



AUSTRALIAN
CENTRE FOR THE
MOVING IMAGE

REPORT OF OPERATIONS
1 JANUARY TO 30 JUNE 2002



CONTENTS

Report of the president and chief executive officer	4
Australian centre for the moving image	5
Membership	6
Executive	6
Organisational chart	7
Goals, objectives and performance	7
Goals, objectives and performance	8
Australian centre for the moving image Federation Square	10
Creative Development	12
Curatorial	12
Production	14
Web	15
Program Development	16
Public Programs	16
Collections	17
Marketing	18
Customer Services	18
Operations	19
Building Act	19
Corporate Resources	20
Human Resources Management	20
Freedom of Information	21
Whistleblowers Protection Act 2001	21
National Competition Policy	22
Cultural diversity	22
Consultancies	22
Information Available on Request	22
Compliance Index	23
Financial Statements	25

Appendix 1

Procedures for handling disclosures under the Whistleblowers Protection Act 2001

The Hon Mary Delahunty MP
Minister for the Arts
Parliament House
Melbourne 3000

Dear Minister

I am pleased to present the first report of operations and financial statement for the Australian Centre for the Moving Image for the period 1 January 2002 to 30 June 2002.

Copies of the report will be submitted for tabling in each House of Parliament in accordance with the provisions of section 46 of the *Financial Management Act 1994*.

Yours sincerely



President
February 2003

The Australian Centre for the Moving Image was established on 1 January 2002 by the *Film Act 2001*, which provided for a new cultural institution in Victoria dedicated to screen-based arts. Opening the Centre in late 2002 realised a plan that commenced in the mid-1980s. After a long search for suitable sites the new Centre was confirmed to be anchor tenant at the Federation Square development in 1996. In the past seven years of development the programs, spaces and, importantly, the objectives of the new Centre have been tuned to respond to the changing world of technology and the moving image in its many forms.

The Centre is responsible for the promotion of the moving image, with a charter to develop collections, exhibitions, events and educational resources within a national and global environment. The public focus of our activities is within the new facility at Federation Square in Melbourne, but the Centre is also a lending collection, an online presence and an international contributor to research and development of screen works. This new Victorian cultural body will give the next generation of Australians an opportunity to participate in both access to and creation of moving image.

Our first six months of operation focused on the planning for opening at Federation Square. During the period of this report the Centre delivered core programs in education, lending services and cinema exhibitions, and established its corporate structures. The Centre also contributed to international research programs, maintained and fostered important collaborations with partners and hosted significant events. Our opening months of programs and exhibitions at Federation Square were developed. Important steps were taken in identifying a second accommodation site, recruiting to key positions, and developing the technological infrastructure to underpin the Federation Square site. As well, work progressed on the establishment of a private funding program that will support the Centre's acquisitions and research programs.

In 2002 the Australian Centre for the Moving Image was able to build on past successes by its predecessors, the State Film Centre of Victoria and Cinemedia, while gaining an increased profile with the association with Federation Square and an assured future as one of Victoria's great public cultural institutions.

The Centre is the result of a long-held ambition to create a centre for the moving image that opens a new world of opportunity and excitement to our children and our community.



President



John Smithies
CEO

The *Film Act 2001* established the Australian Centre for the Moving Image (ACMI) to feature and exhibit film, television and multimedia programs and to promote public education in relation to screen content and culture.

The essence of ACMI is to give insight and wonder by synthesising moving image and sound. Together with ACMI's values – to connect, act with integrity, create, provoke, entertain and illuminate – the essence guides the Centre's programs and activities.

The functions of ACMI are stated in section 23 of the *Film Act*:

- a) To promote and exhibit, whether in Victoria or elsewhere, the moving image to the public or to any sector of the public;
- b) To develop, control, manage, operate and promote ACMI and any facilities under the control of ACMI;
- c) To promote, whether in Victoria or elsewhere, ACMI as a national centre for the creation and exhibition of the moving image and promotion of events or activities including festivals, conferences, publications or exhibitions, where film or other screen-based programs are made, seen or discussed;
- d) To establish, maintain, conserve, develop, promote and exhibit, whether in Victoria or elsewhere, the collection of moving images;
- e) To make, whether in Victoria or elsewhere, any item from the collection of moving images available for study or loan to persons or institutions, subject to any conditions that ACMI determines;
- f) To promote, whether in Victoria or elsewhere, public education and discussion with reference to the moving image;
- g) To develop and create, whether in Victoria or elsewhere, exhibitions of the moving image;
- h) To develop and create, whether in Victoria or elsewhere, materials for educational or other programs conducted by ACMI;
- i) To conduct, whether in Victoria or elsewhere, research and development in relation to the moving image;

- j) To develop relationships or enter into partnerships with other organisations, including government bodies, whether in Victoria or elsewhere, to promote public education in relation to the moving image.

Section 24 of the Act outlines ACMI's powers:

1. ACMI has power to do all things necessary or convenient to be done for or in connection with, or as incidental to, the performance of its functions.
2. Without limiting sub-section (1), ACMI may, in connection with the performance of its functions,
 - a) enter into contracts, agreements or arrangements with any person or body and do everything, including the payment of money, that is necessary or expedient for carrying the contracts, agreements or arrangements into effect;
 - b) subject to this Act, acquire, hold and dispose of real or personal property;
 - c) be a member of a body corporate, association, partnership, trust or other body;
 - d) form, or participate in the formation of, a body corporate, association, partnership, trust or other body;
 - e) enter into a joint venture with another person or other persons;
 - f) do all things necessary or convenient to be done for, or in connection with, a joint venture in the performance of its functions;
 - g) accept gifts, grants, bequests and devises made to it and act as trustee of money or other property vested in it on trust;
 - h) provide consultancy and project management services;
 - i) acquire, or enter into agreements or arrangements with respect to the acquisition of, the copyright, or an interest in the copyright, in any film, television or multimedia program;
 - j) make available for public use items from the collection of moving images.

In performing its functions and exercising its powers, ACMI is subject to the direction and control of the Minister. During the period of this report, the responsible Minister was the Honourable Mary Delahunty MP, Minister for the Arts.

MEMBERSHIP

Ann Sherry, President
 Rod Bennett
 Annette Blonski
 Peter Doughty
 Alan Finney OAM
 Stephen Found
 Jo Lane (to March 2002)
 Natalie Miller OAM
 Dan Pearce

Audit Committee

Peter Doughty, Chair
 Jo Lane (to March 2002)
 Annette Blonski (from May 2002)
 Dan Pearce

Building Committee

Rod Bennett, Chair
 Peter Barradough (to April 2002)
 Peter Doughty (from May 2002)
 Stephen Found
 Dan Pearce (from May 2002)
 John Smithies, Chief Executive Officer
 Lyn Harper, Director Corporate Resources

Foundation Steering Committee, established May 2002

Ann Sherry, Chair
 Alan Finney OAM
 Natalie Miller OAM

EXECUTIVE

John Smithies, Chief Executive Officer
 Victoria Lynn, Director Creative Development
 Martin Mowlam, Director Program Development
 Tony Batt, Director Operations
 Lyn Harper, Director Corporate Resources

ORGANISATIONAL CHART



GOALS, OBJECTIVES AND PERFORMANCE

The Centre's key goals underpin all activities:

1. Promote access to and encourage participation with the moving image
2. Excel in the collection, creation, exhibition and interpretation of the moving image in all its forms
3. Foster knowledgeable, passionate and critically aware audiences and practitioners of the moving image
4. Stimulate innovation and mutually beneficial activity with cultural and industry partners

Primary objectives in 2001-02 related to the establishment of the new entity and its corporate structure, the transfer of assets from the Centre's predecessor body, Cinemedia, and management of the major building project at Federation Square.

For the six-month period to 30 June 2002, performance against objectives was as follows:

Complete corporate and organisational structure for new statutory authority

Indicator	Target date	Performance
• Recruitment to new organisational structure	30 June	in progress*
• Financial reporting reviewed	28 February	completed within timeframe
• Governance infrastructure	30 April	completed within timeframe

* The organisational restructure arising from the split of Cinemedia was found to be more complex than initially envisaged. The restructure and recruitment is ongoing.

Smooth transition of corporate resources and financial management

• Cinemedia financial assets split	1 March	calculations completed and delivered in March 2002
------------------------------------	---------	--

Note: Both the allocation of physical assets and the assignment of legal agreements were completed prior to 1 January 2002.

Sound project management of the ACMI at Federation Square building project

• Project completed within budget	30 June	This objective was not met in 2002 due to prolongation of the building project, outside of ACMI's control.
-----------------------------------	---------	--

Development of opening exhibition and programming at ACMI

• First 3 months exhibition and program established for each venue	31 March	completed within timeframe
--	----------	----------------------------

Oversee technical fitout of ACMI at Federation Square

• Fitout completed within timeframe	30 June	This objective was not met in 2002 due to prolongation of the building project, outside of ACMI's control.
-------------------------------------	---------	--

Develop brand awareness and promotional strategy for ACMI opening

• Establish branding and promotional plan	30 June	completed within timeframe
---	---------	----------------------------

Relocation of staff from 3 Treasury Place

• Relocation plan complete	31 March	plan completed in May 2002
----------------------------	----------	----------------------------

Note: The relocation of staff to 196 Flinders Street was complete by 29 July 2002. Relocation of staff to Federation Square has been delayed due to the building delays.

Establish ACMI private funding program

• Prepare private funding program business plan	28 February	completed within timeframe
---	-------------	----------------------------

Following is a description of spaces and activities planned for the new Federation Square building.

Information

The visitor orientation and information zone, featuring public imaging on various sized screens, will be located centrally on the ground floor. It will be the first point of contact for information and ticketing for the general public.

Screen Pit

The Screen Pit will be an intimate production 'amphitheatre' environment equipped with video projection, video conferencing, web casting and online facilities and is designed to accommodate a variety of events ranging from basic production to more complex multimedia performances and television broadcasts. The Screen Pit will provide a learning space for the introduction and education of digital multimedia to primary and secondary students, teachers and the general public.

Memory Grid

Memory Grid will be an energetic, interactive space dedicated to the exhibition of exemplary works created in the Centre's production studios, and through collaborations with educational, artistic and community groups. There will be five active service zones in the Memory Grid exhibition space designed to encourage an enhanced interaction with the moving image.

ACMI Showcase

The ACMI Showcase will be a small, flexible exhibition space, displaying the latest technologies and products associated with screen production and exhibition. The area will provide the general public with an opportunity to view latest industry-related technology, content and applications. Exhibits may be developed in collaboration with partners and sponsors.

Digital Studio

Located on the ground floor, the Digital Studio will be a hands-on workshop environment designed to foster screen literacy. Audiences will engage in creative production processes

designed to further their understanding and appreciation of the moving image. The Digital Studio will provide a variety of learning experiences for the introduction and education of digital multimedia to primary and secondary students, teachers and the general public.

ACMI Shop

The ACMI Shop will be a retail store offering a mixture of screen-based and ACMI merchandise for sale as well as access to the ACMI Collection lending service for members. Membership will be available from the Shop, where popular titles from the Collection will be on display. Library members will be able to order titles for pick-up and delivery from the Shop, a service that will complement the service currently available from ACMI's South Melbourne library.

Screen Lounges

The Screen Lounges will be intimate environments for viewers to access the exemplary works held in the ACMI Collection, available online and from other content partners. A range of experiences, including programs relating to curatorial themes, as well as a selection of digital media, television, interactive, and video works, all individually programmable by users for research purposes or entertainment, will be available.

Studio

The Studio will exhibit interactive installations and contemporary digital media art. These will complement exemplary works from the history of film, video and television. It is envisaged that the Studio will be turned into a production lab in mid-2003 for interactive production experiences.

Café-Diner

The Café-Diner is expected to be a popular eatery for city commuters, residents, tourists, Federation Square users and the Centre's customers. The café will be licensed and will have refreshments and informal, casual dining available all day. It is intended that the café will be open from early morning to late at night and will cater for breakfast through lunch, dinner and supper as well as quick snacks and coffee.

Cinemas

Situated on the first and second floors of the Centre, two multi-format cinemas equipped with the latest technologies will enable screenings ranging from Super 8, video and DVD to 16mm, 35mm and 70mm films (including large-screen format), digital projections and web casts. The cinemas will feature curated film seasons, film festivals and events, forums and educational programs and screen industry presentations and functions. Cinema 1, the smaller of the two, seats 180 while Cinema 2 seats 400.

Screen Gallery

The Screen Gallery is a unique exhibition space that will feature thematically curated programs of the most innovative and imaginative screen-based art. Immersive environments, interactive installations and contemporary digital media art will co-exist with exemplary works from the history of film, video and television. The Screen Gallery also features a mezzanine floor that is the only one of its kind in the world. Designed by London-based engineers Atelier One, the mezzanine floor is an elegant adaption of a gantry crane system providing a rail for beams to travel along using motor drives. Modular panels, or components, can be assembled to form a habitable floor. Curators will have the option of between zero and 100% installation/occupation within the mezzanine zone in any configuration.

The Creative Development division aims to foster an informed and innovative environment for the research, development and presentation of the moving image. In April 2002 Ross Gibson, former Creative Director, took up a Professorship at the University of Technology Sydney and Victoria Lynn was appointed as Director, Creative Development. The division includes the Curatorial, Production and Web units.

Curatorial

The Curatorial unit is responsible for research and the recommendation of acquisitions for the collections, and the development, organisation and presentation of exhibitions that expand public understanding and appreciation of the works.

During the reporting period, the Curatorial unit continued research, development and procurement of installations and moving image content for the Screen Gallery, ACMI's unique exhibition space that will feature thematically curated programs of innovative screen art. In addition to the acquisition and commissioning of major works, the Curatorial unit has been working on the preparation of exhibition programs for opening in late 2002 and beyond.

Deep Space: Sensation & Immersion and *Ngarinyin PATHWAYS Dulwan* will open in late 2002. First exhibited as *Space Odysseys* in 2001 at the Art Gallery of NSW, a co-production between the Art Gallery of NSW and ACMI, *Deep Space* is an expansive exhibition that explores notions of time, space and movement as perceived through film, video and new media. In addition to drawing from works that explore the theme from within the exemplary works collection, *Deep Space* will also present a number of national and international artists whose works have been loaned or commissioned specifically for the exhibition.

The Ngarinyin Aboriginal people of the Kimberley are widely known as the Wanjinna (Water) people. In their knowledge system, all life springs from water. *Ngarinyin PATHWAYS Dulwan* presents Ngarinyin knowledge of the oldest tradition of painting the human form in a film exhibition inviting you to Ngarinyin country.

The inaugural themed exhibition is an evocative meditation on memory and the moving image, *Remembrance: Persistence of Vision*, scheduled to open in March 2003. Much of early 2002 was dedicated to confirming the final line-up of works for *Remembrance*. Curated by Ross Gibson, *Remembrance* will thematically unite all of the fully operational zones and departments within the Centre at Federation Square. Material is currently being researched and written for presentation via the public interaction screens and hard copy publications.

Utilising state-of-the-art software and technologies to visualise exhibition content, many of the more complex installations were prototyped during 2002 in preparation for the installation of both the *Deep Space* and *Ngarinyin PATHWAYS Dulwan* exhibitions.

Another key strategy for the Curatorial unit is the development of partnerships with educational institutions, industry and like-minded cultural organisations in order to create expanded contexts into which moving image content can be presented. To this end, the Centre hosted or partnered several events and activities during the reporting period. In association with Solar Circuit 2002, the Australia Network for Art and Technology (ANAT), and RMIT University, ACMI presented *Cross-Circuits*, an event featuring forum discussions with international new media artists and screenings of new media work. Opened by the then Creative Director, Ross Gibson, and chaired by Adrian Miles, a respected lecturer in Cinema Studies and New Media at RMIT University, *Cross-Circuits* was attended by a large audience. International guest speakers were Nina Czegledy (Hungary / Canada), a new media writer, curator, writer and President of ISEA (Inter-Society for the Electronic Arts) and Mark Amerika (USA), net / hypertext artist, publisher of Alt-X, Professor of Digital Art at the University of Colorado at Boulder, and Visiting Fellow at RMIT, School of Applied Communication.

In March 2002, three delegates from ACM SIGGRAPH (Association for Computer Machinery / Special Interest Group for Computer Graphics, USA) conducted research trips to Brisbane, Sydney, Canberra, Melbourne, Auckland and Singapore in order to scope the activities of, and

develop partnerships with, local multimedia and creative industries; and to scope the possibility of staging a conference in the Australasian region. The unit co-hosted a function with the Melbourne Chapter of SIGGRAPH for the delegates of SIGGRAPH USA. As a result of this event, the delegation selected Melbourne as the host city of GRAPHITE, to be held at the Centre in February 2003. Being credited as a co-presenter of GRAPHITE 2003 will result in significant immediate and long-term benefits for the Centre. Involvement in this prestigious event is expected to promote ACMI's international profile, foster creative partnerships with screen, multimedia and IT sectors nationally and internationally, generate new and ongoing sponsorship opportunities, and promote innovative developments in the field of computer techniques to specialist and general audiences.

Also in March, ACMI formalised its relationship with the Centre for Interactive Cinema Research (iCinema) at the University of NSW College of Fine Arts, Sydney. An innovative project, iCinema is the first research centre in Australia focused on the research and development of a digitally expanded cinema. As one of the key creative partners (ZKM Centre for Art and Media, Germany, is the other) in iCinema, ACMI is ideally positioned to research, develop and exhibit projects that explore the potential of new digital media systems.

Following the success of the inaugural OZeculture conference in 2001, ACMI was invited to take a consultancy role in organising *OZeCulture 2002: taking the next step*, which was held in Sydney in May 2002. The Curatorial unit advised on the content to be screened at the conference and recommended speakers. ACMI's participation and support of this event further strengthens the relationship between the Centre and the Commonwealth Department of Communications, Information Technology and the Arts.

In June 2002 Victoria Lynn, Director Creative Development, travelled to London to see examples of new media art and to meet with curators in the field. Ms Lynn also visited the Museum Fridericianum, Kassel, Germany, as the ACMI representative at the opening of Documenta11.

This trip was an important step in further establishing ACMI's international presence and in enabling networks to be established with similar institutions and organisations globally. The trip was largely funded by the Australia Council, of which Ms Lynn is a member.

In February 2002, Ms Lynn was invited to act as an Associate Curator with Max Delaney, Director of 200 Gertrude Street Contemporary Art Space, and Stuart Koop, Director of the Australian Centre for Contemporary Art (ACCA), in compiling a program of exemplary Australian video work which was screened at the Reina Sofia Museum of Contemporary Art, Madrid, Spain, as part of the Australian focus at ARCO 2002 (Arte Contemporaneo).

Throughout 2002 the Curatorial unit has been engaged in an ongoing dialogue with local national educational institutions such as RMIT, the Victorian College of the Arts and Swinburne University, in order to establish ways in which the Centre can be actively involved in the presentation and development of student work. A positive outcome of these discussions has resulted in an incorporation of planned exhibitions into the curriculum of several new media and screen-based courses, so that students will be able to respond to, and interact with, moving image and new media work first-hand.

The Curatorial unit has assembled a collection of exemplary moving image works, including film, video, digital and other media formats. This collection is complemented by support documentation, including clips, interviews, publications, publicity material and equipment. Thirty-eight new media works, including CD-ROM and digital video installations, were acquired in 2002 for inclusion in the exemplary works collection. Stand-out new media works include: *Praeternatural*, an interactive CD-ROM of natural history by respected artist and academic Michelle Barker, which examines the idea of monsters borne out of developments in the areas of genetic research; and *I Am A Singer*,

Megan Heyward's award winning interactive CD-ROM, which weaves a fragmentary narrative about an amnesiac famed for her singing.

Several excellent installations were also acquired and/or commissioned, including a video-based installation, *Prayers of a Mother*, by young Sydney filmmaker Kate Murphy, a work that centres around a mother's prayers for her children; Ivan Sen's *Blood*, a subtle and deeply moving meditation on skin, landscape, gesture and the many nuances of Aboriginal identities. Other large-scale commissioned installations secured in 2002 include works by Australian artists Dennis Del Favero, Joyce Hinterding and Sue Ford.

There has been continued development of public imaging content for the forty-three plasma and LCD screens spread throughout the ground, first and second floors of ACMI at Federation Square. Public imaging involves the commissioning of new work by emerging Australian filmmakers and cinematographers. In 2002 nine new public imaging works were commissioned from innovative emerging filmmakers and artists, including Daniel Crooks, Emma Sleath, Scott Millwood, Emma Crimmings, Naomi Bishops and Richard Raber.

In February 2002, prior to the closure of the distribution arm of the Australian Film Institute (AFI), the Curatorial unit's researchers secured and acquired the screening rights for 127 Australian short film titles which provide an overview of exemplary film and video works produced in Australia over the last several decades. The titles from the AFI collection are composed of work by filmmakers from a diverse background within Australian screen culture. The entire benchmark series of indigenous shorts *From Sand to Celluloid* is included in the collection as are works by acclaimed filmmakers such as Ivan Sen, Monica Pellizari, Cate Shortland, Gillian Armstrong, Phil Noyce, Adam Elliott, Tracey Moffatt, Geoffrey Wright and Shirley Barrett. The short works come from the fiction, documentary and experimental spheres of film practice.

Production

The Production unit provides creative, legal and technical support to ACMI and works closely with the Curatorial unit in securing delivery and acquisition of content.

In 2002 the unit continued the work involved in establishing and maintaining contracts and licences for works in the ACMI Collection, and in procuring equipment in preparation for opening in late 2002.

Designs for interactive screens are in development as are designs for the public imaging screens throughout the Centre. The Production unit prototypes and tests innovative solutions for the presentation of audio-visual artworks.

Web

A key role of the Creative Development division is the presentation of content both on site and online by developing interface concepts that integrate site, technology and content. During the reporting period, Carolyn Guerin was appointed Web Manager with responsibility to manage the strategic development of Internet and intranet activity.

The unit's Web Vision Strategy encapsulates the Centre's aspirations for its presence online in this new convergent media channel. ACMI will take a staged approach to establishing a world class online identity characterised by excellence, intelligence, innovation, creativity and inclusive participation.

An interim website, www.acmi.net.au, was delivered for the formation of the new organisation on 1 January 2002.

The unit released a request for tender for the design and development of a content-managed website which will support a unified approach to establishing the ACMI brand online. The new site will adopt a leading technology solution, placing ACMI as a leader of cultural institutions in the online arena.

ACMI's intranet requirements were also evaluated during the year, and the development of a new intranet initiated.

Public Programs, Collections, Marketing and Customer Services comprise ACMI's Program Development division. Martin Mowlam joined the Centre as Director Program Development in January 2002. The division represents the public face of ACMI.

Public Programs

The Public Programs unit focuses on the Centre's key goal to foster knowledgeable, passionate and critically aware audiences and practitioners, by increasing access to an exemplary range of screen content and experiences and by providing program development based on the notion of lifelong learning. Activities are underpinned by a commitment to screen education and screen literacy. The unit provides screen education programs and exhibitions at Treasury Theatre and will continue to do so at ACMI's new premises at Federation Square.

Public Programs involves four core areas: screen education, screen events, cinema programming and content development, with responsibility for developing, acquiring and delivering a diverse range of programs to meet the needs and expectations of a vast spectrum of audiences with varied interests in the moving image.

In 2002, Public Programs continued to deliver programs to the education sector, including curriculum-based and other screening lectures, specialist lectures on film study for tertiary and secondary students, seminars for teachers, professional development lectures and literacy lectures to primary and secondary teachers.

ACMI staff participated in four radio interviews to publicise the *Queeries Film Festival* and screen literacy.

May and June realised the Video Diary and Vox Pops projects, which entailed visits to Parkville Juvenile Justice Centre, Fitzroy Community School, Richmond West Primary School and Ascot Vale Primary School. A total of 50 students were involved in these projects.

The 8th annual *diegesis* secondary school media art festival and the 2nd *diegesis* regional festival have successfully launched their call for entries for 2002. Already the Melbourne festival has received registrations from 44 secondary schools interested in entering their students' work in the awards section of the festival. Of these, a remarkable 19 registrations were from schools new to the festival. In addition to the competition component and the award presentations, festival sessions this year will include screenings, interactive galleries, industry career forums and opportunities for youth to present and talk about their new media art. Two exciting new youth packages to be presented in collaboration with Interact 2002 will provide a vital link between students and professionals and were conceived to extend knowledge and understanding of the new media industries.

Activity at Treasury Theatre in the reporting period included numerous cast and crew screenings, festivals and screen culture events. The Melbourne Animation Posse delivered another successful season of outstanding animations with the Melbourne International Student Animation Festival (MISAF) and the Melbourne International Animation Festival (MIAF). Treasury Theatre was home to a number of prominent Melbourne festivals including Seniors, REAL:life on film and the Melbourne Queer Film Festival, as well as conferences, lectures and seminars, including Liquid Architecture 3 - The Third National Sound Art Festival. Popcorn Taxi continued to host regular fortnightly events, including a seminar by international film guru, Joan Scheckel, and the pre-release screening of Richard Linklater's *Waking Life*.

Melbourne Cinémathèque provided new and existing members with an extremely popular retrospective of the films of Jean-Luc Godard and a wonderful two-week season of Asian cinema as part of its high-quality program. Treasury Theatre continued to service the production industry through pre-release tests, cast and crew screenings and film launches throughout the first half of 2002. ACMI looks forward to continuing to deliver high quality services and facilities at its new home at Federation Square and maintaining these valued relationships at our new venues.

Partner programs in 2002 were very successful. The Senior Citizens Film Festival, delivered in conjunction with the Department of Human Services, attracted attendances of 2,434; Melbourne International Animation Festival attendances totalled 2,869; Melbourne International Student Animation Festival recorded an attendance increase of 44 per cent from 2001 with 988 attendances; attendances at REAL:life on Film Festival increased 151 per cent to 3,147; FILMOTECA's attendances grew by 43 per cent to 529; and 815 patrons attended Popcorn Taxi.

During the year Public Programs developed the National Touring component of Cinémathèque in partnership with the Australian Film Commission and the Melbourne Cinémathèque, and produced the official video of the visit to Australia in May 2002 by His Holiness the 14th Dalai Lama.

One of the year's highlights was staging the first event in the Screen Gallery at Federation Square. ACMI hosted a preview of the Gallery for visiting heads of film and television schools as part of the Centre International de Liaison des Ecoles de Cinéma et de Télévision International Congress (CILECT Congress), hosted in 2002 by the VCA School of Film and Television.

Public Programs is committed to planning and developing future programs for the Centre. In 2002 the unit developed a collections philosophy for works from community, youth and schools; an exhibition plan that includes work that will be made on-site; prototyping for the digital classroom, the Screen Pit and virtual set productions; and a suite of screen events and cinema programs.

Collections

During the first six months of 2002 the size of the ACMI collections increased, with 895 new acquisitions purchased for the Lending Collection, principally on VHS or DVD format, and 715 digital titles added to the Exhibition Collection. The acquisitions budget for the National Film and Video Lending Service (NFVLS) was expended on new acquisitions and renewal of licences.

On 29 May 2002 the Ambassador of France to Australia, M Pierre Viaux, signed an agreement granting custodianship of the French Embassy Collection to ACMI. During 2002, following closure of the AFI distribution business, several donations from filmmakers were accepted into the National Film and Video Lending Service. The reduction in AFI services has also resulted in an increase in the level of enquiries for film-based information.

The Lending Collection is guided by a Curatorial Panel, which continued to provide valuable advice during the year, recently focusing on developing the documentary and animation collections.

Membership of the Lending Collection now exceeds 3,000 individuals and organisations. This is an increase of 12 per cent on the preceding six-month period. During this period members borrowed 51,865 items. Fifteen per cent of all bookings were made using the online booking facility. ACMI's search interface was enhanced and it is planned to deploy this new interface online as soon as possible.

Fiona Moore was appointed to the position of Registrar in February 2002 and will be responsible for developing procedures for tracking and accessioning acquisitions and exhibition content.

As part of our commitment to improving the service delivery to regional borrowers, the Library Network Officer visited regional libraries and headquarters in Brimbank, Maribyrnong and Wallington during the year.

A team of eight experienced volunteers commenced work on films in the National Collection, quality-checking Australian features and films from the silent era.

As a means of promoting the wealth of the collections to staff and friends of the collections, the ACMI Film Appreciation Club has been established and now meets fortnightly. As well, the unit provides a monthly newsletter of recent acquisitions.

In the digital domain, Meta4, the new ACMI catalogue, continued to be developed as a tool to assist in the management of digital titles being purchased or commissioned for future exhibition at Federation Square. The development of the ACMI Cataloguing Standard continued to gain international attention. The Collections Services Librarian presented a paper on the cataloguing standard in Tokyo. In October, the Collections Manager will be presenting a paper in Italy on issues relating to this standard. The work will soon be integrated into the Centre's web presence and the Media Platform development.

An extensive study of the Medianet Booking system has now been concluded in preparation for its migration into a more up-to-date and integrated system.

Marketing

The Marketing unit's responsibilities include media management and sponsorship, as well as strategic promotional and partnership endeavours. The unit will build a profile for our unique organisation, its programs and activities,

and investigate potential of strategic alliances. A key focus during the reporting period was on branding the organisation and developing strategic direction.

Customer Services

The Centre is committed to proactive delivery of excellent customer service in all aspects of its activities and operations. The intent is to ensure that the principle of 'excellent customer service' is reflected in all activities and operations, beyond the traditional association with the front-of-house environment.

The Customer Services unit was established with the appointment of key staff to lead what will become an essential team in 2002-03. Plans for recruitment and training of customer services officers were developed in 2002, together with strategies for volunteer programs and the range of customer services to be provided at Federation Square. Customer service is an integral part of our operations and will ensure that all interactions between staff and our visitors and stakeholders are of the highest quality in every aspect of operation.

The Centre's Operations division was established in early 2002, with the appointment of Tony Batt to the position of Director Operations. The division is responsible for the planning, development, establishment and management of the operational infrastructure for the highly technical set of facilities critical to the daily operations and efficiency of delivering programs at ACMI.

The division comprises three units: Building Services, Venues and Technology.

The Building Services unit is responsible for the development and maintenance of facilities, including commercial relationships and facilities and infrastructure provision. The Venues unit is responsible for the setting up and operating of facilities, including venues operation, and exhibition and events set-up and staging. The Technology unit manages the ACMI computer network and all computer hardware and software as well as audio-visual infrastructure, and also manages the purchase and development of major business applications and ongoing technology asset management.

A highlight for the Operations division during the reporting period was the completion of the tender for the Media Design Studio. The Media Design Studio was created to service the content needs of ACMI and its purpose is to act as a studio environment for core production staff and commissioned artists. It houses two video-editing stations and an encoding/ingestion station in one room, and two offices, a compositing station, a still graphics acquisition station and a station housing the ACMI Exhibition Design Tool software.

On 1 January 2002, ACMI staff were accommodated at 3 Treasury Place, East Melbourne, which was targeted for refurbishment by the Victorian Government Property Group (VGPG). The new Federation Square building will include office accommodation for approximately 45 per cent of ACMI staff. In 2002, with the assistance of VGPG, a suitable second accommodation site at 196 Flinders Street, Melbourne, was identified and appropriate fitout commenced. It is anticipated that staff will be relocated to new accommodation early in the 2002-03 year.

Building Act

ACMI does not own land or buildings and thus has no responsibilities under the *Building Act 1993*.

The Corporate Resources division, led by Lyn Harper, Director Corporate Resources, comprises the Executive Services, Administration, Finance and Human Resources units. The division supports program activities and initiatives through direction and advice in corporate and governance matters and the provision of contemporary business management practices.

HUMAN RESOURCES MANAGEMENT

John Smithies was appointed as Acting Chief Executive Officer of the Australian Centre for the Moving Image on 1 January 2002, with his appointment confirmed on 28 February 2002.

During the six-month period to 30 June 2002 a new Executive Team comprising the Chief Executive Officer, Director Creative Development, Director Program Development, Director Corporate Resources and Director Operations was formed. The Executive Team meets regularly to report on division activities, to discuss ACMI issues and to ensure Board directions are followed through.

ACMI applies the Code of Conduct for the Victorian Public Sector to its staff. The Code provides guidance for addressing ethical issues such as conflict of interest. In accordance with the Code all senior staff completed a Declaration of Pecuniary Interests for the relevant period.

ACMI was established on 1 January 2002. A comparison with previous financial year workforce data is therefore unavailable.

Staff profile as at 30 June 2002:

	Male	Female	Total
Executive level employees	3	2	5
On-going	33	66	99
Fixed term	4	4	8
Casual	12	8	20
TOTAL	52	80	132

Executive level staff and executive level vacancies as at 30 June 2002:

Executive level employees	5
Vacancies being filled	-
TOTAL	5

Commencements 1 January-30 June 2002:

	Male	Female	Total
Executive level employees	2	1	3
On-going	9	14	23
Fixed term	2	2	4
Casual	2	5	7
TOTAL	15	22	37

Terminations 1 January-30 June 2002:

	Male	Female	Total
Executive level employees	-	-	-
On-going	2	1	3
Fixed term	-	-	-
Casual	2	5	7
TOTAL	4	6	10

The Australian Centre for the Moving Image Enterprise Agreement 2001-2003 was certified in the Australian Industrial Relations Commission in June 2002. The agreement implements an enhanced range of terms and conditions of employment and a new pay and classification system for non-executive employees.

The opening of the Centre at Federation Square will bring a significant increase in staff. Training in the recruitment and selection process has been provided to managers and supervisors.

During the period of this report no days were lost as a result of industrial disputes.

Merit and Equity

ACMI has in place a merit and equity policy aimed at avoiding all forms of discrimination and harassment in the workplace.

Occupational Health & Safety

During the period of this report, one new WorkCover claim was received with no days lost as a result of industrial accidents. The percentage of sick leave days taken versus ordinary days worked was two per cent over the six-month period.

An Employee Assistance Program is in place to provide career coaching and counselling support to staff.

Freedom of Information

Access to information under the *Freedom of Information Act 1982* should be made in writing to the FOI Officer, Australian Centre for the Moving Image, PO Box 14 Flinders Lane 8009. Requests should include the statutory fee and should be as specific as possible regarding the information requested.

ACMI did not receive any requests under the *Freedom of Information Act 1982* during the period 1 January to 30 June 2002.

Whistleblowers Protection Act 2001

From 1 January to 30 June 2002, the applicable procedures under the *Whistleblowers Protection Act 2001* were those of the Department of Premier and Cabinet. A copy of the procedures is included in an appendix to this report (Appendix 1).

There were no disclosures made under the *Whistleblowers Protection Act* in 2002.

Protected Disclosure Officer

Ms Catherine Dynan
Manager Executive Services
196 Flinders Street, Melbourne 3000
PO Box 14, Flinders Lane, Melbourne 8009
Ph: 8663 2256 / Fax: 8663 2211
Email: cdynan@acmi.net.au

National Competition Policy

ACMI is committed to competitive neutrality principles which are taken into account in all activities. A pricing policy for the new Centre is in development and will be informed by the principles of competitive neutrality.

Cultural diversity

An ongoing project, 'mapping world cinema', is guided by the Lending Collection's Curatorial Panel. As a result, the Lending Collection offers thousands of films for loan in many different languages. Our collections will continue to evolve, ensuring the acquisition of works important to the varied cultural heritage and memory of Victoria and Australia.

The Centre is the custodian for three major embassy film collections: French, Chinese and German.

Culturally and linguistically diverse audiences are well-served by our Digital Storytelling program which involves guiding people through the telling of personal stories using multimedia tools, and is a prime example of personal and community involvement in cultural activities.

Plans for operating the public facility at Federation Square include strategies to ensure the Centre caters to audiences of culturally and linguistically diverse backgrounds. Examples include a volunteer program that reflects the diversity of the Victorian community, and marketing the Centre in culturally diverse media. Early exhibitions at Federation Square, *Ngarinyin PATHWAYS Dulwan* and *Remembrance: Persistence of Vision* will reflect our diverse community.

Consultancies

During the reporting period ACMI entered into 25 consultancies each costing less than \$100,000. The total cost of these consultancies was \$529,252.

In addition, ACMI continued a consultancy arrangement with CMR Consultants for project management services relating to the Federation Square building, and further engaged CMR Consultants to manage the office relocation to 196 Flinders Street. An additional commitment of \$214,250 was made during the reporting period.

Information Available on Request

Details on the following matters are available upon request:

- shares held;
- publications;
- pricing, fees and charges;
- major external reviews;
- research and development activities;
- overseas visits;
- major promotional, public relations and marketing activities; and
- the establishment, purpose and operations of committees.

Clause	Disclosure	Page
Report of Operations		
Charter and Purpose		
9.1.3.(i) (a)	Manner of establishment and Relevant Minister	3
9.1.3.(i) (b)	Objectives, functions, powers and duties	3
9.1.3.(i) (c)	Services provided and persons or sections of community served	6-10
Management and Structure		
9.1.3.(i) (d) (i)	Names of governing Board members, Audit Committee and Chief Executive Officer	3
9.1.3 (i) (d) (ii)	Names of senior office holders and brief description of each office	3
9.1.3 (i) (d) (iii)	Chart setting out organisational structure	4
9.1.3 (i) (e)	Workforce data and application of merit and equity principles	12
9.1.3 (i) (f)	Application and operation of FOI Act 1982	13
9.8.2 (i)	A statement of Occupational Health and Safety (OHS) matters	12
9.8.2 (ii)	OHS performance measures	12
Financial and other information		
9.1.3 (ii) (a)	Summary of financial results with previous four year comparatives	–
9.1.3 (ii) (b)	Summary of significant changes in financial position	–
9.1.3 (ii) (c)	Operational objectives for the year and performance against objectives	5
9.1.3 (ii) (d)	Major changes or factors affecting achievement of objectives	n/a
9.1.3 (ii) (f)	Details of consultancies > \$100,000	13
9.1.3 (ii) (g)	Number and total cost of consultancies < \$100,000	13
9.1.3 (ii) (h)	Extent of compliance with Building Act 1993	11
9.1.3 (ii) (i)	Statement on information available on request	13
9.1.3 (ii) (j)	Compliance index	14
9.1.3 (ii) (k)	Statement on implementation and compliance with National Competition Policy	13
Financial Statements		
Statement of financial operations		
9.2.3 (ii) (a)	Operating revenue by class	24
9.2.3 (ii) (b)	Investment income by class	24
9.2.3 (ii) (c)	Other material revenue by class including sale of non-goods assets and contributions of assets	24
9.2.3 (ii) (d)	Material revenues arising from exchanges of goods or services	24
9.2.3 (ii) (e)	Depreciation, amortisation or diminution of value	24
9.2.3 (ii) (f)	Bad and doubtful debts	n/a
9.2.3 (ii) (h)	Net increment or decrement on the revaluation of each category of assets	n/a
9.2.3 (ii) (i)	Audit expense	32

Statement of financial position

9.2.3 (iii) (a) (i)	Cash at bank or in hand	24
9.2.3 (iii) (a) (ii)	Inventories by class	25
9.2.3 (iii) (a) (iii)	Receivables, including trade debtors, loans and other debtors	25
9.2.3 (iii) (a) (iv)	Other assets including prepayments	25
9.2.3 (iii) (a) (vi)	Property, plant and equipment	25
9.2.3 (iii) (b) (i)	Overdrafts	n/a
9.2.3 (iii) (b) (ii)	Bank loans, bills payable, promissory notes, debentures and other loans	n/a
9.2.3 (iii) (b) (iii)	Trade and other creditors	27
9.2.3 (iii) (b) (v)	Provisions, including employee entitlements	27
9.2.3 (iii) (d)	Reserves, and transfers to and from reserves, shown separately	n/a

Statement of cashflows

9.2.2 (i) (c)	A statement of cashflows during the year	20
---------------	--	----

Notes to the financial statements

9.2.2 (i) (d)	Ex-gratia payments	n/a
9.2.2 (i) (d)	Amounts written off	n/a
9.2.3 (iv) (a)	Charges against assets	n/a
9.2.3 (iv) (b)	Contingent liabilities	23
9.2.3 (iv) (c)	Commitments for expenditure	28
9.2.3 (iv) (d)	Government grants received or receivable and source	24
9.2.3 (iv) (e)	Employee superannuation funds	23
9.2.3 (iv) (f)	Assets received without adequate consideration	n/a
9.4.2	Transactions with responsible persons and their related parties	32
9.7.2	Motor vehicle lease commitments	n/a
9.10	Consistency of budget and departmental reporting	-

Australian Centre for the Moving Image

Financial Statements for the six months ended 30 June 2002

In our opinion the financial statements present fairly the financial transactions during the financial year and the financial position of the Australian Centre for the Moving Image as at 30 June 2002.

In our opinion the financial statements have been prepared in accordance with Part 7 of the *Financial Management Act 1994* and the Directions of the Minister for Finance.

At the date of signing of these statements we are unaware of any circumstances that would render any particulars included in the statements as being misleading or inaccurate.



President
date 20 February 2003



John Smithies
Accountable Officer
date 20 February 2003



Margaret Thompson
Finance Manager
date 20 February 2003



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and the Members of Australian Centre for the Moving Image

Audit Scope

The accompanying financial report of the Australian Centre for the Moving Image for the period 1 January 2002 to 30 June 2002, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Australian Centre for the Moving Image are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and the Members of the Australian Centre for the Moving Image as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Australian Centre for the Moving Image's financial position, financial performance and its cash flows.

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Australian Centre for the Moving Image as at 30 June 2002, and its financial performance and cash flows for the period then ended.

MELBOURNE
21 February 2003


J.W. CAMERON
Auditor-General

AUSTRALIAN CENTRE FOR THE MOVING IMAGE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2002

	Notes	30 June 2002
REVENUES FROM ORDINARY ACTIVITIES		\$
Victorian Government Grants		7,989,548
Interest		189,468
Operations		537,950
Other Income		39,897
Total Revenue Ordinary Activities	2	<u>8,756,863</u>
EXPENSES FROM ORDINARY ACTIVITIES		
Salaries and Associated Costs		3,126,787
Operating costs		2,862,309
Capital asset charge		64,452
Depreciation		337,770
Total Expenses		<u>6,391,318</u>
NET SURPLUS FROM ORDINARY ACTIVITIES	13	<u>2,365,545</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE VICTORIAN GOVERNMENT IN IT'S CAPACITY AS OWNER		<u>2,365,545</u>

The above Statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CENTRE FOR THE MOVING IMAGE**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002**

	Notes	30 June 2002 \$
CURRENT ASSETS		
Cash Assets	4	13,025,307
Receivables	5	954,230
Inventories	6	13,482
Other	7(a)	90,881
TOTAL CURRENT ASSETS		14,083,900
NON-CURRENT ASSETS		
Property, Plant and Equipment	8	8,459,204
Collections	9	6,117,513
Other	7(b)	10,000
TOTAL NON-CURRENT ASSETS		14,586,717
TOTAL ASSETS		28,670,617
CURRENT LIABILITIES		
Payables	10	6,332,374
Provisions	11	526,053
TOTAL CURRENT LIABILITIES		6,858,427
NON-CURRENT LIABILITIES		
Provisions	11	64,737
TOTAL NON-CURRENT LIABILITIES		64,737
TOTAL LIABILITIES		6,923,164
NET ASSETS		21,747,453
EQUITY		
Contributed Capital	12	19,381,908
Accumulated Surplus	13	2,365,545
TOTAL EQUITY		21,747,453

The above Statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CENTRE FOR THE MOVING IMAGE

STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2002

	Notes	30 June 2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Government Funding		7,925,097
Interest Received		189,468
Memberships & Theatre Hire		113,997
GST Received		231,606
Operations		189,207
		<u>8,649,375</u>
Payments		
Salaries and Associated Costs		(3,235,754)
Consultants		(1,026,368)
Operations		(648,951)
		<u>(4,911,073)</u>
Net cash flows from Operating Activities	15 (b)	3,738,303
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payments		
Payments for Property Plant and Equipment (including Collections)		(5,705,225)
Net cash flows used in Investment Activities		<u>(5,705,225)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Initial Cash Contribution		7,190,215
Government Capital Funding		7,802,014
Net cash flows from Financing Activities		14,992,229
Net increase/(decrease) in cash held		13,025,307
Cash at beginning of the year		0
Cash at the end of the year	15(a)	<u>13,025,307</u>

The above Statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CENTRE FOR THE MOVING IMAGE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2002

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report of the Australian Centre for the Moving Image (the Centre) has been prepared in accordance with the requirements of the Financial Management Act 1994, Accounting Standards, Urgent Issues Group Consensus Views and other Authoritative pronouncements of the Australian Accounting Standards Board. The financial reports have also been prepared on the basis of historical cost and do not take into account changing money values, or, except where stated, current valuations of non-current assets.

The financial report has been prepared on an accrual basis, except where stated.

The following is a summary of the internal accounting policies adopted in preparing the financial report.

The accounting policies have been consistently applied, unless otherwise stated.

(a) Reporting Period

Pursuant to the *Film Act 2001*, Cinemedia Corporation ceased to exist as at 1 January 2002. The Australian Centre for the Moving Image and Film Victoria are the successor Authorities to Cinemedia Corporation. The Act provided for the new body specified in a transfer Order to become the successor in law of the Corporation in relation to the property, rights and liabilities specified in the Order as at 1 January 2002. At that date the net assets of the Corporation were transferred to the Centre and Film Victoria. As this is the Centre's first period of operation, where there is a reference to balances at the beginning of the period, this relates to allocation of assets and liabilities from the former entity Cinemedia.

Current reporting period figures relate to the six month period ending 30 June 2002.

(b) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is based on the first-in first-out principle, and includes expenditure in acquiring the inventory.

(c) Property, Plant and Equipment

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Victorian Government Policy - Revaluation of Non-Current Physical Assets.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

Leasehold improvements are amortised over the period of the lease. The Centre's lease holdings expire 30 September 2002 (Treasury Place), 30 September 2003 (Park Street), 1 March 2004 (196 Flinders Street) and 25 June 2012 (Federation Square).

Depreciation is calculated on a straight line basis over the assets expected useful life, from the time they are held ready for use. The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Audio Visual Equipment	25.00%
Computers	33.33%
Furniture and Fittings	20.00%
Motor Vehicle	20.00%
Office Equipment	20.00%
Software	40.00%
Leasehold Improvements	amortised over the period of the lease

(d) Collections

(i) Video Collection

The video collection is brought to account at historical cost, less, where applicable, any accumulated depreciation.

Class of Fixed Asset	Depreciation Rate
Video Collection	20.00%

(ii) Film Collection

This collection is valued at the amount transferred from Cinemedia on 1 January 2002, this figure was based on an independent valuation prior to the transfer.

The Centre has adopted the transitional provisions of AASB 1041 Revaluation of Non-Current Assets and shall carry out a progressive valuation of the Collection commencing in the financial period 2002 - 2003. It is anticipated that the valuation process will be completed by September 2003. Periodic formal revaluations of the Collection will be undertaken at intervals not greater than three years.

(iii) Exhibition Collection

During the current financial period, digital video tapes of the moving image were acquired, for which the Centre has obtained rights in perpetuity to display this content in the screen gallery developed for Federation Square.

The collection has been brought to account at historical cost.

The Centre intends to carry out a periodic valuation of its collection commencing in the financial period 2002-2003, at intervals not greater than three years in conjunction with the revaluation of the Film Collection.

Film and Exhibition Collection assets are kept under special conditions so that there is minimal physical deterioration. They are anticipated to have indeterminate useful lives. No amount for depreciation has been recognised in respect of Collection assets, as their service potential has not, in any material sense, been consumed during the reporting period.

(e) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Employee Entitlements

Wages and Salaries

Liabilities for wages and salaries 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.

Annual Leave and Long Service Leave

Provision has been made in the financial statements for benefits accruing to employees in relation to Annual Leave and Long Service Leave.

Employee entitlements expected to be settled within one year have been measured at nominal rates.

Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Related on-costs, calculated at 14.45%, have been included in the determination of the liability.

(g) Contributed Capital

Consistent with UIG Abstract 38 Contributions by Owners Made to Wholly-Owned Public Sector Entities, appropriations for additions to net assets have been designated as Contributed Capital.

Retained Surplus as at 1 January 2002 was Nil. Net assets acquired were \$11,579,893. Assets acquired are disclosed in the Statement of Financial Position and their net carrying value as at 1 January 2002 has been treated as Contributed Capital.

This accounting treatment is to comply with Urgent Issues Group Abstract 38 - Contributions by Owners Made to Wholly Owned Public Sector Entities, Accounting and Reporting Bulletin No. 39 - Accounting for Contributed Capital, and No. 40 - Establishment of Opening Balances and Formal Designation for Contributed Capital.

Cinemia Corporation policy relating to the acquisition of Cultural Assets was to initially treat these transactions as expenses, and then at the end of the financial year, transfer the assets acquired to Non-Current assets. The transfer of the Cultural Assets from expenses to Non-Current Assets was not completed for the six-month period ending 31 December 2001, prior to relevant Cinemia assets being transferred to the Centre under the Film Act 2001.

Cinemia closing Contributed Capital has been increased by \$873,448 to account for the Cultural Assets that were not recognised as Non-Current Assets in its Financial Statements, prior to being allocated to the Centre.

(h) Superannuation

All superannuation contributions are expenses in the statement of financial performance

A total of \$195,573 was contributed to a number of superannuation funds.

(i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government Grants are recognised as they are received.

Operations and other income is recognised when services are delivered.

(j) Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the carrying amount of non-current physical assets (excluding cultural assets).

(k) Goods and Services tax

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

(l) Contingent Liabilities

Pivod Technologies Pty Ltd

88,000

This is a penalty that would become payable if the Centre did not proceed with the agreement. At the time of preparing the accounts, the Centre intended to proceed with the contract.

30 June 2002

NOTE 2: REVENUE

\$

Operating Activities

Interest from financial institutions	189,468
State current - Department of Premier and Cabinet	4,845,338
State - Capital-Asset Charge	64,451
State - Capital Grant	3,079,760
Operations	219,137
Memberships	76,293
Theatre Hire	27,786
Programming - Screenings, Lectures and Events	62,364
Library Collection Management	152,369
Sponsorship Income	39,897
TOTAL REVENUE	8,756,863

NOTE 3: RESULT FROM ORDINARY ACTIVITIES

Result from ordinary activities includes the following specific net gains and expenses:

(a) Depreciation of Non-Current Assets

Audio Visual Equipment	(144,143)
Computer Equipment	(134,409)
Office Equipment	(21,772)
Furniture and Fittings	(13,958)
Leasehold Improvements	(7,769)
Software	(6,539)
Video Collection	(9,180)
TOTAL DEPRECIATION	(337,770)

(b) Rental Expense on operating lease

Minimum lease payments	(401,599)
Equipment	(56,135)
TOTAL RENTAL EXPENSE	(457,734)

(c) Expense and Net Losses

Net loss on sale/retirement of non-current assets:	
Property, plant and equipment	(786)

NOTE 4: CASH ASSETS

Cash on Hand	1,600
Cash at Bank	3,053,561
Money Market Instruments	9,970,146
	13,025,307

	30 June 2002
NOTE 5: RECEIVABLES	\$
Trade Debtors	241,457
GST Receivable	712,773
	<u>954,230</u>
NOTE 6: INVENTORIES	
Catalogues on Hand, at Cost	<u>13,482</u>
NOTE 7: OTHER ASSETS	
(a) Current	
Other Receivables	<u>90,881</u>
	<u>90,881</u>
(b) Non-Current	
Other assets at cost	
Security Deposit - Leasehold	<u>10,000</u>
	<u>10,000</u>
NOTE 8: PROPERTY, PLANT AND EQUIPMENT	
Audio Visual Equipment	
At Cost	4,932,234
Less Accumulated Depreciation	(467,918)
	<u>4,464,316</u>
Computer Equipment	
At Cost	1,944,477
Less Accumulated Depreciation	(506,053)
	<u>1,438,424</u>
Furniture and Fittings	
At Cost	35,402
Less Accumulated Depreciation	(19,170)
	<u>16,232</u>
Office Equipment	
At Cost	175,157
Less Accumulated Depreciation	(55,517)
	<u>119,640</u>
Leasehold Improvements	
At Cost	458,885
Less Accumulated Depreciation	(294,026)
	<u>164,859</u>
Leasehold Improvements (Work in progress)	
At Cost	2,244,939
Less Accumulated Depreciation	0
	<u>2,244,939</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)

\$

Software

At Cost

30,786

Less Accumulated Depreciation

(19,992)

10,794**TOTAL PROPERTY, PLANT AND EQUIPMENT****8,459,204****Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment and Collections at the beginning and end of the current financial year as set out below.

	Audio Visual Equipment	Computer Equipment	Furniture and Fittings	Office Equipment	Leasehold Improvements	Leasehold Improvements (Work in Progress)	Software	Video Collection	Film Collection	Exhibition Collection	Total
2002											
Assets Transferred from											
Cinemedia	1,450,951	625,901	25,674	130,707	16,833	-	15,592	194,358	4,500,000	1,157,424	8,117,440
Additions	3,153,107	952,120	4,516	10,705	155,795	2,244,939	1,741	73,478	-	201,433	6,797,834
Disposals	-	(786)	-	-	-	-	-	-	-	-	(786)
Depreciation amortisation exp	(144,143)	(134,410)	(13,958)	(21,772)	(7,769)	-	(6,539)	(9,180)	-	-	(337,771)
Carrying amount at end of year	<u>4,464,316</u>	<u>1,438,424</u>	<u>16,232</u>	<u>119,640</u>	<u>164,859</u>	<u>2,244,939</u>	<u>10,794</u>	<u>258,656</u>	<u>4,500,000</u>	<u>1,358,857</u>	<u>14,576,717</u>

NOTE 9: COLLECTIONS**Film Collection**

At value transferred from Cinemedia

4,500,000**Video Collection**

At Cost

827,632

Less Accumulated Depreciation

(568,975)

258,657**Exhibition Collection**

At Cost

1,358,856**TOTAL COLLECTIONS****6,117,513**

30 June 2002

NOTE 10: PAYABLES

	\$
Trade Creditors	1,466,320
Sundry Creditors	3,686,692
Accrued Expenses	1,179,139
Customer Deposits	223
	<u>6,332,374</u>

NOTE 11: PROVISIONS

Current Provisions	
Annual Leave	377,406
Long Service Leave	148,647
	<u>526,053</u>
Non-Current Provision	
Long Service Leave	64,737
	<u>64,737</u>
TOTAL PROVISIONS	<u>590,790</u>

NOTE 12: CONTRIBUTED CAPITAL

On 1st January 2002, the Film Act 2001, which established the Centre, came into operation. On this day, all property, rights and liabilities of Cinemedia (formally Film Victoria and State Film Centre Council of Victoria) were transferred to Film Victoria and the Centre. Contributed capital represents the net asset value attributed to the Centre at 1 January 2002 from each of the former entities. Capital receipts represent capital appropriations from Government to the Centre during the current reporting period.

Balance at the beginning of period	0
Contributed Capital acquired from Cinemedia pursuant to the Film Act 2001	11,579,894
Contribution by Victorian State Government Federation Square Project	7,802,014
Balance at the end of period	<u>19,381,908</u>

NOTE 13: RETAINED SURPLUS

	\$
Balance at the beginning of period	0
Operating Surplus for the six months ended 30 June 2002	2,365,545
Balance at the end of period	<u>2,365,545</u>

30 June 2002

NOTE 14: COMMITMENTS

\$

The balance of the Centre's commitments which were not expended in this financial year amounted to \$3,828,225. These commitments become payable when contracts are executed and upon contractors satisfying certain conditions.

Executed Contracts

Dimension Data - IT infrastructure, ACMI at Federation Square	2,463,155
Rutledge Engineering - cinema equipment	913,646
Crowd Productions - screen lounges	345,300
AME System Pty Ltd - Screen Gallery rigging system	74,816
CMR Consultants - office relocation project management	31,309
	3,828,226

Executed Contracts

Not later than one year	3,828,226
-------------------------	-----------

Operating Lease expenditure

Not later than one year	1,117,957
Later than one year but not later than five years	1,659,226
Later than five years	1,372,740
	4,149,923

NOTE 15: NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in the banks, at call deposits, net of bank overdrafts and investments in money market instruments, with less than 90 days to mature. Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	1,600
Cash at Bank	3,053,561
Current Investments	9,970,146
	13,025,307

(b) Reconciliation of Net Cash Flows from Operating Activities to Net Surplus:

Net Surplus	2,365,545
-------------	-----------

Add (Less) Non-Cash Flows in Operating Surplus

Depreciation of Property, Plant and Equipment and Video Coll	330,001
Write-off of Property, Plant and Equipment	786
Amortisation of Leasehold Improvements	7,769

	30 June 2002
Changes in Assets and Liabilities	\$
(Increase) / Decrease in Accounts Receivables	(308,042)
(Increase) / Decrease in Inventories	3,056
(Increase) / Decrease in Other Current Assets	3,032
(Increase)/Decrease in Prepayments	(23,933)
Increase / (Decrease) in Accounts Payable	1,271,637
Increase / (Decrease) in Provisions	88,453
Net Cash Flows from Operating Activities	<u>3,738,303</u>

NOTE 16: FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

The Board's accounting policies including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

Recognised Financial Instrument	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Cash	4	Cash is stated at cost	The interest rate achieved on cash holdings varied between 4.04% - 4.61%.
Investments	4	Short term money market investments and deposits at call are stated at the lower of cost and net realisable value	Invested at varying interest rates between 3.50% and 4.80% during the reporting period.
Receivables	5	Receivables are carried at nominal amounts due, less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Settlement terms are 30 days.
(ii) Financial Liabilities			
Creditors	10	Liabilities are recognised for amounts to be paid in the future, for goods and services received prior to year end, whether or not invoiced.	Trade liabilities are normally settled on 30 day terms..

(b) Interest Rate Risk

The Board's exposure to interest rate risks and the effective interest rate risks of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

(ii) Financial Liabilities

Financial Instruments	At the Floating Interest Rate 30 June 2002	Non-Interest Bearing 30 June 2002	Total carrying amount as per Balance Sheet 30 June 2002
(i) Financial assets			
Cash	3,053,561	1,600	3,055,161
Debtors	0	954,230	954,230
Investments	9,970,146	0	9,970,146
Total Financial asset	13,023,707	955,830	13,979,537
(ii) Financial liabilities			
Creditors	0	5,153,011	5,153,011
Total Financial liabilities	0	5,153,011	5,153,011

(c) Net Fair Values

Unless otherwise stated each class of financial asset and financial liability is recognised in the Statement of Financial Position as net fair value. The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	Total carrying amount and aggregate net fair value as recognised in the Statement of Financial Position 30 June 2002
(i) Financial Assets	
Cash	3,055,161
Receivables	954,230
Investments	9,970,146
Total Financial Assets	13,979,537
(ii) Financial Liabilities	
Creditors	5,153,011
Total Financial Liabilities	5,153,011

The following methods and assumptions are used to determine the net fair values of financial assets and financial liabilities:

Recognised Financial Instruments

Cash and Investments:

The carrying amount approximates fair value because of their short term maturity.

Receivables and Payables:

The carrying amount approximates fair value.

(d) Credit Risk Exposures

The Board's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Credit risk in trade receivables is managed in the following ways:

- By operating under payment terms of 30 days,
- Debt collection policies and procedures.

(e) Credit Card Facility

The Centre uses Westpac Visa Card facilities.

Amount of Facility \$200,000

Currency: AUD

Amount of Facility unused as at 30 June 2002 was \$200,000

NOTE 17: RELATED PARTIES

Responsible Persons

The names of persons who were Responsible Persons at any time during the financial year are:

Minister for Arts

The Hon. Mary Delahunty MLA

Governing Board

Ms Ann Sherry (President)

Mr Rod Bennett

Mr Peter Doughty

Mr Stephen Found

Mr Alan Finney OAM

Ms Annette Blonski

Mr Dan Pearce

Ms Natalie Miller OAM

Remuneration of Responsible Persons

Remuneration and benefits received, or due and receivable

30 June 2002

\$

0

The remuneration of the Minister is reported separately in the financial statements of the Department of Premier and Cabinet.

Other Related Party Transactions

Other transactions during the financial year with Responsible persons and Responsible person-related entities are as follows:

	30 June 2002	
	\$	
Entity	Transaction details	
Rushmead Consulting Pty Ltd (Ms Annette Blonski)	General Consulting	1,670
Sharmill Films (Ms Natalie Miller)	Identification of Hungarian Films Rights & Licence Fee over 5 years for works	1,100
Cinema Nova (Ms Natalie Miller)	Cinema tickets	30
Holding Redlich (Mr Dan Pearce)	Legal Fees	7,585

Transactions were carried out under normal commercial terms with full disclosure of any conflicts of interest following due process.

NOTE 18: AUDIT FEES

The office of the Auditor-General of Victoria audits the financial statements of the Centre.

Amounts received or due and receivable by the Auditor for:

– Auditing the accounts	17,000
	<hr/>
	17,000

NOTE 19: TIMING OF COMPLETION OF FINANCIAL STATEMENTS

Section 45(2) of the Financial Management Act 1994 requires the financial statements to be submitted to the Auditor General eight weeks after the end of the financial year. The Minister for Finance, pursuant to Section 47 of the Act, provided an extension to the 29 November 2002 for the submission of the financial statements. However, it was not possible to meet this revised submission date as the opening (1st January 2002) cash balances for ACMI and Film Victoria could not be established until the split of the Cinemedia's closing (31 December 2001) cash assets were finalised. The Department of Premier and Cabinet finalised the split in January 2003.



AUSTRALIAN CENTRE FOR THE MOVING IMAGE

196 Flinders Street
Melbourne Victoria 3000 Australia
PO Box 14 Flinders Lane
Victoria 8009 Australia
Telephone: 61 3 8663 2200
Facsimile: 61 3 8663 2211
Email: contact@acmi.net.au
Internet: www.acmi.net.au