998).

The scheme has already gained much positive feedback as an initiative that will resolve the real shortage of trained and appropriately skilled people essential to meet the demands of this growing industry.

METRO SCREEN ACTIVITIES

Also supported under the new media policy is \$63,000 for Metro Screen's new media activities in the next financial year in association with Metro's newly built digital media lab funded by NSW State & Regional Development.

Funds are being provided for an intensive two-week winter school workshop for filmmakers to develop a web-based project; scholarships to assist filmmakers to attend the inaugural VETAB accredited Arts (Interactive Multimedia) course; a tools and technologies support program open for inexperienced digital technology workers to work with more experienced industry operators; plus an industry placement program in the field of new media.

SCREEN CULTURE

\$100,000 over two years has been allocated for new media screen culture to augment the FTO's existing screen culture program. The aim is to provide specific support for the growing number of events, conferences and organisations in this field which promote critical debate, understanding and skills development for the technologies and new media industry, and its application to filmmaking.

Included in this program is a provision for the FTO to establish workshop forums which encourage traditional industry personnel to cross-over or develop skills in the new media/digital technology areas.

RESERVE FUND

A reserve fund of \$47,000 has been budgeted to provide for other projects that are likely to be proposed to the FTO over the next two years.



ANDREW MASON [GUEST SPEAKER]
DIGITAL VISUAL FX LAUNCH



ROUND 1 TRAINEES WITH THE HON. BOB CARR
DIGITAL VISUAL FX LAUNCH

PROJECT DEVELOPMENT AND FINANCE

Through the process of script development, the FTO nurtures new and established talent, encourages professionalism among creative collaborators and enhances the quality of projects.

Script and project development funds are spread widely across a broad range of writers of varying levels of expertise with the aim of taking projects further with production as the ultimate goal.

In doing so, the FTO aims to be encouraging of talent by providing informed feedback on individual projects.

In addition to funds for script development the FTO provides mentorships for writers through a scheme run in conjunction with the Australian Writers' Guild (AWG). Mentorships are provided for development of a synopsis to a treatment. The writers mentorships scheme while currently being reviewed with the AWG, will continue to be a feature of the FTO's development slate. Three mentorships were funded in the past year.

Production funds are more strategic in their investment and often the principal talent associated with a project can be one of the determining factors. This year first time feature directors received significant production funding from the FTO including Gregor Jordan for **Two Hands**, John Polson for **Siam Sunset**, Kate Woods for **Looking For Alibrandi** and Davida Allen for **Feeling Sexy**.

The FTO also maintains contact with the industry, promotes the organisation's funding programs and assists in the development of new talent through staff talks at various venues and organisations. This year staff gave presentations to the Producers Extension Course and the Documentary Extension Course at the Australian Film Television & Radio School, with talks given at industry events and training courses run by organisations such as Metro Screen and the Australian Film Institute. Subjects covered include the Young Filmmakers Fund and What Funding Body Is That?

YOUNG FILMMAKERS FUND

The Young Filmmakers Fund (YFF) continues to operate as a highly successful FTO initiative and provides opportunities for emerging talent in the industry.

To be eligible for YFF funds, applicants must be aged between 18-35 years and while no prior experience is necessary, it is essential to submit projects that are fully budgeted, scheduled, cast and crewed. This means that funds are targeted to encourage filmmakers at the grassroots who are already committed to a career in the industry.

YFF funded projects are becoming strongly identified with the FTO and receiving significant industry recognition as outlined in the greatest impact section.



FETCH [YOUNG FILMMAKERS FUND]

SHE [YOUNG FILMMAKERS FUND]

ROUND THREE

A total of 177 applications were submitted for the third round of the YFF which closed on 27 March 1997. Eight projects were funded at a total of \$184,000. The external assessors for Round Three were Rose Dority (post production), Nicholas Parsons (writer/director), Lewis Fitz-Gerald (actor/director), Marguerite Grey (producer). John McQuaid and Ian Walker from the FTO completed the panel. The Premier announced the successful applicants on 16 July 1997.

Project Title	Type	Amount	Applicant(s)
My Sister the Tree	Drama	\$25,000	Emanuel Ruggeri
Heaven on the Fourth Floor	Drama	\$25,000	Mark Bellamy/David Bolliger
The Signal Box	Drama	\$25,000	Benjamin Pietor
Tulip	Drama	\$25,000	Rachel Griffiths
She	Experimental	\$25,000	Wendy Nye
Liu Awaiting Spring	Drama	\$25,000	Andrew Soo/Nadine Umback/ Oliver Lawrance
Fast Buck	Drama	\$17,500	Oleh Sokolovsky
Bloodlock	Drama	\$16,500	Kieran Darcy-Smith/Nash Edgerton/ Joel Edgerton/Tony Lynch

ROUND FOUR

The fourth round closed on 14 November 1997. A total of 71 applications were received comprising 54 dramas, 11 documentaries and 6 other (experimental, animation, comedy) projects.

In this round nine submissions were funded at a total of \$198,000. The assessment panel comprised Rosemary Blight (producer), Nicholas Parsons (writer/director), Vincent Sheehan (producer) and Gina Roncoli from the FTO. A function was held with the Hon. Bob Debus, Minister Assisting the Premier on the Arts, to announce the winners at the Premier's Office on 5 March 1998.

Project Title	Project Type	Amount	Applicant(s)
Fierwing	Short [Website]	\$ 5,000	Dean Wells
War Story	Drama	\$25,000	Tor Larsen/Mimi Ivey
Gristle	Drama	\$25,000	Andrew Murray/Carolyn Johnson
Hoppin' Mad	Drama	\$25,000	Georgina Wilson
Never the Twine	Animation	\$18,000	James Rose/Patricia Dedal
An Irishman Walks Into a Pub	Drama	\$25,000	Megan Harding/Roland Gallois
Burnout	Drama	\$25,000	Liz Farmer
The Man in the Irony Mask	Documentary	\$25,000	Paul Andrew
Positively Women	Documentary	\$25,000	Jacqui North



GRISTLE [YOUNG FILMMAKERS FUND]

ROUND FIVE

The closing date for Round Five was 20 March 1998 and 101 applications were submitted including 59 drama, 24 documentaries and 18 other (experimental, animation, comedy).

Assessors for the fifth round are Martien Coucke (production manager), Jacqui Fine (producer), Jonathan Ogilvie (writer/director) with Michelle Harrison as the FTO assessor.

Successful applicants from the fifth round will be announced in late July 1998.

An important part of the development process is to provide information on key industry issues such as post production, insurances, location permissions and copyright clearances. For each YFF round, the FTO organised seminars for successful applicants covering these issues.

The Young Filmmakers Fund talent is producing results. A full listing of festival successes by YFF films is located in Appendix B.

For the first time three projects will be funded by the YFF and broadcast nationally. 'Do It Yourself Television' or DIY tv is a joint initiative between the FTO and SBS Independent to produce three half-hour, low budget comedy dramas on a budget of \$125,000 each. This arrangement offers filmmakers the chance to take their work a step further from their success in the short film industry and festival circuit.

GOVERNMENT DOCUMENTARY

The work of GDD complements the FTO's overall strategy to develop talent and to support the NSW film and television industry.

The Division is committed to utilising the skills of both established and new writers, directors and producers with the specific aim to enhance and develop talent in NSW to ensure that all programming reflects the professionalism of NSW government organisations. The expertise of the established filmmakers combined with the innovative filmmaking concepts of the new writers, directors and producers has produced a series of award-winning programs that have proved to be effective resources for Government and an ever-improving creative and craft-skills base for filmmakers.

Commissioning new and less experienced filmmakers and companies to produce Government programming is a challenging and rewarding experience and, while many of these filmmakers required guidance from GDD, the results have been worthwhile.

GDD recognises that all filmmaking adds to the individual craft-base and while many filmmakers are committed to the production of documentary, informational and instructional programming others have the goal of working in the feature and television areas of filmmaking. It is gratifying to see that many filmmakers and actors who have been previously engaged on GDD projects, are now contributing their creative talents to the feature film and television industry.

The consistent high quality of programs produced through GDD resulted in an increased number of awards this year. A total of 27 awards, certificates and honorary mentions were won and a full listing of these can be found in Appendix C.

The awards are a tribute to the creative and practical talents of the filmmakers in NSW and represent the outcome of the successful partnership between GDD and the industry and the government organisation. They are further satisfying in that both government clients and filmmakers can succeed in highly competitive arenas despite the constraints of often very prescriptive project briefs, tight budgets and time-frames.



CANARY IN THE MINE



POST-TRAUMATIC AMNESIA -
THE EMERGING MIND

SCREEN CULTURE

The FTO's screen culture objectives are to: develop audiences, support emerging talent, establish arenas for the development of skills and experience, reflect the diverse nature of Australian society, establish forums for debate, peer awards and to develop strong local and community support for the industry.

In the past year, the FTO has been actively monitoring screen culture developments and emerging trends. Recipients have been encouraged to participate in a debrief meeting with the FTO when their screen culture program is completed. Many of the screen culture activities provide very useful information for the FTO on growing areas of demand, and on new types of events and public interest.

Screen culture serves as an important link in the development of the film, television and new media industries by its contribution to skills and craft development and through advocacy of issues important to the industry. An active screen culture environment 'today' encourages and nurtures creative talents that form the production talents of 'tomorrow'.

This year the FTO received 75 applications for screen culture funds with a total value of \$664,529 for activities in New South Wales. Applications were assessed on their merit in light of available funds and screen culture objectives.

SCREEN CULTURE	96/97	97/98	98/99	
Funds requested	\$529,421	\$664,529	\$784,343	<i>for 1st round only</i>
Funds approved	\$438,834*	\$567,000*	\$459,400*	<i>budgeted but not allocated</i>

* includes \$110,000 allocated to Australian Childrens' Television Foundation



SAMUEL L. JACKSON
TROPFEST '98 JUDGE



PAUL FENECH
TROPFEST '98 WINNER

The Board endorsed the use of FTO reserves to augment screen culture activity this year. An additional \$136,000 was allocated to screen culture above the 1996/97 allocation. These extra funds allowed the FTO to support a wider range of activities than on previous years and fund existing programs to a greater level of support, underpinning either growth or new initiatives. These funds were provided to the screen culture sector with a clear indication that future levels of support could not be guaranteed.

Funding extra activity provided an unique and beneficial opportunity for the FTO to review and assess the successful activities in the screen culture sector. Much of this information fed directly in to the FTO's resultant screen culture policy and guidelines.

Traditionally, the FTO has called for screen culture proposals once a year although has funded applications that have come in throughout the year dependent on available funds. In the next financial year, the FTO will be making screen culture grants available twice a year to accommodate the dynamic and innovative nature of the industry - while still encouraging event organisers to approach the FTO early in the planning of an activity.

The first round of screen culture grants for 1998/99 closed on 24 June 1998 and already 59 applications have been received in the first round with funds requested totalling \$784,343. This represents over double than what can be funded in a full year and it will therefore not be possible to provide the level of support requested by all applicants.

The FTO will also be changing the available screen culture grant programs from (1) organisations, (2) events and (3) publications to the broader categories of (1) cultural development, (2) industry development, (3) industry support and (4) new media.

This year, the FTO has placed an increased emphasis on encouraging successful applicants to establish



FLICKERFEST '98



IF MAGAZINE

an active working relationship with the FTO in respect of the on-going development and management of the screen culture activity, aiding increased professionalism, feedback mechanisms and the FTO's promotion.

PARLIAMENTARY SCREENINGS

A parliamentary screening of the feature film **The Boys** and the YFF short film **Applied Mathematics** was planned for 28 April 1998 just prior to **The Boy's** commercial release in early May. Unfortunately, this screening had to be cancelled due to a clash with the memorial service commemorating the anniversary of the Port Arthur Massacre.

Consequently no parliamentary screenings were held during the year although a screening of the feature **Radiance** is planned for 16 September 1998 when NSW Parliament resumes.

FUNCTIONS AND SEMINARS

FTO functions are held to provide opportunities for the NSW film community to meet and establish networks with a diverse range of international and local film industry personnel or as a celebratory opportunity promoting recognition and reward in the domestic industry.

This year the following events were held:

- Round 3 and Round 4 of the Young Filmmaker Fund announcements were hosted by the Premier's Office at Level 41, Governor Macquarie Tower Sydney.
- The FTO annual 'new year' party was held in February 1998 at the Earth Exchange Building in the Rocks. The NSW Premier, the Hon. Bob Carr, launched the Creative Initiatives for 1998.
- Drinks were held at the FTO for John Edginton, British investigative documentary filmmaker who spoke about his work and success in raising documentary financing internationally to local members of the documentary community.
- Joanne Milter, Manager of Creative Affairs at Fox Studios Australia spoke about her new role at Fox.
- Farewell drinks for Rae de Teliga, Film Culture and Policy Officer were held at the Hyde Park Barracks.
- The inaugural Young Filmmakers Fund Festival opening night for the filmmakers and industry representatives was held at the Chauvel Cinema in Paddington.
- The Fellowship recipients were announced on 24 June and drinks were held at the FTO for the winners and industry representatives.



KERRY SCHOTT, PAUL MERCURIO AND THE HON. BOB CARR
FTO ANNUAL NEW YEAR PARTY

INAUGURAL YOUNG FILMMAKERS FUND FESTIVAL
OPENING NIGHT

DISTRIBUTION AND PEPPER FILMS



NEWSFRONT
NATIONAL FILM & SOUND ARCHIVE

DISTRIBUTION AND PEPPER FILMS

NSW FILM CORPORATION CATALOGUE

A review of the Pepper distribution deal was undertaken during 1998. A Board sub-committee was established in April comprising the Chair, Dr Kerry Schott, Errol Sullivan, Jane Smith and Randall Harper. New legal advice was obtained from Richard Toltz of Clayton Utz.

On 9 August 1998, the Chair of the FTO Board, announced that the FTO has reached an agreement with Pepper Distribution (Pepper) to terminate existing distribution agreements for the 20 Australian films licensed to Pepper between 1983 and 1987. The distribution rights for these films have now been assigned to the FTO and the FTO is discussing with the individual producers what they wish the FTO to do with the distribution rights.

These Australian films are of historical significance and include award winning films such as **Newsfront**, **My Brilliant Career** and **Careful He Might Hear You**.

In addition, the FTO has taken an assignment of distribution rights in relation to three other Australian films granted to Pepper. FTO also proposes to transfer to these three Producers the rights acquired from Pepper so they can take control of their own films.

This outcome was reached after the FTO recently commenced proceedings in the California Superior Court. A settlement has been reached out of court. As part of that settlement the FTO is shortly to receive about A\$712,479 as part payment of earnings previously due under the distribution agreements.

An independent analysis will be conducted by Ferrier Hodgson, under the FTO's instruction, to determine the allocation of the money. Of the 20 films, nearly half have outstanding loans, mainly owed to the FTO. The majority of films have not fully recouped to their investors, with the FTO also being owed substantial amounts of money as an investor.



CAREFUL HE MIGHT HEAR YOU
NATIONAL FILM & SOUND ARCHIVE

OTHER OBJECTIVES



FEELING SEXY

OTHER OBJECTIVES

DEVELOPING A CONTEMPORARY IMAGE FOR THE FTO

The FTO undertook the development of a strategic marketing plan to review and evaluate the current execution of the FTO's marketing activities, to develop a clearer strategic view for the FTO's marketing and increase the visibility of the FTO.

Report recommendations will be implemented in the coming year with the aim to centralise, streamline and focus the FTO's activities. One of the recommendations involves the creation of a new 'Marketing Manager' position that will also have responsibility for the FTO's screen culture grants program; another recommends investigating a new name and logo for the FTO.

FTO WEBSITE

The FTO's website has been in development over the reporting year. It is currently being reviewed as a beta version to be 'live' early in the new financial year. All of the FTO's important documentation, including guidelines, will be available on the Web.

Key links have been made with the relevant industry agencies to enable users to readily locate the FTO's site. Current links include the Australian Film Commission, Screen Network Australia industry site and the NSW government directory with many more to be added in the new financial year.

IMPROVING THE FTO'S ACCOUNTABILITY

The Office is accountable for the expenditure of public funds as well as the way it does business. During the reporting year, procedures were put in place to improve the Office's accountability in a number of areas including applications for development funding, and the awarding of tenders through the GDD.

In conjunction with CCSU, the FTO conducted a review of its financial reporting and improved systems where necessary to ensure all reporting requirements to Treasury, the Ministry for the Arts and the Audit Office are met.

The FTO continues to keep the industry up-to-date with FTO activities through the regular publication of the NSWFTO News. The newsletter is widely read with over 3,200 copies distributed.

IMPROVING THE QUALITY AND SCOPE OF INFORMATION ABOUT THE FILM INDUSTRY WITHIN THE FTO

A Policy Officer position was created to research issues impacting on the industry and has sharpened the FTO's focus on strategies to improve its ability to respond to the needs of the industry. Key to this has been improved methods of information gathering, active participation at industry forums and collaborative ventures with industry bodies. The FTO has consulted widely with the industry on its Creative Initiatives and has sought feedback on meeting developmental needs.

The FTO has improved access for staff to industry publications, subscribed to a media monitoring service, facilitated the collection of statistical data on production and employment in NSW and has encouraged active participation of staff at industry events.

INCREASING THE SKILLS AND KNOWLEDGE OF FTO STAFF

Workshops have been held with staff regarding cross cultural issues, conflict of interest, confidentiality, freedom of information and protected disclosure. Other staff training included specific software packages and operating systems. Some of this training is conducted externally, but there is also a growing percentage of training undertaken inhouse on a skills-share basis.

Staff also attend industry forums on a range of industry-related topics and issues.

IMPROVING THE ADMINISTRATIVE SYSTEMS IN THE OFFICE

Key activities for the 1997/98 year focused on improving information and administrative systems within the Office.

A new, relational database was investigated for the Office. Expected benefits include the ability to monitor activities more closely and provide better reporting mechanisms. The system is still under investigation as are other systems to manage all financial and project records.

During the year, the Office underwent a review of its structure, which included the creation of position descriptions for each role. This resulted in some positions being regraded and advertised.

A new staff handbook was completed this year to ensure staff were advised of their rights and responsibilities as members of the Office. This included the signing of a Code of Conduct which sets out best practice and identifies issues to be considered by all employees to ensure a high level of service, and equity, is provided to all FTO clients.

www.ftosyd.nsw.gov.au



UNQUIET DREAM [YOUNG FILMMAKERS FUND]



TULIP [YOUNG FILMMAKERS FUND]

97.98 FINANCIALS



RADIANCE

STATEMENT BY THE BOARD

Pursuant to Section 41B (1)(g) 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:

- [A]** the financial statements have been prepared in accordance with the provisions of the Act, the Public Finance and Audit (General) Regulation 1995 (as applicable), the Financial Reporting Code for Budget Dependent Agencies and the Treasurer's Directions;
- [B]** 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 1998 and of the operations for the year then ended;
- [C]** we are not aware of any circumstances at the date of this statement, which would render any particulars included in the financial statements to be misleading or inaccurate.



Kerry Schott
Chairperson

Sydney 10 December 1998



Laurie Patton
Deputy Chairperson

Maroochydore 9 December 1998

AGENCY STATEMENT

NEW SOUTH WALES FILM AND TELEVISION OFFICE
INDEPENDENT AUDIT REPORT



Box 12 GPO
SYDNEY NSW 2001

TO MEMBERS OF THE NEW SOUTH WALES PARLIAMENT AND THE DIRECTOR OF THE OFFICE

SCOPE

I have audited the accounts of the New South Wales Film and Television Office for the year ended 30 June 1998. The director is responsible for the financial report consisting of the accompanying statement of financial position, operating statement, statement of cash flows and summary of compliance with financial directives, together with the notes thereto, and information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and the Secretary based on my audit as required by sections 34 and 45F[1] of the *Public Finance and Audit Act 1983*. My responsibility does not extend here to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

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

In addition, other legislative requirements which could have an impact on the financial report of the Office have been reviewed on a cyclical basis. For this year, the requirements examined comprise compliance with Treasurer's Directions in respect of usage of credit cards and cash advances.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

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

AUDITOR GENERAL'S REPORT

AUDIT OPINION

In my opinion the financial report of the New South Wales Film and Television Office complies with section 45E of the *Public Finance and Audit Act 1983* and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Office as at 30 June 1998 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink that reads "M. T. Spriggins".

M. T. SPRIGGINS, CA
DIRECTOR OF AUDIT

[duly authorised by the Auditor-General of New South Wales under section 45F[1A] of the Act]

Sydney 11 December 1998

NSW FILM AND TELEVISION OFFICE
OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 1998

	Note	Actual 1998 \$'000	Budget 1998 \$'000	Actual 1997 \$'000
EXPENSES				
Operating Expenses:				
Employee Related	2(a)	1,042	949	759
Other Operating Expenses	2(b)	2,245	937	1,759
Maintenance	2(c)	108	0	53
Depreciation and Amortisation	2(d)	134	20	30
Grants and Subsidies	2(e)	4,101	6,102	4,697
TOTAL EXPENSES		7,630	8,008	7,298
Less:				
RETAINED REVENUE				
Sale of Goods and Services	3(a)	1,045	1,328	902
Investment Income	3(b)	252	68	634
Other Revenue	3(c)	931	0	1,036
TOTAL RETAINED REVENUE		2,228	1,396	2,572
NET COST OF SERVICES		5,402	6,612	4,726
GOVERNMENT CONTRIBUTIONS:				
Recurrent Appropriation	4	4,790	4,778	4,775
Capital Appropriation	4	90	90	94
Acceptance by the Crown Transactions Entity of Employee Entitlements and Other Liabilities	5	90	99	64
TOTAL GOVERNMENT CONTRIBUTIONS		4,970	4,967	4,933
SURPLUS / (DEFICIT) FOR THE YEAR		(432)	(1,645)	207

[The accompanying notes form part of these statements]

97.98 FINANCIAL STATEMENTS

NSW FILM AND TELEVISION OFFICE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 1998

	Note	Actual 1998 \$'000	Budget 1998 \$'000	Actual 1997 \$'000
CURRENT ASSETS				
Cash	20	8,514	9,307	11,007
Receivables	7	2,468	272	272
TOTAL CURRENT ASSETS		10,982	9,579	11,279
NON CURRENT ASSETS				
Plant and Equipment	8	178	343	273
Receivables	9	2,035	1,694	1,694
TOTAL NON CURRENT ASSETS		2,213	2,037	1,967
TOTAL ASSETS		13,195	11,616	13,246
CURRENT LIABILITIES				
Accounts Payable	10	297	243	228
Employee Entitlements	11	61	76	76
Other	12	1,101	921	921
TOTAL CURRENT LIABILITIES		1,459	1,240	1,225
NON CURRENT LIABILITIES				
Other	13	1,794	1,647	1,647
Total Non Current Liabilities		1,794	1,647	1,647
TOTAL LIABILITIES		3,253	2,887	2,872
NET ASSETS		9,942	8,729	10,374
EQUITY				
Accumulated Funds	14	9,942	8,729	10,374
TOTAL EQUITY		9,942	8,729	10,374

NSW FILM AND TELEVISION OFFICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 1998

	Note	Actual 1998 \$'000	Budget 1998 \$'000	Actual 1997 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PAYMENTS				
Employee Related		(997)	(850)	(698)
Other Operating Expenses		(2,192)	(922)	(1,820)
Grants and Subsidies		(3,865)	(6,102)	(4,697)
TOTAL PAYMENTS		(7,054)	(7,874)	(7,215)
RECEIPTS				
Sale of Goods and Services		882	1,328	780
Interest received		366	68	679
Other Revenue		931	0	1,032
TOTAL RECEIPTS		2,179	1,396	2,491
CASH FLOW FROM GOVERNMENT				
Recurrent Appropriation		4,790	4,778	4,775
Capital Appropriation		90	90	94
Cash reimbursements from the Crown Transactions Entity		31	0	10
NET CASH FLOWS FROM GOVERNMENT		4,911	4,868	4,879
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	36	(1,610)	155
CASH FLOWS FROM INVESTING ACTIVITIES				
Repayment of revolving fund advances		1,015	0	1,148
Purchases of Property, Plant and Equipment		(39)	(90)	(178)
Advances from revolving fund		(3,505)	0	(1,695)
NET CASH FLOWS USED ON INVESTING ACTIVITIES		(2,529)	(90)	(725)
NET INCREASE / (DECREASE) IN CASH		(2,493)	(1,700)	(570)
Opening Cash and Cash Equivalents		11,007	11,007	11,577
CLOSING CASH AND CASH EQUIVALENTS	20	8,514	9,307	11,007

[The accompanying notes form part of these statements]

NSW FILM AND TELEVISION OFFICE
SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
 FOR THE YEAR ENDED 30 JUNE 1998

	Actual Appropriations		Estimated Expenditure	Actual Appropriations		Estimated Expenditure
	Original 1998 \$'000	Revised 1998 \$'000	1998 \$'000	Original 1997 \$'000	Revised 1997 \$'000	1997 \$'000
RECURRENT APPROPRIATIONS						
Program 1	4,778	4,790	4,790	4,775	4,775	4,775
	4,778	4,790	4,790	4,775	4,775	4,775
CAPITAL APPROPRIATIONS						
Program 1	90	90	90	94	94	94
	90	90	90	94	94	94
TOTAL APPROPRIATIONS	4,868	4,880	4,880	4,869	4,869	4,869

NOTES TO THE SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIONS

- (a) The name and purpose of the program is described in Note 6.
- (b) In New South Wales, agencies are not required to separately record expenditures which are financed by the Consolidated Fund as distinct from expenditures financed by their own user charges. As a result, the Office is not able to determine accurately the exact amount of their expenditures that are related to the Consolidated Fund. However, the amount of revised appropriations should approximate the actual cash expenditure of Consolidated Fund monies.
- (c) There is no material variation between original and revised appropriations.
- (d) Recurrent appropriations on the Summary of Compliance with Financial Directives are reconciled to the Operating Statements at Note 4.
- (e) The New South Wales Film and Television Office did not receive any additional funding under Section 24 or Section 26 of the *Public Finance and Audit Act, 1983*, or under an additional Appropriation Act during the year. The New South Wales Film and Television Office received additional funding of \$12,000 from the Advance to Treasurer vote under the *Appropriation (1997-98 Budget Variations) Act (No 2) 1998* which was assented to on 30 November 1998.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) REPORTING ENTITY

The NSW Film and Television Office (the Office) promotes and assists the New South Wales film and television industry and provides executive producer services for documentaries made for government departments and authorities.

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

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

(b) BASIS OF ACCOUNTING

The Office'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, and other mandatory professional reporting requirements, 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 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.

Statements of Accounting Concepts are used as guidance in the absence of applicable Accounting Standards, other mandatory professional reporting requirements and legislative requirements.

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. Foreign currency amounts have been translated to Australian dollars at the appropriate rate prevailing at balance date.

The accounting policies adopted are consistent with those of the previous year. Where necessary prior year's amounts have been adjusted to provide comparative information under changes to the Financial Reporting Code.

(c) GOVERNMENT DOCUMENTARY DIVISION (GDD)

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

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

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

(d) NEW SOUTH WALES FILM CORPORATION AND AUSTRALIAN FILMS INTERNATIONAL

The Office is responsible for the management of films produced under the auspices of its predecessor, the NSW Film Corporation. Some of these films were licensed to its American subsidiary, Australian Films International. Monies held on their behalf are recognised as current assets, and obligations to distribute this money in accordance with the relevant film contracts, are recognised as non current liabilities in the statement of financial position. Funds in American dollars are held in a separate account in the United States. Funds in Australian dollars are held in the Office's Operating Account but distinguished as a Public Monies Account and in a Statutory and Other Funds Account.

(e) SCRIPT DEVELOPMENT

Script development funding is recognised as payments are made. Unpaid instalments scheduled in the contract have been shown at year end as commitments (see Note 15). When a script goes into production the principal is repaid to the Office and treated as revenue (see Note 3(c)), while interest is returned to the Crown Transactions Entity [see note 12]. Further details are provided in Note 16.

(f) PRODUCTION INVESTMENT SUBSIDY

The Production Investment subsidy was established to encourage film and television production in New South Wales. This objective was adopted in the context of a decline in New South Wales share of production activity, caused by other States offering incentives. The benefits to New South Wales are both economic and cultural. All commitments at year end have been shown in Note 15. Subsidies are provided on the basis that repayment to the Office will be made from proceeds arising from any profitable production. Further details are provided in Note 16.

(g) ADMINISTERED ACTIVITIES

The Office does not administer any activities on behalf of the Crown Transactions Entity, except for interest earned on script development loans.

(h) PARLIAMENTARY APPROPRIATIONS

Parliamentary Appropriations are recognised as revenues when the Office obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

(i) EMPLOYEE ENTITLEMENTS

(1) Salaries, Annual Leave, Sick Leave and On-Costs

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

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

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

(2) Long Service Leave and Superannuation

The Office's liabilities for long service leave and superannuation are assumed by the Crown Transactions Entity. The Office accounts for the liability as having being extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Transactions Entity of employee entitlements and other liabilities".

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

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

(j) INSURANCE

The Office'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.

(k) ACQUISITION OF ASSETS

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

Assets acquired at no costs, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(l) PLANT AND EQUIPMENT

Items of plant and equipment costing \$5,000 and above individually are capitalised.

(m) REVALUATION OF PHYSICAL NON-CURRENT ASSETS

As the Office 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.

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

(n) DEPRECIATION OF NON-CURRENT PHYSICAL ASSETS

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

DEPRECIATION RATES	% RATE
Computer equipment	25.000%
General plant and equipment	8.751%
Office fitout	Over the life of the lease

The depreciation of Office fitout has been accelerated during 1997-98. Refer to Note: 2[d].

(o) LEASES

Leasing transactions are operating leases of buildings. Lease payments are recognised as expenses over the lease term.

(p) FINANCIAL INSTRUMENTS

The terms, conditions and accounting policies applied by the Office 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 (Tcorp) 11 am unofficial cash rate adjusted for a management fee to Treasury. The average rate during the year was 4.04%, and the rate at year end was 4.00%.

Bank balances include an account relating to Australian Films International, a subsidiary of the former NSW Film Corporation. This account is held in US dollars at the Bank of America and has been translated at the rate of exchange at 30 June 1998.

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 uncollectable 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 Cash Flow Loans debtors. The carrying amount approximates net fair value.

Cash Flow Loans

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

Revolving Fund Loans

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

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

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year (1996-97 \$nil). The carrying amount approximates net fair value.

Funds held on behalf of Government Departments

The Office produces documentary videos on behalf of the New South Wales government. Payment is received in advance from agencies and associated expenditure offset against it. Monies held on behalf of Government Departments represents the unspent portion of various projects currently in progress. The carrying amount approximates net fair value.

Funds held on behalf of Investors in Motion Pictures

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

Funds held on behalf of the State

Funds left over on the closure of the NSW Film Corporation comprised an amount in Australian dollars and a balance in US dollars in an American Bank. These funds have been left in place pending litigation arising in both the USA and Australia in relation to movies distributed by the former NSW Film Corporation and its US subsidiary Australian Films International. These funds are shown as amounts owing to the State. The carrying amount approximates net fair value.

Funds held on behalf of others

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

(q) YEAR 2000 DATE CHANGE

The New South Wales Film and Television Office is investigating if and to what extent the date change from 1999 to 2000 may affect its activities. The Office has established a programme to help ensure that the impact of the transition to the year 2000 on the Office and the parties with which it has dealings is minimised by seeking to ensure that its significant/core computer hardware, software and/or systems are year 2000 compliant. The Office does not expect its activities to be significantly impacted by the date change.

2. EXPENSES

2(a) EMPLOYEE RELATED EXPENSES

EMPLOYEE RELATED EXPENSES COMPRISE THE FOLLOWING SPECIFIC ITEMS:	1998 \$'000	1997 \$'000
Salary and Wages (including recreation leave)	876	688
Superannuation Entitlements	57	57
Payroll Tax on Superannuation	4	4
Long Service Leave	31	3
Workers Compensation Insurance	6	5
Payroll and Fringe Benefits Tax	68	2
	1,042	759

2(b) OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES INCLUDE:	1998 \$'000	1997 \$'000
Advertising and promotion	5	91
Auditor's remuneration	23	18
Insurance	2	5
Consultancies	93	8
Building Occupancy Charges	137	171
Committee Fees and Expenses*	55	8
GDD productions	864	872
Expenses associated with Grants and Subsidies	350	307
Other Operating Expenses	716	279
	2,245	1,759

* The Office's Board was established as at 1 January 1997. Board fees were paid from 1 July 1997.

2(c) MAINTENANCE

MAINTENANCE CHARGES COMPRISE:	1998 \$'000	1997 \$'000
Repairs and Routine Maintenance	108	53
	108	53

2(d) DEPRECIATION

DEPRECIATION EXPENSE:	1998 \$'000	1997 \$'000
Computer Equipment	19	16
General Plant and Equipment	5	6
Office Fitout	110	8
	134	30

Depreciation of Office fitout has been accelerated to reflect the fact that the lease expires on 2 June 1999, and the Office will be moving to new premises.

2(e) GRANTS AND SUBSIDIES

GRANTS AND SUBSIDIES COMPRISE:	1998 \$'000	1997 \$'000
Young Filmmakers Fund	386	138
Screen culture	454	309
Script development	1,043	846
New media	74	17
Other industry promotion	277	440
Production Investment Fund	1,757	2,837
Australian Children's Television Foundation	110	110
	4,101	4,697

3. REVENUES

(a) SALE OF GOODS AND SERVICES COMPRISE:	1998	1997
	\$'000	\$'000
Revenue from GDD productions	973	866
Revenue from GDD Print sales	72	36
	1,045	902

(b) INVESTMENT INCOME COMPRISES:	1998	1997
	\$'000	\$'000
Interest	252	634
	252	634

(c) OTHER REVENUE COMPRISES:	1998	1997
	\$'000	\$'000
Production investment returns	567	525
Script development returns	211	275
Other	153	236
	931	1,036

4. APPROPRIATIONS

TOTAL APPROPRIATIONS COMPRISE:	1998	1997
	\$'000	\$'000
RECURRENT		
Total recurrent appropriations (per Summary of Compliance)	4,790	4,775
Less: Transfer payments	0	0
RECURRENT APPROPRIATIONS (PER OPERATING STATEMENT)	4,790	4,775
CAPITAL		
Total capital appropriations (per Summary of Compliance)	90	94
Less: Transfer payments	0	0
CAPITAL APPROPRIATIONS (PER OPERATING STATEMENT)	90	94

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

	1998	1997
	\$'000	\$'000
The following liabilities and/or expenses have been assumed by the Crown Transactions Entity.		
Superannuation	55	57
Payroll Tax on Superannuation	4	4
Long Service Leave	31	3
	90	64

6. PROGRAMS/ACTIVITIES OF THE DEPARTMENT

PROGRAM 1 Objective:

To promote and assist the New South Wales Film and Television industry. To provide a centralised film-making service for government departments and authorities.

7. CURRENT ASSETS - RECEIVABLES

RECEIVABLES COMPRISE:	1998 \$'000	1997 \$'000
Sundry Debtors	188	13
Accrued Interest	133	247
Prepayments	0	8
Revolving Fund	2,147	0
Other	0	4
	2,468	272

No provision for doubtful debts has been made as all debts are considered collectable.

8. NON CURRENT ASSETS - PLANT AND EQUIPMENT

MOVEMENT	OFFICE FITOUT \$'000	COMPUTER EQUIPMENT \$'000	GEN PLANT & EQUIPMENT \$'000	TOTAL 1998 \$'000	TOTAL 1997 \$'000
(i) AT COST					
Balance at 1 July 1997	201	201	34	436	258
Additions	15	24	0	39	178
Disposals	0	(49)	0	(49)	0
BALANCE AT 30 JUNE 1998	216	176	34	426	436
(ii) ACCUMULATED DEPRECIATION					
Balance at 1 July 1997	8	142	13	163	133
Depreciation for the Year 97/98	110	19	5	134	30
Depreciation on disposals	0	(49)	0	(49)	0
BALANCE AT 30 JUNE 1998	118	112	18	248	163
(iii) WRITTEN DOWN VALUE					
AS AT 1 JULY 1997	193	59	21	273	125
AS AT 30 JUNE 1998	98	64	16	178	273

The Office continues to derive service potential and economic benefits from the following fully depreciated assets, the cost of which is included in the above balances.

	QUANTITY	1998 COST \$'000	1997 COST \$'000
Computer equipment	58	81	123

9. NON CURRENT ASSETS - RECEIVABLES

NON CURRENT ASSETS - RECEIVABLES	1998 \$'000	1997 \$'000
Revolving Fund	2,035	1,694
Repayable advances made to film makers as promotion of the industry		
	2,035	1,694

No provision for doubtful debts has been made as all debts are considered collectable.

10. CURRENT LIABILITIES - ACCOUNTS PAYABLE

CURRENT LIABILITIES - CREDITORS	1998 \$'000	1997 \$'000
Other operating expenses	297	228

11. CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS

EMPLOYEE ENTITLEMENTS COMPRISES:	1998 \$'000	1997 \$'000
Recreation Leave Provision	50	67
Accrued Salaries and Wages	11	4
Employer oncosts	0	5
	61	76

The amount of recreation leave paid during the year has been charged directly to the operating statement.

12. CURRENT LIABILITIES - OTHER

CURRENT LIABILITIES - OTHER COMPRISES:	1998 \$'000	1997 \$'000
Prepaid interest - Revolving Fund loans	117	0
Funds held on behalf of other Government Departments	911	870
Interest on script development loans payable to the Crown Transactions Entity	73	51
	1,101	921

13. NON CURRENT LIABILITIES - OTHER

NON CURRENT LIABILITIES - OTHER COMPRISES:	1998 \$'000	1997 \$'000
Funds held on behalf of:		
Investors in motion pictures	219	158
The State	1,575	1,489
	1,794	1,647

14. CHANGES IN EQUITY

CHANGES IN EQUITY - MOVEMENT	1998 \$'000	1997 \$'000
Balance at the beginning of the financial year	10,374	10,167
Surplus/(deficit) for the year	(432)	207
BALANCE AT THE END OF THE FINANCIAL YEAR	9,942	10,374

15. COMMITMENTS

(a) CAPITAL COMMITMENTS

The Office has no capital commitments as at 30 June 1998

(b) OTHER EXPENDITURE COMMITMENTS

As at 30 June 1998, the Office had committed the following amounts for payment within the next twelve months:

	\$'000
Script development	340
Production investment	840

LEASE COMMITMENTS

Aggregate operating lease expenditure contracted for at balance date but not provided for in the accounts are:

OPERATING LEASE COMMITMENTS	1998 \$'000	1997 \$'000
Non Cancellable Operating Leases	120	56

OPERATING LEASE COMMITMENTS REPAYMENT SCHEDULE	NON CANCELLABLE OPERATING LEASES	1998 \$'000	1997 \$'000
Less than 1 year		120	56
TOTAL		120	56

The previous lease expired on 30 November, 1997. The lease has been renewed to 2 June 1999. The commitment represents the remaining 11 months [1997 5 months].

16. SCRIPT DEVELOPMENT AND PRODUCTION INVESTMENT FUND

The following table provides details of funding activities for Script Development and the Production Investment Fund. Accounting policies are detailed at Note: 1[e] and 1[f] respectively.

			GRANTS PROVIDED \$'000	RETURNS RECEIVED \$'000
SCRIPT DEVELOPMENT	Period ending	30 June 1996	817	328
		30 June 1997	846	275
		30 June 1998	1,043	211
PRODUCTION INVESTMENT	Period ending	30 June 1996	1,348	645
		30 June 1997*	2,837	525
		30 June 1998	1,757	567

Revenue receivable from the above sources is unable to be quantified due to the unknown future success of such projects over time. In any given year there is no correlation between Grants Provided and Returns Received. Returns are dependent on the profitability of the project, and the timing of the returns is unpredictable.

*1996/97 was higher than in other years through decisions to augment the annual Production Investment allocation to fund more projects, some to a higher level.

17. AMOUNTS WRITTEN OFF

No amounts were written off during 1998 [1997 \$nil].

18. MONEYS HELD IN EXCESS OF 2 YEARS

No unclaimed amounts have been held in the accounts of the Office in excess of two years. All amounts unclaimed are forwarded to the Treasury as Unclaimed Monies where they remain available for refund for a period of twenty years. No Unclaimed Monies were held by the Office at 30 June 1998 [30 June 1997 nil].

19. BUDGET REVIEW

Net Cost of Services

Actual Net Cost of Services was lower than budget by \$1.210 million. Included in this were the activities of the Government Documentary Division.

The activities of the Government Documentary Division are considered to be self funded to the production level and therefore not included in the budget. In order for a meaningful comparison to be made, costs of \$805,664 and revenue of \$973,609 should be added to the budgeted figures.

After allowing for this, actual Net Cost of Services was lower than budget by \$1.042 million. This is made up of a combination of items, but is mainly represented by an underspend of \$2 million in Grants and Subsidies, of which \$1,180,000 was committed at year end. An adjustment of \$90,000 in depreciation expense was required to accelerate the write off of leasehold improvements.

Assets and Liabilities

Net assets are \$1.213 million greater than budget. This is accounted for by an increase in available cash resulting from the underspend on grants and subsidies. Cash has actually decreased because of additional loans made through the Revolving Fund.

Cash Flows

The variance between actual cash flow and budget is in line with the higher level of Revolving Fund Loans.

20. CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, the Office considers cash to include Cash on Hand and Cash at Bank. Amounts held in US dollars have been translated into Australian dollars at the sell rate prevailing at close of business on 30 June 1998. Total Cash at 30 June, 1998 as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

CASH COMPRISES:	1998 \$'000	1997 \$'000
Cash at Bank	8,513	11,006
Cash on hand	1	1
	8,514	11,007

21. RESTRICTED ASSETS

Cash at bank includes \$817,500 which forms the available cash component of a Revolving Fund of \$5 million used to fund film production by way of repayable advances. This balance fluctuates depending on the outstanding loans. In addition, funds of \$461,228 relate to the activities of the former Australian Films International and \$1,114,827 to the former New South Wales Film Corporation are also held in Cash at Bank. The use of these funds is restricted.

22. RECONCILIATION OF NET COST OF SERVICES TO NET CASH USED ON OPERATING ACTIVITIES

RECONCILIATION OF NET COST OF SERVICES TO NET CASH USED ON OPERATING ACTIVITIES	1998 \$'000	1997 \$'000
Net Cash from operating activities	36	155
Consolidated Fund Appropriation	(4,880)	(4,869)
Acceptance by Consolidated Fund Entity of employee liabilities	(90)	(64)
Depreciation	(134)	(30)
Decrease/(increase) in provisions	17	(9)
Increase/ (decrease) in receivable	55	(24)
Increase/ (decrease) in prepayments	(8)	8
Decrease/ (increase) in creditors	(398)	107
NET COST OF SERVICES	(5,402)	(4,726)

23. AFTER BALANCE DATE EVENTS

On August 8 1998, an out of court settlement was reached between Pepper Incorporated and the Office. The Office was acting on behalf of its predecessor, the New South Wales Film Corporation, which granted a distribution licence for twenty films to Pepper Incorporated between 1983 and 1987.

Pepper agreed to terminate existing distribution agreements for the Australian films licensed to it. The distribution rights for these films have been assigned to the Office. As part of the settlement, \$712,450 has already been received by the Office subsequent to year end. These funds will be distributed in line with legal obligations set out in the contracts attached to each film.

(END OF AUDITED FINANCIAL STATEMENTS)

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97.98 APPENDICES

APPENDIX A PROJECT DEVELOPMENT AND FINANCE

SCRIPT DEVELOPMENT FUNDING 1997/98

* Projects received continued funding from previous years

INITIATIVES			AMOUNT \$
Swimming Outside The Flags II (Animation Initiative)	AFC/Cinemedia/FTO/SBSI		28,387
Kitty Littered	Producer:	Evan Newby	
What A Piece of Work Is A Man	Producer:	Antoinette Starkewicz	
National Indigenous Documentary Series II	ABC/CAAMA		50,000
Photographic Memory	Writer/Director:	Warwich Thornton	
	Producer:	Penny McDonald	
Wrap Me Up in Paperbark	Writer/s:	Jeff Bruer/John Macumba/Speedy McGinnes	
	Director:	Desmond (Kutchi) Raymond	
	Producer:	Rod Freedman	
ATTACHMENT			
Cate Shortland			1,400
DOCUMENTARY			
Blockade	Cathy Henkel	Cathy Henkel	9,800
Cheryl Kernot - Creating a New Nation	Smith Street Films P/L	Margaret Smith	15,520
Fish	MusicArtsDance Films P/L	Stephen Page	15,537
Frame by Frame	Total Perception P/L	John Izzard	5,000
Irish Empire, The	Hilton Cordell & Assoc	Siobhan McHugh	30,000
Last People - Last Places	Juniper Films P/L	Karen Penning	25,000
Romancing the Chakra	Froxoff Films P/L	Anna Broinowski	8,000
They Came They Saw They Concreted	Outlook Productions P/L	Andrea Dal Bosco	4,505
FEATURES			
Amir & the Bookbinder	Paul Glackin	Paul Glackin/Morgan Smith	13,500
Amir & the Bookbinder*	Paul Glackin	Paul Glackin/Morgan Smith	16,500
Angst	Green Light Prodns P/L	Anthony O'Connor	10,000
Angst*	Green Light Prodns P/L	Anthony O'Connor	10,720
Black & Blue	Evershine Pty Ltd	Hugh Piper/Louis Nowra	12,000
Buru (aka Written on the Wind)	Gil Scrine	Gil Scrine	5,400
Catch the Sun (aka The Journey)	Intrepid Films P/L	Pauline Chan/Robert Carter	10,000
Caught in the Crossfire*	Kezra Southby-Lorenz	Kezra Southby-Lorenz/Riwa Brown	13,850
City of Animals	Alan Mills	Alan Mills	10,500
Cross My Heart	Emerald Films P/L	Daniel Scott/Leist Hillhouse	10,000
Death in the Afternoon	Emerald Films P/L	Sarah Ducker	10,000
Edge of the Stream	Nighthawk Films P/L	Geoffrey Nottage	13,500
Edge of the Stream*	Nighthawk Films P/L	Geoffrey Nottage	12,800
Egg* (aka Finders Keepers)	Taffner Beyond P/L	Tim Gooding	8,000
Ez-Pz	Michael Rymer	Michael Rymer	17,500
Fables*	Richard Lindsell	Richard Lindsell	9,000
Glass House, A*	Kriv Stenders/Billy MacKinnon	Kriv Stenders/Billy MacKinnon	13,850
Gloria	About Time Prodns P/L	Phillip Gordon	8,500
Goddess of 1967, The (aka The Goddess of 1975)	Clara Law/Eddie LC Fong	Clara Law/Eddie LC Fong	10,000
Goddess of 1967, The* (aka The Goddess of 1975)	Clara Law/Eddie LC Fong	Clara Law/Eddie LC Fong	6,700
Goddess of 1967, The* (aka The Goddess of 1975)	Clara Law/Eddie LC Fong	Clara Law/Eddie LC Fong	17,840
Gods & Idols	Starfish Films P/L	Glynn Christian	13,500
Gool Mahommed's War	Chris McCourt	Chris McCourt	11,500
Goodbye Zanzibar	Mort Bay Films P/L	Werner Meyer	8,000
Growing Up Straight	Kizkite Pty Limited	Trevor Farrant	13,300
Half-pie Heaven* (aka Big Smoke)	Samson Prodns P/L	David Marsh	11,445
Holding the Man*	Big & Little Films P/L	Tony Ayres	13,500
Hooked*	Sonja Armstrong Prodns P/L & Slamcam Films P/L	Scott Patterson	6,450
Horseplay	Dennis Linehan	Dennis Linehan	11,000
Introducing Horror Hospital*	Arcadia Pictures P/L	Robert Herbert	12,705
Kick (aka James)*	The James Gang P/L	Stuart Beattie	30,000
Journey to the Last Chance	Roxy Films P/L	Danny Vendramini	8,500
Journey to the Last Chance*	Roxy Films P/L	Danny Vendramini	14,500
Kafka Dances*	Timothy Daly	Timothy Daly	11,400
Kukimbia*	220 Productions P/L	Graham Thorburn	18,000
Kukimbia*	220 Productions P/L	Graham Thorburn	14,500
La Femme Anglaise	First Class Films P/L	Michael Brindley	9,750
Lantana	Jan Chapman Films P/L	Andrew Bovell	18,500
Lantana*	Jan Chapman Films P/L	Andrew Bovell	12,500
Lark	Jim McElroy Holding P/L	Ralph Dayman	10,000

Last Warrior, The	Aust Int'l Pictures P/L	Suzanne Ingram	14,700
Loving You Loving Me	Eclipse Films P/L	Peter Schreck	14,500
Magic Pudding, The	Energie Entertainment P/L	Morris Gleitzman	15,500
Mrs Grills*	Elaine Paton	Elaine Paton	8,500
Mullet*	Porchlight Films P/L	David Caesar	12,000
Newtonian Laws*	Colin Clark	Colin Clark	9,000
Only the Heart	RB Films P/L	David Phu An Chiem/Brian Caswel	10,500
Pest House	Great Sth Land Film Co P/L	Nick Parsons	15,000
Polka	Mitake Holdings P/L	Steve Wright	15,000
Pump Action	SamToomey/Peter Byers	Sam Toomey/Peter Byers	13,500
Pussycat (aka Fallen Samurai)	Nicholas Forster	Nicholas Forster	10,500
Red-belly Black	Kieran McGillicuddy	Kieran McGillicuddy	11,000
Rio & Katz	Punchline Pty Ltd	Trevor Farrant	10,500
Smash Man, The	Mark Hopkins	Mark Hopkins	7,500
Soft Fruit* (aka Ladylike aka Kiss Me Till My Lips Bleed)	Soft Fruit P/L	Christina Andreef	14,000
V for Victor	Voyager Films P/L	Stephen MacLean	11,800
What Goes Around Comes Around	Sam Dahlan	Sam Dahlan	5,000
Whisper	Agenda Film Prodns P/L	Deborah Parsons	14,000
Whorl	Sonja Armstrong Prodns P/L	Rachel Landers	17,500

MINI SERIES

Capital Hill*	Latent Image Productions P/L	Alison Nisselle	16,000
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TELEMOVIE

Stolen Children Enquiry	Bob Ellis	Bob Ellis	19,699
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TELEVISION SERIES

Chinese Garden, The	Total Film & Television P/L	Heather Ogilvie/Mary Moody	18,070
Five Little Gweilos	Total Film & Television P/L	Deborah Parsons/Keith Thompson	12,925
Planet Bung	Off the Rails Prodns P/L	David Witt/Angela Webber	13,000

TRAVEL ASSISTANCE (PROJECT RELATED)

Andre Colbert			3,950
Christopher Tuckfield	Insomnia Film Television Software P/L		4,750
Cherie Nowlan			2,500
Michael Glasheen	Tetravision Productions		3,750
House Gang Series I*	Film Australia		4,195
Sally Browning	Emerald Films P/L		5,364
Sally Riley			2,108
Paul Scott			4,899

AWG/FTO MENTORSHIP SCHEME

	[\$3,000 allocated to each project]		9,000
Beyond Belief	Writer:	Sharon Guest	
	Mentor:	Peter Neale	
Jack & Danny's Gift	Writer:	G Sara Prendergast	
	Mentor:	Peter Schreck	
Rodeo Noir	Writer:	Andrea Lemon	
	Mentor:	Charlie Strachan	

FTO ASSISTED PROJECTS THAT WENT INTO PRODUCTION 1997/98

PROJECTS	DEVELOPMENT INVESTMENT	PRODUCTION INVESTMENT
In the Winter Dark	\$51,600	\$337,298
Kick (aka James)	\$55,000	\$200,000
Radiance	\$ 8,000	\$200,000
Romancing The Chakra	\$ 8,000	
Urban Clan	\$31,852	\$ 75,839*
Utzon	\$ 7,000	

*Represents Minor Cashflow Loan

PRODUCTION INVESTMENT SUMMARY

Commitments as at 30 June 1998

FEATURES		AMOUNT \$
Diana & Me (Additional)	Matt Carroll Films P/L	3,232
Feeling Sexy	Binaburra Film Co	68,642
In the Winter Dark (Additional)	RB Films Pty Ltd	17,298
Kick (aka James)	The James Gang P/L	200,000
Looking For Alibrandi	Beyond Miall & Kershaw Films P/L	300,000
Passion	Matt Carroll Films P/L	250,000
Siam Sunset	Artist Services P/L	200,000
Strange Planet	Strange Planet Films P/L	250,000
Two Hands	Blindfold 3 P/L	300,000

DOCUMENTARIES		AMOUNT \$
Fish	MusicArtsDance Films P/L	31,500
Irish Empire, The	Hilton Cordell & Assoc	60,000
Somewhere Between Light & Reflection	Vivid Pictures P/L	9,700

TELEVISION		
House Gang Series II	Film Australia Ltd	135,000
Odd Sox	Imagehead P/L	75,829

SHORT/INITIATIVES		
Saturday Night Sunday Morning	Core Original Prodns P/L	30,000

MINOR CASHFLOWS LOANS

Barry Humphries'	Flashbacks P/L	80,000
Flashbacks		
Dreaming, The (Series 4)	Aboriginal Nations P/L	50,000
Island Style	Porchlight Films P/L	16,938
Railway Adventures Across Australia	Look TV Prodns P/L	40,000
Urban Clan	MusicArtsDance Films P/L	75,839

RETURNS FOR THE PERIOD

PRODUCTION INVESTMENT RETURNS	
PROJECT	AMOUNT \$
The Adventures of Priscilla, Queen of the Desert	38,897.82
Billy's Holiday	93.00
Blackrock	3,757.69
Children of the Revolution	84,620.83
Cosi	2,600.00
Doing Time For Patsy Cline	2,015.56
Love Serenade	37,246.46
Men & Their Sheds	1,401.58
Not Fourteen Again	14,018.86
The Pass Out	92.01
Paws	214.62
Payback	86.57
The Roly Poly Man	1,273.00
Singapore Sling	9,894.10
Thank God He Met Lizzie	25,750.00
This Film Is A Dog	422.30
Twisted Tales	30,040.00

MINOR CASHFLOW LOANS RETURNS

PROJECT	AMOUNT \$
Brothers & Sisters	41,470.68
A Dying Shame	28,643.42
The Dreaming Series 3	75,558.85
Island Style	16,938.00
The Pitch	37,535.34
Rachel's Story	30,287.92
Railway Adventures Across Australia	40,317.98
To Get Rich is Glorious	20,219.18
Urban Clan	35,000.00

SCRIPT DEVELOPMENT ROYALTIES

PROJECT	AMOUNT \$
The Piano	23,788.21
The Adventures of Priscilla, Queen of the Desert	5,435.02
Shine	6,500.00

SCRIPT DEVELOPMENT RETURNS

PROJECTS	PRINCIPAL RETURNED	INTEREST TO TREASURY
In the Winter Dark	\$ 51,600	\$ 9,766
James	\$ 55,000	\$ 1,392
Nijinsky	\$ 5,500	\$ 874
Urban Clan	\$ 31,582	\$ 1,224
Personal Private & Rather Urgent	\$ 2,000	\$ 276
Radiance	\$ 8,000	\$ 171
Romancing the Chakra	\$ 8,000	\$ 180
Ted Noffs	\$ 1,500	\$ 235
Utzon	\$ 7,000	\$ 1,723

TRAVEL ASSISTANCE RETURNS

S Browning	\$ 5,364	\$ 213
M Couke	\$ 200	\$ 0
P Scott	\$ 4,899	\$ 211
Totals	\$180,645	\$16,263

PROJECTS WHERE DEVELOPMENT INVESTMENT HAS BEEN ROLLED INTO PRODUCTION FINANCE

Edge of the World	\$ 9,000
Fish	\$15,537
Roger Woodward - Searching For A Man of the People	\$ 9,000

EXTERNAL READERS AND ANALYSTS 97.98

READERS

Doug Aitken	Johannes Ambrose	Martha Ansara
Helen Bandis	Susan & Geoff Beak	Michael Brindley
Marguerite Bunce	Jason Camenzuli	Glenn Chaplin
Diane Cook	Gillian Coote	Peter Cox
Will Davies	Debbie Davies	Ross Dimsey
Roger Dunn	Victor Gentile	Robert Greenberg
Mark Hamlyn	Brian Hannant	Christine Hartgill
Rivka Hartman	David Hely	Graeme Isaac
Jill James	Sam Jennings	Judith John-Story
Susan Lambert	Curtis Levy	George Mannix
Robert Marchand	Catherine Marciniak	Margaret McClusky
Stephen Measday	Peter Neale	David O'Brien
John O'Brien	Michael O'Brien	Marion Ord
Deborah Parsons	Nick Parsons	Hugh Piper
Raymond Quint	Jim Roberts	Kevin Roberts
Helen Steel	Jeni Thornley	Anne Tsoulis
Jacqueline Turnure	Eleanor Witcombe	Tom Zubrycki

INDIGENOUS READERS

Pauline Clague	Steve Kinnane	Steven McGregor
Catriona McKenzie	Sally Riley	

NEW MEDIA

Sally Brownlow	John Colette	Steve Connard
Laura Tricker		

BUDGET ANALYSTS

Sandra Alexander	Peter Bain-Hogg	Antonia Barnard
Sally Browning	Anne Bruning	Jane Corden
Pru Donovan	Barbara Gibbs	Lillian Gibbs
Ben Grant	Leisl Hillhouse	Bruce Jenkins
Julia Overton	Brenda Pam	Vicki Watson
Liz Watts		

BUDGET & FINANCE ANALYSTS

Tim Brooke-Hunt	Jenny Day	Andrena Finlay
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FINANCE ANALYSTS

Tania Chambers	Ross Dimsey	Sally Ingleton
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APPENDIX B YOUNG FILMMAKERS FUND

FESTIVALS AND SCREENINGS

ROUND ONE

Jesus and the Rabbit of Damnation (sp, 10 mins)
Seattle Film Festival, 1997

My Little Brother (dvc, 10 mins)
Best Film, "Bombard" Amnesty International New Filmmakers Short Film Festival Brisbane, December 1997
Best Documentary Film, Flickerfest International Short Film Festival (Documentary 1) 11 January 1998
Loud Festival, ABC TV 8.30pm 15 January 1998

One That Got Away (16mm, 10 mins)
Loud Festival, ABC TV 9.00pm 8 January 1998
Best Direction (ASDA Award), Flickerfest International Short Film Festival (International Competition Program 2) 11 January 1998
Edge of the World Film Festival Tasmania, 15-28 January 1998
St Kilda Film Festival, 27-31 May 1998

Temple on the Hill (sp, 30 mins)
SBS pre-sale, screened 4 January 1998
5th Mumbai (Bombay) International Film Festival, March 1998

Flooded Dreams (sp, 30 mins)
SBS pre-sale, screened 22 September 1997

Unquiet Dream (16mm, 24 mins)
Silver Prize, Houston International Film Festival, Short Film Category, 28 March 1998

Masseur (16mm, 8 mins)
Sydney Film Festival, June 1998
14th International Hamburg Short Film Festival, June 1998

Say it Ain't So (sp, 18 mins)
BBC British Short Film Festival, London September 1998

ROUND TWO

Fetch (35mm, 6.5 mins)
Official Competition, 51st Cannes International Film Festival, May 1998
Sydney Film Festival, June 1998
Karlovy Vary International Film Festival Prague 1998

Until the Vision (16mm, 11 mins)
Loud Festival, SBS TV eat carpet special 11.00pm 26 January 1998
Edge of the World Film Festival Tasmania, 15-28 January 1998

Applied Mathematics (16mm, 6 mins)
St Kilda Film Festival, 24-27 April 1997

Chlorine Dreams (35mm, 10 mins)
Best Film, Surry Hills "Short Shots" Film Festival December 1997
Flickerfest (Australian Shorts 1 Competition) 8 January 1998
Loud Festival, ABC TV 8.30pm 22 January 1998
Edge of the World Film Festival Tasmania, 15-28 January 1998
St Kilda Film Festival, 27-31 May 1998

ROUND THREE

My Sister The Tree (Digibeta, 15 mins)
New York International Independent Film & Video Festival, 22 April-5 May 1998

APPENDIX C GOVERNMENT DOCUMENTARY DIVISION

PROGRAMS COMPLETED IN 97.98

In, Out Gone
NSW Police Service
Script: Peter Campbell
Production: Efex Pty Ltd

You Can't See Around Corners
NSW Police Service
Script: Brian Davies
Production: Pilgrim International Communications

Homebush Review July 1997
Writer: James Roberts
Production: Eden Street Films Pty Ltd

Homebush Review August 1997
Writer: James Roberts
Production: Eden Street Films Pty Ltd

Building the Legacy October 1997
Script: James Roberts
Production: Eden Street Films Pty Ltd

Creating the Vision
Olympic Co-ordination Authority
Script: Maryella Hatfield/Mike Greeley
Production: Eden Street Films Pty Ltd

The Big Clean-up
Olympic Co-ordination Authority
Script: Maryella Hatfield/Don Lange
Production: Eden Street Films Pty Ltd

Building the Legacy February 1998
Olympic Co-ordination Authority
Script: James Roberts, Maryella Hatfield
Production: Eden Street Films Pty Ltd

New Heart of Sydney - Animation
Olympic Co-ordination Authority
Script: Don Lange
Production: Acme Digital Pty Ltd

Building the Legacy May 1998
Olympic Co-ordination Authority
Script: Michael Power
Production: Flicks Australia Pty Ltd

On Stage '97
Department of School Education and Board of Studies
Production: Kookaburra Productions Pty Ltd

Physics of Car Crashes
Roads and Traffic Authority
Writer: Cathy Miller
Production: Classroom Video

Post Traumatic Amnesia
South Western Sydney Area Health Service
Script: Peter Mayrhofer
Production: The Notion Picture Company Pty Ltd

Back to Work
WorkCover Authority
Script: Jonathon Clements/Roger Hudson
Production: Vector Productions Pty Ltd

Innovation Nursing Practice Seminar
NSW Health Department
Production: Kookaburra Productions

Telemedicine
NSW Health Department
Script: Melanie Smyth
Production: Media Works/Visualeyes

Making A Difference
NSW Child Protection Council
Script: Laura Zusters
Production: Iris Pictures Pty Ltd

Discover Parramatta
Parramatta City Council
Script: Shane Withington
Production: Eye Spy Productions Pty Ltd

Awards Presentation
NSW Roads and Traffic Authority
Script: Tim Robinson
Production: Caribiner Wavelength Pty Ltd

1. Farewell to AM Gleeson AC
2. Welcome to J.J. Spigelman
Supreme Court of NSW
Camera: Mal Hamilton
Production: Streamline Digital Pty Ltd

Living Engineering
Roads and Traffic Authority
Script: Peter Campbell
Production: Acme Digital Pty Ltd

3 x Evidentiary Shoots
NSW Police Service
Production: MSV Media Services Pty Ltd

2 x archival Shoot-Goulburn Police Academy
NSW Police Department
Camera: NRS Group

17 archival film shoots
Stephen Prime/Steve Newman/
David Wakely/Preston Clothier/
Pieter De Vries/Graham Cooper

4 archival Betacam Shoots
Olympic Co-Ordination Authority
Eden Street Films
Camera: Bruce Hogan

2 x archival Betacam Shoots
NSW Police Service
Camera: Bruce Hogan

2 x archival Film Shoots
Tourism New South Wales
Camera: Bruce Hogan

2x archival Film Shoots
Bicentennial Park, Homebush
Susan Thwaites
Preston Clothier

Police Open Day 1997

NSW Police Department
KDO Productions

Media Compile

Olympic Co-ordination Authority
Production: Clear Cut Post Production

**GOVERNMENT DOCUMENTARY
AWARDS 97.98****AWGIES**

**[AUSTRALIAN WRITERS GUILD
AUSTRALIA] 1997**

An AWGIE was awarded to the writers of:
Tell a Friend - It's Never too Late
NSW Child Protection Council
Production Company: Filmday
Writers: Grant & Scott Higgins
Producer: Tracey Taylor
Director: Michael Grey

INTERCOM

**[THE INTERNATIONAL
COMMUNICATIONS FILM & VIDEO
COMPETITION] CHICAGO USA, 1997**

Gold Hugo

Homebush Bay - Sydney Showground
Olympic Co-ordination Authority
Production Company:
Eden Street Films
Writer: James Roberts
Producer: James Roberts
Director: Steve Prime

Gold Plaque

Nothing to Report
NSW Police Service
Production Company:
Triptych Australasia
Writer: Norman Neeson
Producer: Ben Davies
Director: Norman Neeson

Silver Plaque

Tell a Friend - It's Never too Late
NSW Child Protection Council
Production Company: Filmday
Writers: Grant & Scott Higgins
Producer: Tracey Taylor
Director: Michael Grey

Gold Plaque

It's About Time, It's About Changes...
And It's About Time
NSW Department of School Education
Production Company: Eclipse Films
Writers: Ned Lander/
Catharine Campbell
Producer: Ned Lander
Director: Ned Lander

ITVA

**(INTERNATIONAL TELEVISION
ASSOCIATION 29TH ANNUAL VIDEO
FESTIVAL) TEXAS, USA L997**

Golden Reel

Go Back You are Going the Wrong Way
NSW Roads and Traffic Authority
Production Company:
Laurie Tesoriero Television
Writers: Grant & Scott Higgins
Producer: Laurie Tesoriero
Director: Simon Von Wolkenstein

Golden Reel

For Whose Sake?
NSW Child Protection Council
Production Company:
Honky Tonk Angel Productions
Writer: Robin de Crespigny
Producer: Robin de Crespigny
Director: Robin de Crespigny

THE NEW YORK FESTIVALS

**INTERNATIONAL NON-BROADCAST
AWARDS, NEW YORK USA, 1997**

Gold Medal

Tell a Friend - Its Never Too Late
NSW Child Protection Council
Production Company: Filmday
Writers: Grant & Scott Higgins
Producer: Tracey Taylor
Director: Michael Grey

Silver Medal

Homebush Bay - August Review
Olympic Co-ordination Authority
Production Company:
Eden Street Films
Writer: James Roberts
Producer: James Roberts
Director: Steve Prime

Bronze Medal

Use and Abuse
NSW Police Service
Production Company:
Cynthia Palmer Productions
Writer: Grant & Scott Higgins
Producer: Cynthia Palmer
Director: Simon Von Wolkenstein

Finalist Certificate

Nothing to Report
NSW Police Service
Production Company:
Triptych Australasia
Writer: Norman Neeson
Producer: Ben Davies
Director: Norman Neeson

Finalist Certificate

For Ankie's Sake
Guardianship Tribunal
Production Company:
Summer Hill Films
Writer: Peter Flynn
Producer: Rod Freedman
Director: Tony Wickert

ATOM AWARDS

**(AUSTRALIAN TEACHERS OF MEDIA)
MELBOURNE, VICTORIA 1998**

Finalist Certificate

Safety House
NSW Police Service
Production Company:
Quadrant Productions
Writer: Vanessa Bates
Producer: Anne Chesher
Director: Greg Woodland

**US INTERNATIONAL FILM & VIDEO
FESTIVAL, ILLINOIS, USA 1998**

Certificate for Creative Excellence

Nothing to Report
NSW Police Service
Production Company:
Triptych Australasia
Writer: Norman Neeson
Producer: Ben Davies
Director: Norman Neeson

**INTERNATIONAL CINDY COMPETITION
[CINEMA IN INDUSTRY] 1997**

Gold CINDY's

In Out Gone
NSW Police Service
Production Company:
Efex Productions
Writer: Peter Campbell
Producer: Angela Barbour
Director: Laura Zusters

Use and Abuse
NSW Police Service
Production Company:
Cynthia Palmer Productions
Writer: Grant & Scott Higgins
Producer: Cynthia Palmer
Director: Simon Von Wolkenstein

Safety House
NSW Police Service
Production Company:
Quadrant Productions
Writer: Vanessa Bates
Producer: Anne Chesher
Director: Greg Woodland

It's About Time, It's About Changes...
And It's About Time
NSW Department of School Education
Production Company: Eclipse Films
Writer: Ned Lander/
Catharine Campbell
Producer: Ned Lander
Director: Ned Lander

Homebush Bay - Sydney Showground
Olympic Co-ordination Authority
Production Company:
Eden Street Films
Writer: James Roberts
Producer: James Roberts
Director: Steve Prime

Silver CINDYs

Sydney Harbour Bridge Cranes
NSW Roads and Traffic Authority
Production Company: Walker*Clancy
Writer: Keiron Gill
Producer: Robert Walker
Director: Robert Walker

Nothing to Report
NSW Police Service
Production Company:
Triptych Australasia
Writer: Norman Neeson
Producer: Ben Davies
Director: Norman Neeson

Informant Management
NSW Police Service
Production Company:
Peter Smith Productions
Writer: Peter Cox
Producer: Peter Smith
Director: Peter Smith

For Ankie's Sake
Guardianship Tribunal
Production Company:
Summer Hill Films
Writer: Peter Flynn
Producer: Rod Freedman
Director: Tony Wickert

Tell a Friend - Its Never Too Late
NSW Child Protection Council
Production Company: Filmday
Writers: Grant & Scott Higgins
Producer: Tracey Taylor
Director: Michael Grey

ITVA

**(INTERNATIONAL TELEVISION
ASSOCIATION 30TH ANNUAL VIDEO
FESTIVAL) TEXAS, USA L998**

Silver Reel

Tell a Friend - Its Never Too Late
NSW Child Protection Council
Production Company: Filmday
Writers: Grant & Scott Higgins
Producer: Tracey Taylor
Director: Michael Grey

Bronze Reel

For Ankie's Sake
Guardianship Tribunal
Production Company:
Summer Hill Films
Writer: Peter Flynn
Producer: Rod Freedman
Director: Tony Wickert

Bronze Reel

Nothing to Report
NSW Police Service
Production Company:
Triptych Australasia
Writer: Norman Neeson
Producer: Ben Davies
Director: Norman Neeson

APPENDIX D PRODUCTION LIAISON

PROJECTS PRODUCED IN NSW 1997/98

* Received FTO assistance through the Production Liaison Unit

FEATURE FILMS

15 Amour*
Babe: Pig in the City*
Change of Heart*
Dark City*
Erskineville Kings
Fresh Air*
Hurrah
In the Winter Dark*
Kick [aka James]*
Occasional Coarse Language
Passion* (shoot 97/98 & 98/99)
Powderburn
Praise
Prem Aggan*
Radiance*
Snow Drop*
Sugar Factory
The Boys
The Craik
The Game Room
The Matrix* (shoot 97/98 & 98/99)
The Missing*
Two Hands*
Venus Factory*

TV DRAMA

A Difficult Woman*
All Saints
Australia's Most Wanted* - Series 11
Breakers*
Bullpitt!
Heartbreak High - Series 6
Home and Away
House Gang Series 2
Murder Call* - Series 2
Never Tell Me Never
The Search for Treasure Island
Water Rats*, Series 3 and 4
Wildside*

ANIMATION

Magic Pudding (pre)
Digswell Dogs Show
Dumb Bunnies
Crocadoo
Flipper (pre)
Skippy (pre)
Tabaluga (pre)
The Dreaming

INWARD VISITS 97.98

- **The Matrix** directors Larry and Andy Wachowski scouted inner city locations and discussed project specifics. Large budget co-production between Warners and local company.
Ex: Chicago, USA (July 1997)
- Rick Carter, Director and Susan Adler, Producer **Diamond as Big as a Ritz** project. Visited suitable locations and investigated post-production facilities.
Ex: Los Angeles, USA (August 1997)

- Peter Fonda, Producer of **Petrified Forest**. Visiting Australia for opening of **Ulee's Gold**. Explored funding options, production facilities and locations.
Ex: Los Angeles, USA (September 1997)
- Vietnamese delegation: Ten officials from the Ministry of Culture and Information and Ministry of Planning and Investment conducted a study tour of our facilities and government institutions to assist the future of their industry. FTO helped co-ordinate.
Ex: Hanoi, Vietnam (September 1997)
- Ed Lammi of Columbia Tri-star Television, Jim McGee of NBC Television Drama and Ed Milkovich of Wiltshire Court Productions made an Ausfilm sponsored visit to investigate the feasibility of shooting US Telemovies in Australia. Gained an overview of Sydney and surrounds. Visited post-production and visual effects facilities.
Ex: Los Angeles USA (October 1997)
- Joe Hartwick, Executive VP, Feature Production; Fred Baron, Senior VP, Feature Production and Ted Galiano, Head of Post Production from Twentieth Century Fox. Ausfilm sponsored trip, FTO representative hosted familiarisation of Sydney locations, meetings with industry personnel and tour of production facilities.
Ex: Los Angeles, USA (November 1997)
- Andres Wood, Chilean feature director with fellow filmmakers Boris Quercia and Aljeandra Cillero accompanied by Lucia Barrerra, curator of the Latina 97 Film Festival toured Fox studios, visual effects houses and had meetings with the AFC and FTO.
Ex: CHILE (November 1997)
- Anne Sterling, Acquisitions Executive from Buena Vista International. FTO set up meetings with local industry personnel.
Ex: Los Angeles, USA (November 1997)
- Debra Hill, Debra Hill Productions visited with her project **SeaHunt**. FTO co-ordinated meetings with industry personnel to discuss project specifics. Participated at both SPAA and WIFT conferences.
Ex: Los Angeles, USA (November 1997)
- Judith Zaylor, Senior VP Drama/Comedy Production for Warner Bros. Television. Scouted locations for series **Blade Squad** and met with relevant industry personnel.
Ex: Los Angeles, USA (November 1997)
- Joy Paik and Steven Heo, Producers of Korean feature **Wanted** for Cine2000. Shot in NSW, the producers sponsored 25 journalists from Korea to attend the Australian opening of the film. The FTO provided a bus and driver for two days touring of local facilities and post-production companies.
Ex: Seoul, KOREA (November 1997)
- Lynda Obst, freelance Hollywood producer, scouted locations and toured facilities with FTO representative. Attended SPAA conference.
Ex: Los Angeles, USA (November 1997)
- James Gierman, Location Consulting and Research, Giermo toured local production facilities and scouted locations for HBO with FTO representative.
Ex: Los Angeles, USA (December 1997)
- Hensons Project: Ritamarie Peruggi, VP Production, for Jim Henson Productions visit hosted by Matt Carroll Films. Accessed location library and discussed production specifics. **Farscape** project will shoot at Fox and visual effects through Garner MacLennan Design.
Ex: Los Angeles, USA (January 1998)
- **Thunderbirds** project: Line Producer, Mark Huffam and Production Designer, Jonathon Lee scouted locations with FTO representative and met with **The Matrix** personnel to discuss Sydney production and art department capabilities. Toured Fox and other facilities.
Ex: London, ENGLAND (March 1998)
- Tom Sanders, Production Designer, **Fahrenheit 451**, provided liaison person to scout locations for large budget Fox/Icon feature film.
Ex: Los Angeles, USA (March 1998)
- Senior Vice Presidents' of Production, Mel Efron- Rysner Entertainment & Eric Sandys - Seven Arts (LA) made an Ausfilm sponsored visit to investigate the feasibility of shooting US TV Series in Australia. Gained an overview of Sydney and surrounds. Visited post-production and visual effects facilities.
Ex: Los Angeles, USA (May 1998)

PITCHES 1997/98

	PRODUCTION LOCATION/STATUS
American Tempest, NBC Telemovie (USA)	Sth Carolina, USA
Atomic Train, NBC Productions (USA)	Canada
Blade Squad, Warner Bros (USA)	Miami, USA
Blue Moon, Columbia TV (USA)	lost
Bondi/Baywatch, Baywatch (USA)	2 eps. in planning for Sydney
Brave New World, Wigetow Productions (USA)	lost
Desperation, New Line Cinema (USA)	Did not scout
Devils Cargo, NBC Productions (USA)	Not happening
Diamond as Big as the Ritz, Stun Productions (USA)	In development
Dog Watch, Richard Brennan	Unfinanced
Down and Under, Castle Rock (USA)	Scout in Sept. '98
Dune (USA)	Unconfirmed
Earthsearch, Beckers	unconfirmed
Fahrenheit 451, Fox/Icon Productions (USA)	Undecided
Farscape (aka Space Chase), Hensons (UK/USA)	100% in NSW
General Daughters Paramount (USA)	Unconfirmed
Gonzo: The Muppet Movie, Hensons (USA)	London
James Barry, Ozma Productions (USA)	Unconfirmed
Martial Law, Ryscher/MGM (USA)	New York, USA
Nue, Robot Communications (Japan)	Undecided
Pitch Black (aka Nightfall), Interscope (USA)	Queensland/ South Aust.
Resident Evil, Daniel Scharf (USA)	Did not scout
Sea Hunt, Debra Hill Productions (USA)	Awaiting finance
Slow Burn, (USA)	lost
The Matrix, Warners (USA)	100% in NSW
The Reckoning, Wilshire Court (USA)	Queensland
Thunderbirds (USA)	Delayed for rewrite
Untitled Bond project, Danjac (USA)	Lost
Untitled Icon project, Icon (USA)	Undecided

PUBLICATIONS 1997/98

Untitled Project

a promotional Location Managers' Workbook

Stacks of Facts update (annual)

Film & TV Production Industry 1998

Extend Your Production Dollar budget

update

APPENDIX E SCREEN CULTURE AND NEW MEDIA

SCREEN CULTURE GRANTS 1997/98

AFI Chauvel Cinema	10,000
AFI Digitised Clippings Research	3,000
AFI No Wave US Independent Film Festival	2,000
ASDA Masterclasses	9,755
Australian Childrens' Television Foundation	110,000
Australian Cinematographers' Society (NSW Branch) Awards	1,000
Australian Film & Video Catalogue	5,000
Australian Film Institute (AFI) Awards Screenings	30,000
Australian Film, TV & Radio School Best Creative Writing Award	2,000
Australian Screen Composers Guild Awards	5,000
Australian Screen Directors Association (ASDA) Conference	6,000
Australian Teachers of Media Awards	4,000
Australian Writers' Guild (AWG) Byron Bay Conference (1997)	1,500
AWG Byron Bay Conference (1998)	6,000
AWGIES Awards	5,000
Bathurst Film Festival	3,000
Byron Bay Writers Festival	3,500
Entertainment Business Review/Book 1st draft delivery	2,500
Festival of Jewish Cinema (Sydney)	3,000
Fiddle Film Festival	2,200
Film Critics Circle of Australia Annual Awards	6,985
Film West	15,000
Flickerfest 7th International Short Film Festival	11,000
Flickerfest Best Film Award	2,000
Great Inflatable Film Festival	3,500
Hector Crawford Memorial Lecture SPAA Conference (1997)	7,000
Independent Filmmakers (IF) Journal	15,000
Indy Films Association	2,000
International Institute of Communications (IIC) 1997 Conference	5,000
La Petite Cinematheque	2,000
Local Eyes Film Festival	2,000
Lookabout Aboriginal Film Festival (Bowral)	1,000
Loud Youth Culture Festival	4,000
Metfest Best Script Award	1,000
Metro Magazine	6,000
Metro Television	30,000

DIGITAL VISUAL FX (EFFECTS) SCHEME

Committee representatives involved in selecting eligible digital visual fx companies:

- Chris Winter (FTO representative)
- Shilo McClean
- Rachel Dixon

Committee representatives involved in selecting finalist trainees for the digital visual fx scheme:

- Chris Winter
- Shilo McClean
- Rachel Dixon
- Sandra Alexander, Producer
- Martin Pisani, Creative Director, Extro Design.

Metro Television Indigenous Producers Mentor Program	10,000
Museum of Contemporary Art - Cinematheque	15,000
National Screenwriters Conference (1999)	5,000
Newcastle Fringe Film Festival	350
NSW Writers Centre - Spring Writing Workshop	800
On Screen - Real Time Publication	4,500
Open City Film Festival (Newcastle)	3,600
Queer Screen - Parramatta Mardi Gras Film Festival	3,500
Queer Screen - Sydney Mardi Gras Film Festival	7,500
Queer Screen funds for filmmaker to attend Melbourne Film Festival	500
Revelation Independent Film Festival	3,000
Rouben Mamoulian Award - Sydney Film Festival	2,500
Screen 2000 - International Screenwriting Conference (2000)	5,000
St Kilda Film Festival (Melbourne)	2,000
St Kilda Film Festival (Sydney)	2,000
Stonebridge Productions, USA Lynda Obst Attachment	5,000
Sutherland Shire Film Festival	3,000
Sydney Film Festival	16,000
Sydney Film Festival's Travelling Film Festival	20,000
Sydney Fringe Film Festival	2,000
Sydney Intermedia Network	20,000
Sydney Intermedia Network - airfare to attend conference	488
Tropfest '98	30,000
Tropfest '98 (NB: \$5,000 paid in advance in previous financial year)	35,000
TV and Film Australia Conference	1,500
University of Sydney Union Film and Video Festival	2,000
University of Technology Golden Eye Awards Best Script Prize	500
Wild Spaces Environmental Film Festival Regional	3,000
Wild Spaces Environmental Film Festival Sydney	2,000
Women in Film and Television (WIFT) Biennial Conference	3,000
WIFT Lynda Obst visit support	2,000
WIFT Mentor Scheme	7,800
WIFT President's travel to WIFT International Meeting NYC	2,000
WIFT Venus Awards	5,000
WIFT Women on Women (WOW) Film Festival	10,000
Workers Education of Australia Film Study Group	1,530
Screen culture program support (including advertising) funds	2,000
TOTAL	\$567,008

APPENDIX F FREEDOM OF INFORMATION STATEMENT

SECTION A

Number of new FOI requests - Information relating to numbers of new requests received, those processed and those completed from the previous period

FOI REQUESTS	PERSONAL	OTHER	TOTAL
A1 New (Including transferred in)	0	0	0
A2 Brought forward	0	0	0
A3 Total to be processed	0	0	0
A4 Completed	0	0	0
A5 Transferred out	0	0	0
A6 Withdrawn	0	0	0
A7 Total processed	0	0	0
A8 Unfinished (Carried forward)	0	0	0

SECTION B

What happened to completed requests? (Completed requests are those on Line A4)

RESULT OF FOI REQUEST	PERSONAL	OTHER
B1 Granted in full	0	0
B2 Granted in part	0	0
B3 Refused	0	0
B4 Deferred	0	0
B5 Completed*	0	0

*Note: The figure on line B5 should be the same as the corresponding ones on A4

SECTION C

Ministerial Certificates - number issued during the period

C1 Ministerial Certificates issued	0
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SECTION D

Formal Consultations - number of requests requiring consultations (issued) and total number of FORMAL consultation(s) for the period

	ISSUED	TOTAL
D1 Number of requests requiring formal consultation(s)	0	0

SECTION E

Amendment of personal records - number of requests for amendment processed during the period.

RESULT OF AMENDMENT REQUEST	TOTAL
E1 Result of amendment - agreed	0
E1 Result of amendment - refused	0
E3 Total	0

SECTION F

Notation of personal records - number of requests for notation processed during the period

F3 Number of requests for notation	0
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SECTION G

FOI requests granted in part or refused - Basis of disallowing access - number of times each reason cited in relation to completed requests which were granted in part or refused.

Basis of disallowing or restricting access	Personal	Other
G1 Section 19 (application incomplete, wrongly directed)	0	0
G2 Section 22 (deposit not paid)	0	0
G3 Section 25 (1)(a1) (diversion of resources)	0	0
G4 Section 25 (1)(a) (Exempt)	0	0
G5 Section 25 (1)(b),(c),(d) (Otherwise available)	0	0
G6 Section 28 (1)(b) (documents not held)	0	0
G7 Section 24 (2) - deemed refused, over 21 days	0	0
G8 Section 31 (4) (released to Medical Practitioner)	0	0
G9 Totals	0	0

SECTION H

Costs and fees of requests processed during the period (ie those included in lines A4, A5 and A6). Please DO NOT include costs and fees for unfinished requests (ie those requests included in Line A8)

	ASSESSED COSTS	FOI FEES RECEIVED
H1 All completed requests	\$0	\$0

SECTION I

Discounts allowed - numbers of FOI requests processed during the period * where discounts were allowed.

TYPE OF DISCOUNT ALLOWED	PERSONAL	OTHER
I1 Public interest	0	0
I2 Financial hardship - Pensioner/Child	0	0
I3 Financial hardship - Non profit organisation	0	0
I4 Totals	0	0
I5 Significant correction of personal records	0	0

*Note: except for item 15. Items 11, 12, 13, and 14 refer to requests processed as recorded in A7. For 15, however, show the actual number of requests for correction of records processed during the period.

SECTION J

Days to process - Number of completed request (A4) by calendar days (elapsed time) taken to process

ELAPSED TIME	PERSONAL	OTHER
J1 0 - 21 days	0	0
J2 22 - 35 days	0	0
J3 Over 35 days	0	0
J4 Totals	0	0

SECTION K

Processing time - Number of completed request (A4) by hours taken to process

PROCESSING HOURS	PERSONAL	OTHER
K1 0 - 10 hours	0	0
K2 11 - 20 hrs	0	0
K3 21 - 40 hrs	0	0
K4 Over 40 hrs	0	0
K5 Totals	0	0

SECTION L

Reviews and Appeals - number finalised during the period

L1 Number of internal reviews finalised	0
L2 Number of Ombudsman reviews finalised	0
L3 Number of District Court appeals finalised	0

Details of Internal Review Results - in relation to internal reviews finalised during the period

BASES OF INTERNAL REVIEW	PERSONAL		OTHER	
	Upheld *	Varied *	Upheld *	Varied *
Grounds on which Internal Review Requested				
L4 Access refused	0	0	0	0
L5 Deferred	0	0	0	0
L6 Exempt matter	0	0	0	0
L7 Unreasonable charges	0	0	0	0
L8 Charge unreasonably incurred	0	0	0	0
L9 Amendment refused	0	0	0	0
L10 Totals	0	0	0	0

* Note: relates to whether or not the original agency decision was upheld or varied by the internal review.

APPENDIX G CONSULTANTS 1997/98

Baker & McKenzie	Legal Services	\$130
BSR Pacific	Professional services	\$9,985
Chris Winter	Multimedia consultancy	\$8,300
Cullen Egan Dell	Job evaluation and assessment	\$17,693
Deloitte Touche Tohmatsu	Payroll Tax Consultancy	\$17,180
DGR Consulting	Corporate Planning	\$10,500
DGR Consulting	Ethnic Affairs Consultancy	\$12,000
Fisher Grogan	Legal Services	\$6,564
Greenberg, Glusker, Fields, Claman & Machtinger	Legal Services	\$4,810
Harper Watson	Legal Services	\$56,915
Hart & Spira	Legal Services	\$3,530
Kym Adams Creative Services	Professional services	\$10,000
Lend Lease Financial Planning	Professional services	\$150
Limelight Media	Multimedia consultancy	\$8,878
Maria Farmer Public Relations	Publicity services	\$57,125
McKertlie Consulting	Multimedia consultancy	\$5,000
Morrison & Foerster	Legal Services	\$7,577
Randall Harper	Legal Services	\$51,600
www.consult.pty.ltd	Professional services	\$10,887

APPENDIX H 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
- tender applications, on behalf of the commissioning Government departments to be invited from production companies and/or personnel within two weeks of project approval by the client
- 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 etc.) to be provided within one week of the written or verbal request
- discretion and confidentiality of customers projects and requests to be maintained.

CONTACT

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

CONFIDENTIALITY

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

APPENDIX I STAFF STRUCTURE: A THREE YEAR COMPARISON

STAFF STRUCTURE: A THREE YEAR COMPARISON

CLASSIFICATION AND GRADINGS	STAFF NUMBERS AS AT 1/7/96	STAFF NUMBERS AS AT 30/6/97	STAFF NUMBERS AS AT 30/6/98
Senior Executives	1	1	1
Clerk Grade 12	-	-	-
Clerk Grade 11/12	-	-	2
Clerk Grade 11	1	1	1
Clerk Grade 10	3	3	1
Clerk Grade 9	-	1	1
Clerk Grade 9/10	1	1	1
Clerk Grade 7/8	2	2	2
Clerk Grade 6	-	-	-
Clerk Grade 5/6	-	-	-
Clerk Grade 5	3	4	3
Clerk Grade 4/5	-	-	-
Clerk Grade 3/4	1	1	3
Clerk Grade 2/3	-	-	-
Clerk Grade 1/2	-	-	-
Clerk General Scale	-	-	-
Clerical Officer Grade 5	-	-	-
Clerical Officer Grade 3/4	-	-	-
Clerical Officer Grade 1/2	1	1	-
Clerical Officer Grade 1	-	-	-
TOTAL	13	14	15

APPENDIX J EQUAL EMPLOYMENT OPPORTUNITY AND REPORT ON DISABILITY PLANS

As at 30 June 1998 full-time and part-time staff numbered 14. Thirteen members of staff at the FTO were women and 1 was a man. There were 3 vacant positions.

PERCENT OF TOTAL STAFF BY LEVEL

LEVEL	TOTAL STAFF (NUMBER)	RESPONDENTS	MEN	WOMEN	ABORIGINAL PEOPLE & TORRES STRAIT ISLANDERS	PEOPLE FROM RACIAL, ETHNIC, ETHNO- RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH	PEOPLE WITH A DISABILITY	PEOPLE WITH A DISABILITY REQUIRING ADJUSTMENT AT WORK
SUBGROUP AS % OF TOTAL STAFF AT EACH LEVEL									
\$00,000 - \$23,339									
\$23,339 - \$30,654									
\$30,655 - \$34,269	2			100					
\$34,270 - \$43,366	4			100					
\$43,367 - \$56,080	4			100					
\$56,081 - \$70,101	3		33	67					
\$70,101 - → (non SES)									
\$70,101 - → (SES)	1			100					
TOTAL	14		7	93					

Estimate Range (95% confidence level)

PERCENT OF TOTAL STAFF BY EMPLOYMENT BASIS

	TOTAL STAFF (NUMBER)	RESPONDENTS	MEN	WOMEN	ABORIGINAL PEOPLE & TORRES STRAIT ISLANDERS	PEOPLE FROM RACIAL, ETHNIC, ETHNO- RELIGIOUS MINORITY GROUPS	PEOPLE WHOSE LANGUAGE FIRST SPOKEN AS A CHILD WAS NOT ENGLISH	PEOPLE WITH A DISABILITY	PEOPLE WITH A DISABILITY REQUIRING ADJUSTMENT AT WORK
SUBGROUP AS % OF TOTAL STAFF AT EACH CATEGORY									
PERMANENT FULL-TIME									
PERMANENT PART-TIME									
TEMPORARY FULL-TIME	11		9	91					
TEMPORARY PART-TIME	2			100					
CONTACT SES	1			100					
CONTACT NON SES									
CASUAL									
TOTAL	14		7	93					

Estimate Range (95% confidence level)

As at 30 June 1997 the FTO had an EFT staff of 16 and none were Aboriginal or physically disabled.

The following strategies were advanced during the year:

- review of position descriptions followed by re-evaluation of jobs where appropriate
- orientation program and supporting information providing new employees with information about the Office, including its employee relations policies.

PROGRAMS

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

DISABILITY PLAN

Following a revision of the Office's Corporate Plan, work is in progress to develop a Disability Plan taking account of the Government's priorities and the new Corporate Plan structure. The new Disability Plan is expected to be completed and approved during 1998-99.

WOMEN

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

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

The Office participated in several initiatives this year, particularly in the areas of education, and promoting the position of women in society.

- Women on Women (WOW) Film Festival
- Women in Film & Television (WIFT) Conference
- WIFT Conference - travel support for key conference speaker
- WIFT - travel support towards WIFT President's attendance at WIFT International meeting in New York
- WIFT Conference - inaugural Venus Awards established to commend the achievements of women in the Australian film & television industry
- Mentor Scheme - attachments for women in film, television or multimedia industries to experienced industry professionals.

APPENDIX K REPORT ON OCCUPATIONAL HEALTH AND SAFETY

The FTO recorded no work-related injuries, work-related illnesses or prosecutions under the Occupational Health and Safety Act 1983.

APPENDIX L INDIGENOUS SUPPORT

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

- Productions: \$240,000 to assist The Dreaming -Series 3 and the second National Indigenous Documentary Series.
- Scripting: \$50,950 to assist development of several indigenous drama scripts.
- \$10,000 establishment costs of Metro Television Indigenous Producer Mentorship Scheme.

APPENDIX M ETHNIC AFFAIRS PRIORITIES STATEMENT REPORT

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

The Office is committed to building on the State's culturally diverse society through its programs of assistance. This year, the FTO identified priority areas of opportunity within core business to incorporate the principals of cultural diversity. These principles have been included in the FTO's 1997/98 - 1998/99 Corporate Plan and 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
- multicultural screen culture
- 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. The FTO's core business operates largely under the key result area of economic and cultural opportunities, with the Government Documentary Division also delivering outcomes aligned with social justice.

SEE EAPS TABLE ON NEXT PAGE

KEY EAPS ISSUES AND STRATEGIES FOR THE FTO FROM 1997/98 - 1998/99 CORPORATE PLAN

ETHNIC AFFAIRS INITIATIVE	KEY RESULT AREA	STRATEGIES/TASK	RESPONSIBILITY	RESOURCES/BUDGET
Access to Information.	Cultural and Economic Opportunities.	Broaden newsletter mailing list to include community organisations and individuals who may have an interest in FTO programs and activities.	Manager, Project Development & Finance [PDF], Screen Culture & Marketing Officer.	Within existing.
Access to Information.	Cultural and Economic Opportunities/Community Relations.	Develop links between the Carnivale and FTO website.	New Media Officer.	Within existing.
Access to Information.	Cultural and Economic Opportunities.	Identify languages for publication production in areas of market opportunity.	Manager Production Liaison Unit.	Within existing.
Industry Experience Initiative.	Cultural and Economic Opportunities.	Develop an information dissemination strategy to better inform NESB communities about industry experience programs.	Manager PDF and Screen Culture and Marketing Officer.	Within existing.
Industry Experience Initiative.	Cultural and Economic Opportunities.	Broaden the pool of individuals involved in industry experience programs, particularly encouraging people from diverse backgrounds.	Manager PDF and Screen Culture and Marketing Officer.	Within existing.
Data Capture.	Cultural and Economic Opportunities.	Explore coding and classification models of applicant background details to map client diversity.	Manager PDF and Screen Culture and Marketing Officer.	Within existing.
Data Capture.	Cultural and Economic Opportunities.	Compile a list of industry affiliates with production experience and professional level interpreting qualifications.	Manager PDF, Manager Government Documentary [GDD], Manager Production Liaison [PLU].	Within existing.
Key Decision Making Processes	Cultural and Economic Opportunities.	Examine current readers to ascertain who self identifies with particular cultural backgrounds.	Manager PDF.	Within existing.
Key Decision Making Processes.	Cultural and Economic Opportunities.	Broaden script reader base to include more people from diverse cultural backgrounds.	Manager PDF.	Within existing.
Staff Training.	Cultural and Economic Opportunities.	Provide staff with tailored skills development on cross cultural issues and use of language services.	Manager Admin.	Within existing.
Loans and Grants Criteria.	Cultural and Economic Opportunities.	Continue to make core decisions on the basis of cultural creativity in funding projects which resonate for a range of audiences.	Manager PDF and Screen Culture and Marketing Officer.	Within existing.
Multicultural Screen Culture.	Cultural and Economic Opportunities.	Explore funding opportunities for funding multicultural audience development in the industry.	Screen Culture and Marketing Officer.	Within existing.
Liaise with key Government bodies.	Cultural and Economic Opportunities.	Participate in policy debates with key Commonwealth and State agencies which impact on funding culturally diverse projects.	Director's Office, Policy Officer, Manager PDF and Screen Culture and Marketing Officer.	Within existing.
Government Filmmaking.	Social Justice/Cultural and Economic Opportunities.	Continue to integrate the principles of cultural diversity in the development of government film and video products.	Manager GDD.	Within existing.

TIMELINE	PERFORMANCE INDICATORS	OUTCOMES ACHIEVED
March 1998	Mailing list expanded in association with Carnivale and the Local Government Association to ensure the FTO's database is up-to-date with contacts in NSW ethnic and regional communities. New initiatives and the Young Filmmakers Fund is widely advertised.	Greater awareness of FTO programs.
October 1998	Web link established.	Greater access to FTO news and information for Carnivale's clients.
On-going	Number of specific publications and publicity materials. Level of increase in NSW production from culturally diverse backgrounds.	Printed material available in Japanese and Korean. [Demand for resources in other languages not recorded].
October 1998	Support Carnivale and Metro Television who are active within the NESB communities. Liaison with community groups by direct mail and the web re FTO programs and activities.	Greater awareness of FTO programs.
On-going	Proportion of readers from NESB or culturally diverse backgrounds.	Readership database expanded to include wider diversity and industry expertise.
June 1999	Cost-benefit analysis to be undertaken on all applicants for funds providing additional cultural background details and to revise new database to allow for tracking and reporting on information.	Outcomes will be reported regularly via progress reports.
On-going	Number of bi-lingual production personnel identified.	A range of bi-lingual interpreters identified [specifically for Korean and Japanese languages].
March 1999	Number of readers with experience or understanding of other cultures or cultural diversity.	A range of readers identified.
June 1998	Number of readers from NESB or culturally diverse backgrounds.	A range of readers identified.
On-going	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.
On-going	Number of scripts and projects supported that reflect cultural diversity.	In 1997/98 15 scripts were supported and 2 projects received production investment that reflected cultural diversity.
June 1998	Participate in Carnivale Number of Carnivale events supported.	\$8,000 committed for three specific screen culture events sponsored as part of Carnivale '98.
On-going	Continue contact across portfolio to liaise on multicultural program development. Cooperative implementation of specific strategies.	Outcomes will be reported regularly via progress reports sponsored as part of Carnivale '98.
On-going	Number of GDD programs subtitled into languages other than English. Number of GDD programs that reflect cultural diversity through content or employment.	Ensures government policies on EEO, antidiscrimination and cultural diversity. 11 programs translated into community languages.

APPENDIX N REPORT ON ACCOUNTS PAYABLE

The information which follows is provided in accordance with Schedule 1 Amendment of Annual Reports [Departments] Regulation 1995.

ACCOUNTS PAYABLE AT 30 JUNE 1998

current	\$146,647
total	\$146,647

INFORMATION IN RESPECT OF ACCOUNTS PAID ON TIME

Percentage of accounts paid on time	100%
Total dollar amount of accounts paid on time	\$2,598,731

APPENDIX O RISK MANAGEMENT AND YEAR 2000 COMPLIANCE

RISK MANAGEMENT

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

During the year, the Office made no claims.

YEAR 2000 COMPLIANCE

A business risk analysis report was completed and provided to the Office of Information Technology.

A compliance checking program with all suppliers and maintenance agreements is underway. When completed, a review of 'at risk' systems will be completed, contingency plans prepared, and remedial work carried out where necessary.

The most significant threats to the FTO emanate from external suppliers of services, and are outside the control of the Office. It is therefore difficult to assess the costs associated with testing but an independent assessor will be engaged to review cost estimates and remedial plans for the 98/99 year.

APPENDIX P REVIEWS AND AUDITS UNDERTAKEN

Production Loan Finance Fund
Government Documentary Division
Script Development
Plant/Equipment - Fixed Assets

APPENDIX Q CONSUMER RESPONSE (COMPLAINTS HANDLING)

The FTO Director received seven written complaints about the FTO's funding decisions, mainly for development funding. In most instances further advice was sought to determine whether the original decision should be changed. The original decisions remained.

In addition the Ombudsman received a complaint about the FTO. Following a detailed response from the FTO, the Ombudsman's office decided not to pursue the matter any further.

APPENDIX R HUMAN RESOURCES PERSONNEL POLICIES & PRACTICES

FLEXIBLE WORK PRACTICES

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

EQUITY AND ETHNICS

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

APPENDIX S OVERSEAS TRAVEL

February 1998 - George Mannix, Manager Production Liaison and Phillip Roope, freelance Locations Manager

Travelled to Los Angeles, USA to participate in Locations Expo - the international trade fair on filming locations and facilities. The FTO hosted other NSW industry companies on the stand as part of the national initiative, AusFilm, to market Australian film services internationally. The stand was voted 'most informative' of the Expo. At the same time meetings were held with representatives of the major studios and production companies with projects suitable for Australian locations.

June 1998 - Kevin McGrath, A/Manager Production Liaison

Travelled to Los Angeles, USA for the Showbiz West trade fair, the largest film production and facilities trade fair in the world. The FTO shared a stand with Fox Studios Australia.

April 1998 - Michelle Harrison, Manager Project Development and Finance

Travelled to France for the 51st International Cannes Film Festival to participate in meetings of the international film industry and assess the performance of Australian films in the international marketplace.

During the same visit a trip was made to London, UK for meetings with broadcasters with the purpose of researching youth television for the forthcoming Young Filmmakers Fund/SBS Independent Do It Yourself television (DIY tv) initiative.

APPENDIX T CINEMATOGRAPH FILMS ACT 1935

The Cinematograph Films Act 1935, which was previously suspended in 1982 and again in 1985, was repealed on the 2nd July 1997.

APPENDIX U RECYCLING REPORT

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

APPENDIX V ANNUAL REPORT SUBMISSION

Under the *[Annual Reports (Departments) Act 1985/Annual Reports (Statutory Bodies) Act 1984]* the NSW Film and Television Office would normally be required to submit an annual report for the year ended 30 June to the Minister for the Arts by 31 October. The *Appropriation (1997-98 Budget Variations) Act (No 2) 1998* retrospectively made valid certain expenditures of budget dependent agencies including the NSW Film and Television Office (the Office). While waiting the Act's assent (which occurred on 30 November 1998) the Office was granted an eight weeks extension to the requirement to submit financial statements by 31 October 1998. The *Appropriation (1997-98 Budget Variations) Act (No 2) 1998* further provides that an authority may within 28 days after the date of assent of that Act, submit its annual report for the financial year ended 30 June 1998 to the appropriate Minister.

APPENDIX W COST OF ANNUAL REPORT

1500 copies of the FTO's 1997/98 Annual Report have been printed with a unit cost of \$12.75.

PRODUCED BY JACQUI FEENEY / FTO //

DESIGN AND PRODUCTION BY ANTHONY BATTAGLIA / BOX COMMUNICATIONS //

PRINTED BY WEBSDALE PRINTING GROUP PTY LTD //



THE BOYS

BACK COVER: [1] WELCOME TO WOOP WOOP [2] THE MATRIX

