



CONNECTING FILMMAKERS WORLDWIDE TO AUSTRALIA

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AUSFILM ANNUAL REPORT 2014-2015

Byron Bay, New South Wales

CONNECTING
FILMMAKERS
WORLDWIDE TO
AUSTRALIA



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1.0 AUSFILM OVERVIEW & HISTORY



AUSFILM OVERVIEW

Ausfilm is an Australian industry-government partnership whose members comprise Australia's federal and state Governments, the major studios and the leading post and digital effects facilities and production service providers.

Ausfilm promotes Australia's screen production incentive schemes, locations and capabilities worldwide to assist international screen producers to make their productions in Australia. Ausfilm also provides informed advice to the Australian Government and its agencies on issues concerning the industry sector that services offshore production in Australia.

HISTORY

In 1989 a small group of Australian companies responded to an increased level of enquiries received by Austrade's Los Angeles office from Hollywood producers looking to shoot in Australia; they saw a need to create a bridge between the Australian and Hollywood film and television industries for the benefit of the whole industry. The companies decided to share the costs for inbound scouts to showcase Australia's locations, infrastructure and capabilities. Subsequently in 1994, with the support of Austrade, the Export Film Services Association (Efsa) was established and then in 1998 the Efsa became Ausfilm Incorporated with an executive in LA working out of Austrade offices and an executive in Sydney.

Today Ausfilm is a unique private-public partnership of 33 members; a not-for-profit organisation funded by member subscription fees and a quadrennial Federal Government Funding Agreement. There are three full-time staff in LA and five full-time staff in the Sydney office.

AUSFILM HIGHLIGHTS 2014-15

- » Ausfilm continues to advocate for an increase in the Location Offset to 30%.
- » Ausfilm hosted two major missions in Los Angeles, one in London and one in Beijing focussing on business matching; generating project leads and showcasing Australia's talent, services and facilities.
- » Ausfilm hosted two inbound location scouts during the reporting period to provide location surveys and to introduce the prospective client to the facilities, services and key crew that can assist in bringing productions to Australia.
- » *Pirates of the Caribbean: Dead Men Tell No Tales* shot in Australia with assistance from the Australian and Queensland governments.
- » US mini-series *Childhood's End* and US independent feature *Truth* also shot in Australia.
- » *San Andreas* and *Unbroken*, both made in Australia in 2013-14 were released for a combined gross of \$US622 million worldwide.

2.0 CHAIRMAN'S REPORT



2014-15 HAS AGAIN BEEN A YEAR OF PRODUCTIVE ACTIVITY BY AUSFILM, INCLUDING ITS CONTINUED ADVOCACY WORK AT THE FEDERAL LEVEL TO KEEP AUSTRALIA INTERNATIONALLY COMPETITIVE AS A PRODUCTION DESTINATION.

There is recognition that the current level of the Location Offset is no longer attractive at 16.5% and industry wide support to increase the level to 30%.

The Government has acknowledged the need for change, but it has proved frustratingly difficult to get the necessary agreement on a positive outcome.

While Ausfilm continues to advocate for this increase, the shooting of *Pirates of the Caribbean: Dead Men Tell No Tales*, assisted by grants from the Commonwealth and Queensland governments, provided significant inward investment at a level not seen before on a single production.

The Board welcomed Wayne Borg, Fox Studios Australia as the new Corporate Board member and Ian Booth and Annabelle Sheehan as new State Screen Agency Board members. Lynne Benzie was re-elected to the Board and Zareh Nalbandian was re-appointed Deputy Chair. We would like to acknowledge the invaluable contribution of Maureen Barron, Fiona Cameron and Richard Harris during their tenure as Screen Agency Board members.

During the year we welcomed Big Bang Sound and Banana Farm VFX and welcomed back TressCox Lawyers and Soundfirm as members.

On the staffing front, Kate Marks was appointed as Ausfilm's Executive Vice President, International Production based in LA in September and we

welcomed back Rachelle Gibson in January, who was appointed Head of Marketing and Business Development, based in Sydney. We also acknowledge Kristy Officer's contribution in this role during her time at Ausfilm. On behalf of the Board I would like to acknowledge the hard work of Debra Richards and the Ausfilm team and thank them for their efforts during the year.

I also acknowledge the Ministry for the Arts for their funding of Ausfilm's marketing programs and for the support of staff from the Ministry.

The Ausfilm Board continues to provide a dedicated investment of time and focus on the work of Ausfilm ensuring it is positioned as an internationally respected screen marketing agency and has also continued to greatly assist Ausfilm's key advocacy work both at the Federal and state level.

Bob McMullan
Chairman

3.0 CEO'S REPORT



2014/15 HAS BEEN ANOTHER STRONG YEAR WITH AN EXTENDED RANGE OF MARKETING & PROMOTION, RESEARCH AND ADVOCACY ACTIVITIES.

Ausfilm continued its work to encourage international screen production and post-production to Australia, including major missions in Los Angeles, London and Beijing showcasing Australia's talent, services and facilities; maintained the information gateway for all that Australia has to offer; continued to provide up to date advice and information to the Australian Government in relation to screen production, domestically and internationally; and continued its advocacy for internationally competitive Offsets.

The PDV Offset at 30% has also provided a range of local and international work for members and Ausfilm has continued to promote the work of our post, sound and VFX members (showcasing members work at all missions) as well as the Producer Offset which continues to attract interest for co-production and as an alternative avenue for the production of international films in Australia.

Producer collaboration sessions within Ausfilm Week LA in October 2015 and Ausfilm's *Partner with Australia* Mission in LA in June 2015 brought together key Australian producers with US executives, clients and Ausfilm members to collaborate on such production.

In conjunction with our state screen agency partners, Ausfilm also organised two inbounds during the year, including a major Chinese delegation supported by both the Australian Embassy in Beijing and Village Roadshow Pictures Asia. This year also saw the release of *Unbroken* and *San Andreas*, two of three features

attracted with the additional Location Incentive Fund; and a parliamentary screening for *The SpongeBob Movie: Sponge Out of Water*.

With the assistance of the Commonwealth government *Pirates of the Caribbean: Dead Men Tell No Tales*; *Hunters* and the mini-series *Childhood's End* shot in Australia during the year. In addition, the Robert Redford/Cate Blanchett film *Truth* also shot in Australia.

Ausfilm members were also recognised at the 2015 Oscars with Tim Crosbie of Rising Sun Pictures nominated in Visual Effects for his work on *X-Men: Days of Future Past*. *The Lego Movie* also won the BAFTA Award for best animation.

Given increasing competitive incentives worldwide, it is clear the location of big budget international screen production to Australia is unlikely to increase without a boost to the Australian Government's Location Offset. The Australian Government has indicated it understands the value of this type of production and Ausfilm continues to advocate for internationally competitive offsets.

Ausfilm will continue to work for its members and connecting filmmakers worldwide to Australia. We look forward to continuing to work with you in 2015-2016.

Debra Richards
CEO

4.0 MARKETING & PROMOTION



Marketing efforts during this reporting period have focused on:

- » Ausfilm Week, Los Angeles;
- » Ausfilm Week, London;
- » American Film Market;
- » Toronto International Film Festival;
- » Busan Film Festival, South Korea;
- » *Partner with Australia* in Los Angeles;
- » Beijing International Film Festival;
- » An expansion of digital communications via the Ausfilm website and social media;
- » Liaison with potential clients for production and strategic public relations; and
- » Sponsorship initiatives to support Ausfilm's marketing campaigns throughout the year and build the organisation's profile in international and local markets.

4.1 CAMPAIGNS

4.1.1 AUSFILM WEEK, LOS ANGELES

The sixth annual Ausfilm Week Los Angeles took place from 26-31 October, 2014. The purpose of Ausfilm Week is to create, build upon and develop international relationships between Ausfilm members and Australian producers with key clients in LA to encourage international production to Australia. The Producer Collaboration sessions were once again incorporated into the week.

Ausfilm Week aims to build relationships in Los Angeles to encourage international film and television production in Australia. Ausfilm Week provides the platform

to present Australia as a world-class film destination with its diverse locations, sound stages, Oscar-winning talent, crew and post-production/visual effects facilities and attractive tax incentive available to American producers in partnership with the Australian film industry.

The week-long event comprised a series of interactive panel sessions highlighting Australia's production incentive schemes, post-production and filmmaking talent, networking experiences, producer collaboration meetings and learning opportunities between the Australian and US film industries to encourage access to Australia's Screen Production Incentives. Networking opportunities were provided by the Australians in Film Gala where Ausfilm presents an award.

Ausfilm CEO, ten Ausfilm members and eight Australian producers attended the mission.

The centrepiece of the June mission was the Producer Collaboration sessions between US executives and Australian producers. The program followed the same successful format as in previous years with two half-day sessions of 1-2-1 scheduled meetings followed by networking drinks.

The strategy of separating *Partner with Australia* from Ausfilm Week in October enabled stronger networking opportunities and connections between Ausfilm staff, the Australian producers and the Ausfilm members who participated.

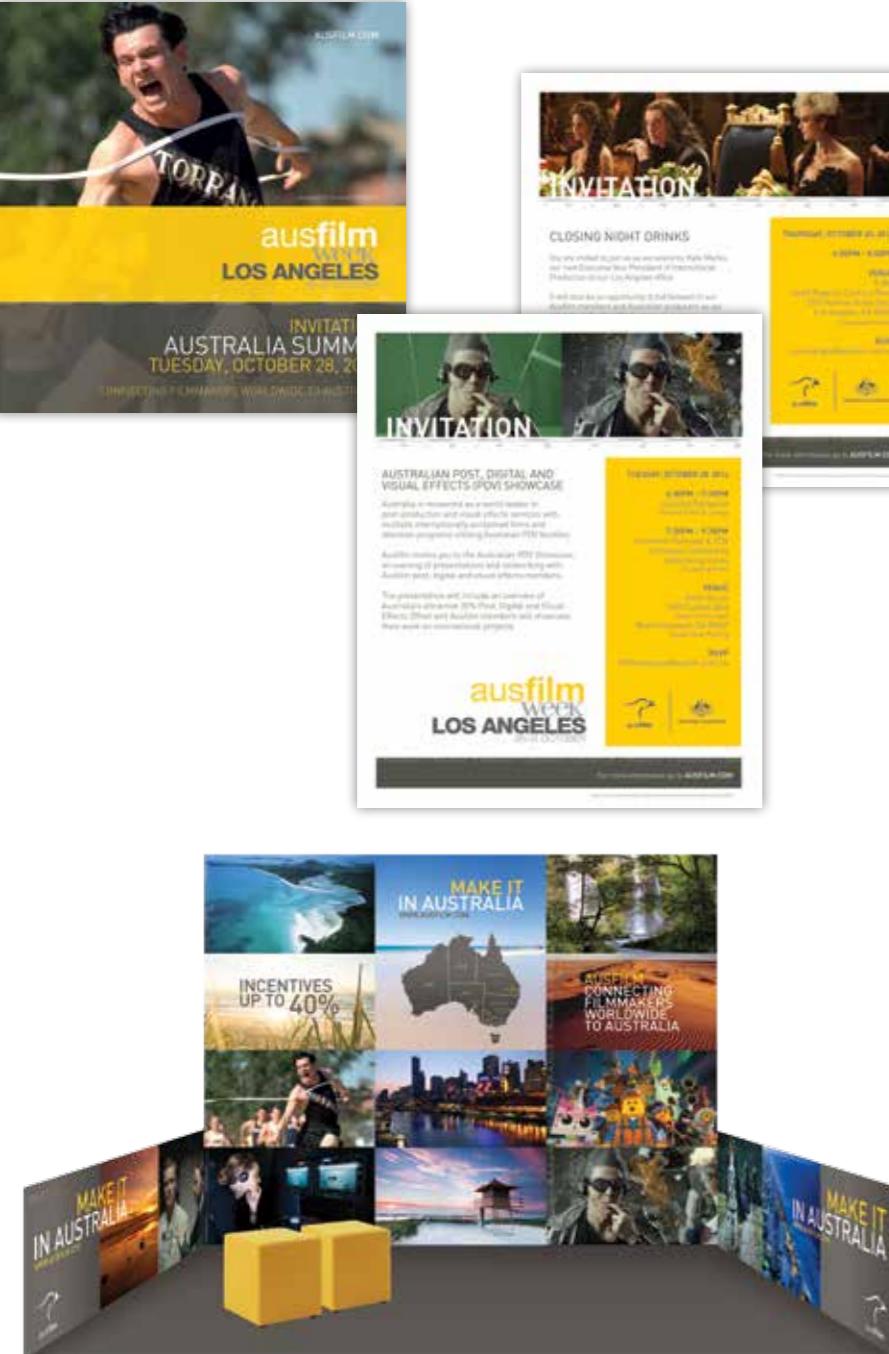
Partner with Australia – was an extremely successful event.

Participation from both the Australian and US side was of a very high level (decision makers). Ausfilm will now hold the *Partner with Australia* event separately to Ausfilm Week in October 2015 and as a stand-alone event later in June in 2016.

4.1.3 AUSFILM WEEK LONDON

The purpose of Ausfilm Week London (20-23 October 2014) was to create and develop co-production opportunities between Australian and UK producers for feature film and high-end television drama productions. Ausfilm engaged the consultancy services of Clare Wise to deliver an event schedule and invite UK speakers; to develop and co-ordinate producer collaboration

4.0 MARKETING & PROMOTION



1-2-1 matchmaking meetings; to communicate with UK producers and co-ordinate their involvement and schedule meetings; and in conjunction with Ausfilm manage the on the ground execution of all events.

The consultant and Ausfilm designed a program to reflect the realities of co-producing with the UK both in terms of film and television. To this end there were panels and speakers each morning and closed sessions two out of three days with relevant case studies. This approach was to inform the Australian producers about the UK landscape for co-production and to challenge them to understand the exigencies of producing for an audience in both territories. The theme of the three day programme was: 'Understanding your Audience'.

The UK companies who participated on panels or attended meetings were all very positive about the experience. In particular the sales and acquisition people were very happy to have a deeper understanding of the Australian producers' production slates. Feedback from producers was positive around connecting with new potential partners or developing existing business relationships.

4.1.4 AUSTRALIA CHINA FILM INDUSTRY FORUM

The forum, held on 19 April 2015, provided a high level industry dialogue which gave an opportunity for both territories to discuss key requirements for furthering the work between Australia and China in film co-productions and panel sessions covering

locations, co-production, finance, post-production and visual effects.

Speakers included Mr Miao Xiaotian, General Manager, China Film Co-Production Corporation; Ellen Eliasoph, President & CEO, Village Roadshow Entertainment Group Asia; Zhou Tiedong, President, Beijing Novo United Films Co. Ltd; Victoria Hang, Vice President of Beijing Hairun Pictures; Pauline Chan, Producer, Darkroom Films; Adam Scott, General Manager, Spectrum Films and Jennie Zeiher, Head of Sales, Rising Sun Pictures.

This year saw the largest ever Australian film industry delegation travel to China to participate in the event hosted at the Beijing International Film Festival and Market.

4.1.5 TORONTO INTERNATIONAL FILM FESTIVAL

The 2014 Toronto International Film Festival (TIFF) was held 4 – 14 September, 2014. There were over 300 screenings from 60 countries including world premiere screening, master, special & documentary series presentations (amongst many other presentations) and thousands of prominent filmmakers, actors, producers, and business people in attendance.

TIFF is an invaluable opportunity to meet with partners from around the globe in a condensed setting including talent and executives from Canada, the

US, and Australia. It is also a platform to promote Ausfilm Week missions in both London and Los Angeles.

Ausfilm will continue having a presence at TIFF to promote Australian film talent as well as the services provided by Ausfilm and its membership base.

4.1.6 BUSAN INTERNATIONAL FILM FESTIVAL

The Australian Pavilion jointly hosted by Austrade at the Asian Film Market was held in Korea from 5 -8 October, 2014 as part of the Busan International Film Festival. Ausfilm CEO Debra Richards attended and hosted the Pavilion during the market.

The objective of the mission was to promote opportunities under the KAFTA (Korea Australia Free Trade Agreement), generating awareness of the pending audio-visual co-production agreement amongst international delegates at the market, in anticipation of the agreement coming into force.

The agreement was signed by Screen Australia's COO Fiona Cameron and Korea's Film Council (KOFIC) on Saturday 4 October, 2014 with Australian Trade Minister the Hon Andrew Robb in attendance.

The Ausfilm CEO also attended the 35th Joint Meeting of the Korea Australia Business Council on 2 October and spoke on a panel regarding the film industry.

4.1.7 SUNDANCE FILM FESTIVAL

The Sundance Film Festival (22 January – 1 February, 2015) is considered the most important US independent film festival. The annual program consists of dramatic and documentary films, short films, New Frontier Films, installations and panel discussions. It attracts a large contingent of US industry executives including studios, independent production companies, agencies and producers.

Ausfilm CEO, EVP International Production, and Client Liaison Executive attended the festival January 23-28, 2015 to continue to build upon US and Australian relationships. Ausfilm CEO was invited as a guest of Sundance to attend screenings and official events. Ausfilm celebrated the Australian filmmaking talent attending the festival with clients on Australia Day, with a networking brunch for approximately 60 guests.

4.1.8 ASSOCIATION OF FILM COMMISSIONS INTERNATIONAL (AFCI) - LOCATIONS SHOW

AFCI Locations Show, was held 5-7 March, 2015 at the Hyatt Regency Century Plaza in Los Angeles. Ausfilm exhibited with a booth at the show, which was staffed by the Los Angeles team.

4.0 MARKETING & PROMOTION

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4.3.3 AUSFILM INCENTIVES & MEMBER PRODUCTION DIRECTORY

A printed Ausfilm Member Directory was developed, as part of these campaigns, which provides information on all Ausfilm 2014-15 members' services and facilities, including both Federal and State government film agencies. The directory included a selection of production images worked on by Ausfilm members including, *Unbroken*, *The Moon and the Sun*, *Avengers: Age of Ultron* and *The Water Diviner*. Additional copies of the directories were produced for ongoing promotional use throughout 2014-15.

Ausfilm produced a booklet specifically to market post, digital and visual effects Ausfilm members. The booklet was distributed to Ausfilm's Los Angeles client base invited to the Visual Effects Showcase at Soho House as a part of Ausfilm Week Los Angeles 2014.

4.3.4 AUSFILM SHOWREEL

The Ausfilm Showreel & the Ausfilm PDV showreel were updated with new content. The reels were launched at Ausfilm Week London & Ausfilm Week Los Angeles and were used at various events throughout the year. The reels are also hosted on the Ausfilm website and YouTube channel. A Mandarin version of the Ausfilm showreel was also developed for Ausfilm's China events in April.

4.3.5 ADDITIONAL SUPPORTING MARKETING MATERIALS

An updated version of the Ausfilm Incentives book was developed with refreshed imagery and incentives information distributed at Ausfilm Week London and Ausfilm Week Los Angeles. The booklet was also produced in a Mandarin version. The information in this booklet is also contained within the Ausfilm Member Production Directory.

Signage and banners were placed at Ausfilm events and sponsorship events. Ausfilm show bags were distributed at all Ausfilm international events and included member information materials.

4.4 MEDIA AND PUBLICITY

4.4.1 ADVERTISING

Screen International

In the October 2014 issue of *Screen International* Ausfilm in conjunction with Screen Australia, contributed to a 16 page insert *Australia*. The insert featured information about Australian talent (both established and breakthrough), hot projects, diverse locations, co-production, festivals and facilities. Ausfilm contributed to a double page spread focusing on locations and facilities as well as a full page advertisement on the back cover.

The inserts were distributed at both Ausfilm Week London & Ausfilm Week Los Angeles, as well as featuring inside the magazine.

The Hollywood Reporter

In collaboration with Screen Australia, Ausfilm placed an in memoriam full page ad to honour the life of Greg Coote in the July issue of *The Hollywood Reporter*.

Australians in Film

Ausfilm placed a congratulatory advertisement in the AIF book for the Australians in Film gala dinner held on the 26 October in Los Angeles.

Locations Magazine

Ausfilm advertised in the *Locations Magazine*, featuring a double page spread. Ausfilm worked closely with the *Locations Magazine* to contribute images and production stills from all states for consideration in the 'Locations in Pictures' feature in the magazine.

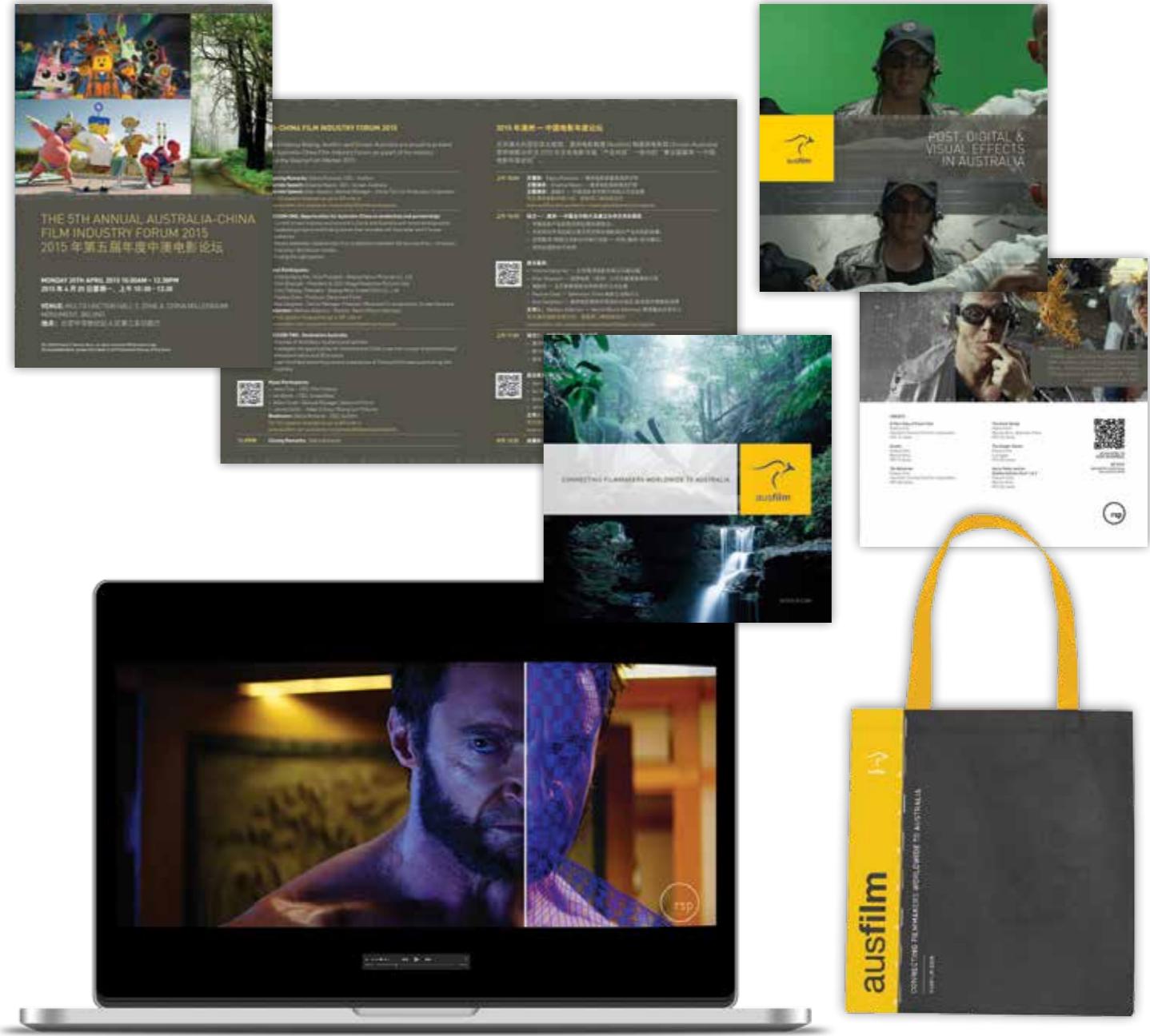
Palm Springs Short Film Festival

A full page advert was featured in the program for the Palm Springs Short Film Festival in June 2015.

4.4.2 PUBLIC RELATIONS

Ausfilm public relations initiatives included the issuing of a number of media releases for both Ausfilm Week London and Ausfilm Week LA in October 2014 to both London and LA media outlets detailing event objectives, the event calendar and attending producer groups.

Ausfilm was also recognised in various press release announcements detailing the attraction of major international productions.



4.0 MARKETING & PROMOTION

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4.5 DIGITAL COMMUNICATIONS

Ausfilm continues to regularly monitor and update its social media outlets. At the end of the reporting period Ausfilm's Twitter followers are at 4,614 and our Facebook 'Likes' are at 809.

The growth in our digital presence can be attributed to the implementation of Ausfilm's digital strategy which aims to increase brand awareness and information about Australia's screen businesses and industry by disseminating content across Ausfilm's suite of digital platforms.

Ausfilm's presentation of content on these platforms via links on Ausfilm's website enables our online audience to connect and share information.

4.5.1 WEBSITE

Overall the metrics show positive results, as is demonstrated by this three year comparison:

AUSFILM WEBSITE METRICS: THREE YEAR COMPARISON

	2012-13	2013-14	2014-15
Average Visitor Duration (seconds)	112	129	154
Bounce Rate %	60.3	57	55.9
Pages per Visit	2.41	2.64	2.87
Page Views – Av per month	4612	5401	6749
Sessions – Av per month	1901	2039	2417

4.5.2 MEMBER AND CLIENT COMMUNICATION

Client and member e-newsletters continued to be distributed at regular intervals. Notices about Australian film screenings in LA are sent out to Ausfilm's database. The database is continuously updated with new and revised client contact information.



5.0 PRODUCTION ACTIVITY AND ATTRACTION

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5.1 PRODUCTIONS ATTRACTED

LOCATION BASED

Pirates of the Caribbean: Dead Men Tell No Tales

Part 5 of the successful tent pole franchise. Shot in Queensland in the first half of 2015 and is due for release in 2017.

Childhood's End

A three part mini-series based on the novel by Arthur C Clarke shot in Victoria in 2015.

Truth

A feature film based on a true story of a media reporting scandal involving Dan Rather. Shot in Sydney in 2014.

Hunters

A US cable television series for Syfy channel produced by Gale Anne Hurd; shooting in Victoria in 2015.

PDV

The following PDV projects were worked on during the reporting period:

- » *Pan* (Warner Bros.)
- » *Tarzan* (Warner Bros.)
- » *The Age of Adaline* (Lakeshore Entertainment)
- » *The SpongeBob Movie: Sponge Out Of Water* (Paramount)
- » *6 Miranda Drive* (Universal)
- » *Fallen* (Lotus Entertainment)
- » *Monk Comes Down the Mountain* (Columbia)
- » *Unbroken* (Universal)

- » *Avengers: Age of Ultron* (Marvel/Disney)
- » *Insurgent* (Lionsgate)
- » *Ninjago* (Warner Bros.)
- » *Batman* (Warner Bros.)
- » *Mad Max: Fury Road* (Warner Bros./Village Roadshow Productions)
- » *Gods of Egypt* (Lionsgate)
- » *Cinderella* (Disney)
- » *The Moon & The Sun* (Paramount Pictures)

5.2 NEW CONTACTS AND LEADS

The Ausfilm Los Angeles office tracked a total of 101 projects through the financial year, including 50 new projects.

Of the new projects, 20 were potential Producer Offset projects and 5 were PDV Offset projects; another 3 projects would not qualify for any of the Screen Production Offsets leaving 22 projects, that were considering Australia for the Location Offset.

There is considerable interest in the Producer Offset and more projects are being developed out of Los Angeles to access this incentive.

Ausfilm continues to work with Australian producers through the Producer Collaboration program, held during Ausfilm Week in London and *Partner with Australia* in LA that supports Australian producers pitching projects.

5.3 FAMILIARISATION TOURS/INBOUNDS

There were two inbound missions in the reporting period.

Hacksaw Ridge, 10 - 19 April 2015

The project is fully financed and scheduled for shooting in the second half of 2015.

The project is being directed by Mel Gibson and produced by Bill Mechanic, David Permut, Bruce Davey, Paul Currie, and James Vernon.

Ausfilm supported travel by Bill Mechanic and Mel Gibson to scout locations and facilities in NSW, Queensland and Victoria.

China film delegation, 18 - 29 May 2015

Ausfilm in partnership with the Australian Embassy Beijing and Village Roadshow Pictures Asia hosted a delegation of leading Chinese filmmakers on an Industry Familiarisation Tour of Australian locations, Australia's four major studio complexes, screen services companies, post, sound and digital production facilities and visual effects studios across six states.

The state screen agencies Screen NSW, Screen Queensland, Film Victoria, Screen West, the South Australian Film Corporation and Screen Tasmania also supported the tour and showcased their states through assistance with location scouting and facilitation of

introductions to leading Australian screen businesses. The delegation's trip to Australia was intended to build links between Chinese and Australian filmmakers, encourage Australia-China feature film co-productions, and attract Chinese feature film productions to film and complete their post-production and visual effects in Australia.

This new initiative is a result of the five-year collaboration between Ausfilm and the Australian Embassy in Beijing, built through the now annual Australia-China Film Industry Forum.

5.4 LA MEETINGS

The LA team is also actively involved in tracking potential projects that could come to Australia. During the reporting period the Ausfilm LA staff undertook a total of 325 meetings, covering all aspects of film and television production. Meetings were with independent producers and production companies, US studio contacts, financiers and project packaging agents, government representatives and Ausfilm members.

The monthly production update, facilitated by the LA Office, keeps Ausfilm members up to date with potential leads. The LA office also facilitates location package requests from clients.

6.0 INDUSTRY COLLABORATION & ADVOCACY

6.1 INDUSTRY COLLABORATION

Ausfilm works collaboratively across the screen production industry to ensure there is a whole of industry, coordinated, marketing and promotion of Australia as a destination for international production. This is achieved through regular industry wide meetings and an exchange of expertise and intelligence with other organisations.

Ausfilm maintains formal and informal contact with Screen Australia to work collaboratively and cooperatively at all levels of the organisation.

All state government screen production agencies are actively engaged during the planning process of major Ausfilm international events in addition to the Ausfilm Board meetings which provide a platform for input by state and federal screen agencies. The state screen production agencies work closely with Ausfilm to provide an itinerary and events for the inbound location scouts.

Ausfilm has maintained ongoing relationships with Austrade and the Department of Foreign Affairs and Trade (DFAT) with collaboration on events such as G'Day USA, The Australian Consulate, High Commission and Embassy in Los Angeles, London and Beijing, respectively, have been highly involved in the events Ausfilm has held or attended in those cities.

6.2 MINISTERIAL AND MINISTRY FOR THE ARTS ADVICE AND INFORMATION

Ausfilm maintained relationships with the Ministry throughout the reporting period including meetings with Lyn Allan, Assistant Secretary, Creative Industries and Sector Development, Ministry for the Arts and Caroline Fulton, Director, Film Policy and Incentives, Ministry for the Arts. Officers from the Ministry attend as observers at each Ausfilm Board meeting.

Ausfilm and Ministry staff communicate on a regular informal basis for an exchange of industry related information and to keep the Ministry abreast of productions flows and issues concerning Australia's place in the offshore production sector.

Ausfilm also invited the Ministry to attend missions and to undertake set visits.



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6.3 ADVOCACY

Ausfilm maintains and develops effective communications with both the government and with the non-government parties, meeting throughout the year with parliamentarians and government representatives across a range of portfolios that have an impact on the film sector. Aside from the Ministry for the Arts these include Treasury, Finance, Foreign Affairs and Trade, Industry, Communications, Education and Defence. These meetings focused on explaining the need for an increase to the Location Offset in order for Australia to remain competitive in attracting big budget, international screen production to Australia for the benefit of the industry and the economy.



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[L to R] 01 » Glenn Melenhorst – Creative Director (Iloura), Simon Rosenthal – Head of VFX (Iloura), Senator the Hon. Simon Birmingham, Debra Richards – CEO (Ausfilm), Alex Sangston – Senior Manager, Producer Offset & Co-Production (Screen Australia), Jenni Tosi – CEO (Film Victoria). 02 » Senator the Hon. Simon Birmingham and Debra Richards – CEO (Ausfilm). 03 » Anton Monsted – SVP (Fox Music), Debra Richards – CEO (Ausfilm), Fred Baron – EVP Feature Production (Twentieth Century Fox). 04 » Steve Shor – Producer, Kate Marks – EVP, International Production (Ausfilm), Los Angeles Consul General Karen Lanyon, Karen Robson (Pryor Cashman), Vito Anzelmi (Virgin Australia), Vivien Flitton – Director of Operations (Ausfilm).
(Left) 05 » Senator the Hon. Simon Birmingham and children at Ausfilm's parliamentary screening of *The SpongeBob Movie: Sponge out of Water*.

7.0 MEMBERSHIP

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7.1 MEMBERSHIP GAINS AND LOSSES

Big Bang Sound and Banana Farm VFX joined and TressCox Lawyers and Soundfirm re-joined Ausfilm during the reporting period.

7.2 CLIENT INTRODUCTIONS AND MEETINGS SCHEDULED

Ausfilm facilitated 118 introductions for our members, Australian producers and industry professionals with LA based clients over the past 12 months.

The meetings are with studios and major and independent production companies and are similar to those undertaken throughout the year by Ausfilm Los Angeles staff; they are utilised for business development, lead generation and to exchange information about members' and clients' slates of projects.

There is growing interest in emerging Australian talent in the LA market and Ausfilm helps to fulfil that interest through continued outreach with Australian writing, producing and directing talent.

7.3 OUTLOOK

While the Australian dollar fell against the USD, so did the currencies of competitor jurisdictions. Since 2010 no production has come to Australia without some form of uplift to the Location Offset, the most recent being *Pirates of the Caribbean: Dead Men Tell No Tales*.

The Australian Government has indicated it understands the value of this type of production and Ausfilm continues to be in discussion with the Government on increasing the Location Offset to 30%.

Feedback from Ausfilm events in LA indicates the US industry is increasingly interested in projects that can qualify as Australian for access to the Producer Offset at higher budget levels and where marquee Australian talent is attached.

Ausfilm will continue to market the opportunities to work in Australia and with Australians to the world.



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(L to R) 01 »Sonia Borella – Partner (Holding Redlich), Mark Hamlyn – Manager Development and Production (Screen NSW), Alex Sangston – Senior Manager, Producer Offset & Co-Production (Screen Australia), Lyn Allan - Assistant Secretary, Creative Industries (Ministry for the Arts), Tracey Vieira – CEO (Screen Queensland), Jenni Tosi – CEO (Film Victoria), Annabelle Sheehan – CEO (South Australian Film Corporation), Richard Harris – Head of Business & Audience (Screen Australia). 02 » Elle Croxford - Business Development Features & Television (Cutting Edge), Nick Smith - Film Development Manager (Show Group). 03 » Debra Richards – CEO (Ausfilm), Ian Robertson – Partner (Holding Redlich), Jan Sardi – Writer & Film Victoria Board member, Tony Clark – Co-founder & Executive Producer (Rising Sun Pictures). 04 » Clayton Townsend – Producer (*Unbroken*), Lynne Benzie – President (Village Roadshow Studios), Tracey Vieira – CEO (Screen Queensland).

8.0 GOVERNANCE

8.1 FUNDING AGREEMENT

Ausfilm entered into a quadrennial Funding Agreement with the Federal Government in 2013 through the relevant department administering the arts industry programs, currently the Ministry for the Arts.

The Funding Agreement contains a budget and key performance indicators (KPIs) and Ausfilm is required to report to the Commonwealth Government twice a year in relation to the KPIs and Ausfilm's income and expenditure. Upon acceptance of the Ausfilm reports the Government advances the allocated funding tranche; these are received by Ausfilm early in each financial year and calendar year.

8.2 ACCOUNTING

Ausfilm employs a freelance accountant, Jenny Brooks, to perform the accounting processes. The cost report is reviewed by the CEO on a monthly basis and the most recent report is provided to the Board for review at each Board meeting.

Accounting services are also provided by Moneypenny and the audit of Ausfilm's financial statements is provided by Christopher Coote & Co.

8.3 FINANCE AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee (FARC) met in August, 2014 and February and May 2015. FARC considered a range of matters including regular financial reports, the audited financial statements and budget for 2014/15 and reported to the Board on these activities.

8.4 BOARD MEETINGS

Six Ausfilm Board meetings were held in 2014-2015; August, October and November 2014; and February, April and June 2015; two in Sydney, one in Canberra, one in Los Angeles, one in Brisbane and one in Melbourne.

The make-up of the Ausfilm Board changed during the reporting period. Lynne Benzie (Village Roadshow Studios) was re-elected to the Board at the AGM held on 29 August 2014 and Wayne Borg (Fox Studios Australia) was also elected. At the meeting after the AGM the Board appointed Zareh Nalbandian as Deputy Chair until the completion of his term at the 2015 AGM, as provided in the Ausfilm Constitution.

8.5 AMENDMENT TO THE CONSTITUTION

At the 2014 AGM changes to the constitution were approved by the members.

The changes are:

1. To replace references to the old NSW Act and Regulations with references to the new Act and Regulations;
2. To introduce a process for an appeal by a member against a decision by the Ausfilm Board to discipline that member;
3. To allow proposals to be considered by a postal vote; and
4. To specify the financial year of the Association.



01



02



03



04

(L to R) 01 » Graeme Mason – CEO [Screen Australia], Kevin Skipworth CVO, Agent General for the Government of Western Australia, Jenni Tosi – CEO [Film Victoria], Government Official, Debra Richards – CEO [Ausfilm], Hon. Bob McMullan – Ausfilm Chairman, Wayne Borg – Managing Director [Fox Studios Australia]. 02 » Ausfilm CEO Debra Richards on the red carpet at the 2015 AiF Awards. 03 » Debra Richards – CEO [Ausfilm], Juliet Woo - Senior Business Development Manager [Austrade Seoul], and Austrade Seoul colleagues. 04 » Bill Mechanic – Producer (*The Moon & The Sun*, *Hacksaw Ridge*), Debra Richards – CEO [Ausfilm], Clayton Townsend –Producer (*Unbroken*), Graeme Mason – CEO [Screen Australia].

9.0 APPENDICES

9.1 WEBSITE VISITS

Avg. Visit Duration (secs)			
MONTH	2013 - 2014	2014 - 2015	CHANGE
July	127.0	196.0	54.3%
August	131.0	201.0	53.4%
September	139.0	127.0	-8.6%
October	142.0	157.0	10.6%
November	118.0	187.0	58.5%
December	113.0	147.0	30.1%
January	128.0	141.0	10.2%
February	118.0	145.0	22.9%
March	124.0	158.0	27.4%
April	130.0	147.0	13.1%
May	130.0	129.0	-0.8%
June	154.0	119.0	-22.7%
Total	129.5	154.5	20.7%

Bounce Rate			
MONTH	2013 - 2014	2014 - 2015	CHANGE
July	59.2%	50.3%	-15.0%
August	59.5%	51.7%	-13.0%
September	56.3%	54.7%	-2.8%
October	56.0%	50.8%	-9.3%
November	60.0%	58.3%	-2.8%
December	57.9%	61.8%	6.7%
January	54.4%	57.7%	6.1%
February	57.6%	58.3%	1.2%
March	57.9%	54.4%	-6.0%
April	57.0%	56.0%	-1.8%
May	56.3%	57.5%	2.1%
June	52.5%	59.0%	12.4%
Total	57.0%	55.9%	-2.1%

Pages/Visit			
MONTH	2013 - 2014	2014 - 2015	CHANGE
July	2.50	3.18	27.3%
August	2.51	2.97	18.3%
September	2.61	2.90	11.1%
October	2.58	3.05	18.1%
November	2.57	2.60	1.0%
December	2.65	2.52	-4.9%
January	2.76	2.66	-3.6%
February	2.57	2.65	3.1%
March	2.70	2.85	5.6%
April	2.72	2.68	-1.5%
May	2.64	2.62	-0.8%
June	2.91	2.54	-12.7%
Total	2.57	2.87	5.1%

Pageviews			
MONTH	2013 - 2014	2014 - 2015	CHANGE
July	4603	8297	80%
August	5050	9957	97%
September	4715	7246	54%
October	5290	8984	70%
November	4406	5725	30%
December	3993	4355	9%
January	5378	5374	0%
February	5316	5489	3%
March	7174	6386	-11%
April	6462	6326	-2%
May	6249	6914	11%
June	6185	5937	-4%
Total	64,281	80,990	59%

9.0 APPENDICES

9.1 WEBSITE VISITS CONT.

Sessions			
MONTH	2013 - 2014	2014 - 2015	CHANGE
July	1843	2609	41.6%
August	2011	3349	66.5%
September	1807	2501	38.4%
October	2049	2942	43.6%
November	1712	2202	28.6%
December	1507	1728	14.7%
January	1952	2020	3.5%
February	2068	2069	0.0%
March	2658	2244	-15.6%
April	2374	2362	-0.5%
May	2367	2639	11.5%
June	2127	2341	10.1%
Total	10,929	15,331	20.2%

9.2 AUSFILM STAFF

Staff at 30 June 2015		
Chief Executive	Debra Richards	Sydney
Manager, Policy and Research	Nick Herd	Sydney
Head of Marketing and Business Development	Rachelle Gibson	Sydney
Executive Assistant and Operations Manager	Annie Lucas	Sydney
Marketing and Communications Coordinator	Caroline Raffan	Sydney
Bookkeeper (P/T)	Jenny Brooks	Sydney
Executive VP, International Production	Kate Marks	Los Angeles
Client Liaison Executive	Michelle Sandoval	Los Angeles
Director of Operations	Vivien Flitton	Los Angeles

9.3 AUSFILM BOARD

Board Members at 30 June 2015		
Chair	Bob McMullan	
Deputy Chair	Zareh Nalbandian	Animal Logic
Elected Corporate Member	Tony Clark	Rising Sun Pictures
Elected Corporate Member	Lynne Benzie	Village Roadshow Studios
Elected Corporate Member	Wayne Borg	Fox Studios Australia
Elected Corporate Member	Caroline Pitcher	Iloura
Screen Agency Board position	Ian Booth	Screen West
Screen Agency Board position	Annabelle Sheehan	South Australian Film Corporation
Screen Agency Board position	Jenni Tosi	Film Victoria
Screen Agency Board position	Tracey Vieira	Screen Queensland
Screen Agency Board position	Fiona Cameron	Screen Australia

Board Observers

Federal Government Board Observer	Caroline Fulton	Ministry for the Arts
Screen Agency Board Observer	Maureen Barron	Screen NSW

Finance and Audit Committee

Chair	Maureen Barron	Screen NSW
Member	Jenni Tosi	Film Victoria
Member	Wayne Borg	Fox Studios Australia
Secretary	Debra Richards	CEO

AUSFILM FINANCE, AUDIT AND RISK COMMITTEE REPORT

REPORT OF THE ACTIVITIES OF THE AUSFILM FINANCE, AUDIT AND RISK COMMITTEE

ANNUAL GENERAL MEETING TO BE HELD ON 11 SEPTEMBER 2015

1. The Committee is comprised of:

Maureen Barron, Chair
Wayne Borg
Jenni Tosi
Debra Richards, Secretary

2. The Committee's Charter requires a report of the activities of the Committee to

be provided to the annual general meeting of Ausfilm.

3. This report is for the period from 1 July 2014 – 30 June 2015

4. During that period the Committee met at the following times:

21 August 2014; 17 February 2015; 6 May 2015.

5. The Committee considered the following matters during that period and reported to the Board on its activities:

- draft audited statements for the prior year;
- budget for the current year;
- financial reports for the current year;
- financial and bookkeeping systems;
- EMDG;
- MFTA reports; and
- budget for the coming year.

6. The Committee thanks Maureen Barron for her leadership as Chair of the Committee since it was reconstituted as the Finance, Audit & Risk Committee in April 2012.

FAR Committee
Dated 1 September 2015

