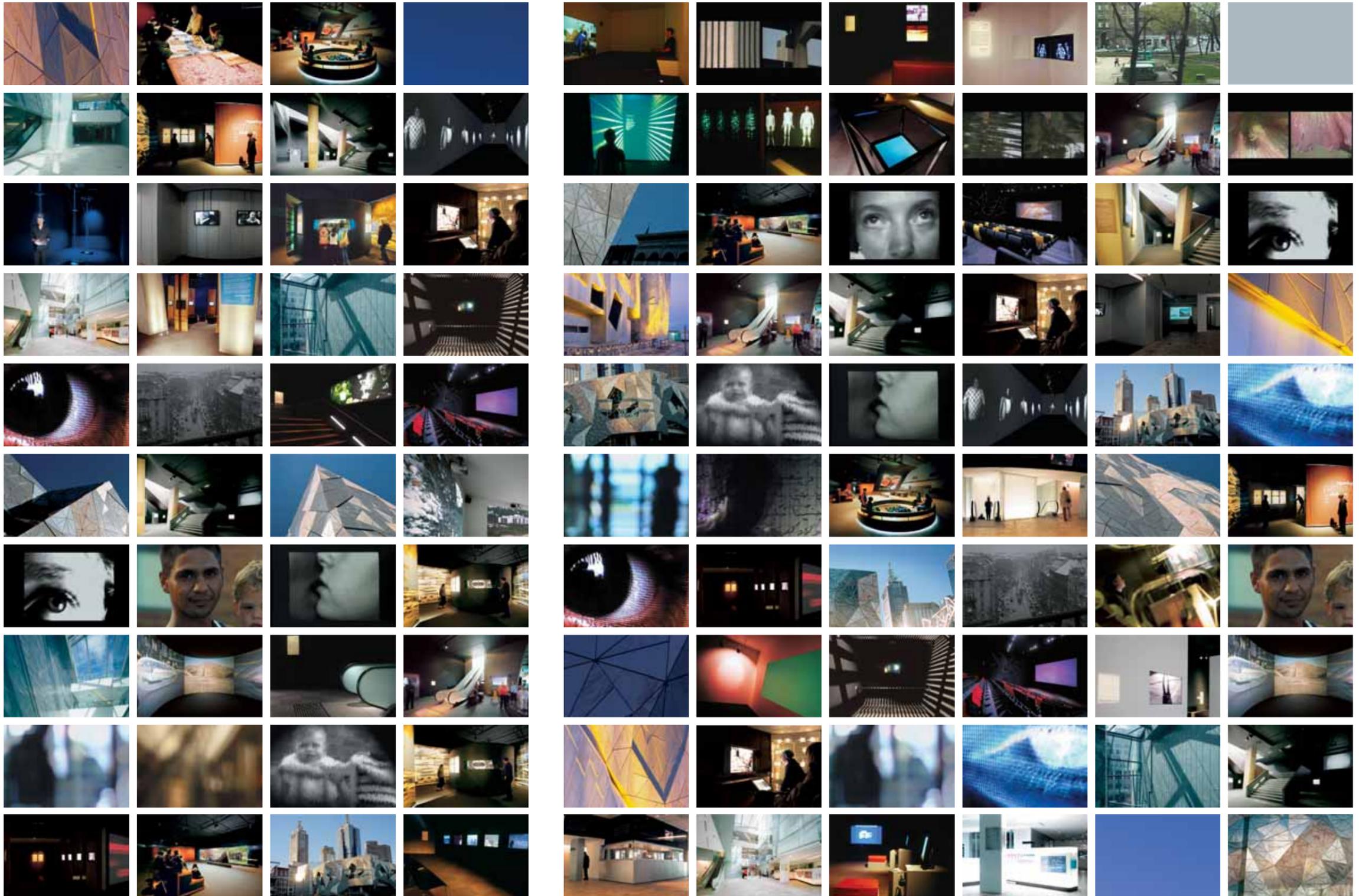




AUSTRALIAN CENTRE FOR THE MOVING IMAGE ANNUAL REPORT 2002>2003



ONE YEAR ON >



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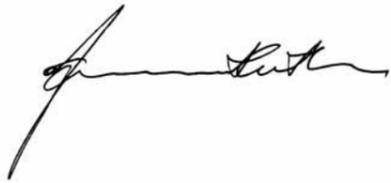
The Hon Mary Delahunty MP
Minister for the Arts
Parliament House
Melbourne 3000

Dear Minister

I am pleased to present the 2002–2003 annual report of the Australian Centre for the Moving Image.

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

Yours sincerely



Terry Cutler
President
October 2003



I am pleased to present this report of our first full year of operations. This is a significant milestone, for four reasons.

First, the Australian Centre for the Moving Image is different because it is a new cultural agency. ACMI is significant because it is a 21st century institution, and its charter revolves around what will be the defining media and communication channel of the 21st century: the interactive and moving image. ACMI is thus at the vanguard of contemporary culture and at the centre of innovation in the creative industries. The public investment in ACMI represents an investment to secure Victoria's creative future.

Second, ACMI is the only centre of its kind in the world. It is a place where the moving image is presented in all its forms. The charter of ACMI is to research, create, collect, exhibit, teach, nurture and advocate the use of the moving image in all areas of society. In ACMI, Victoria has a globally significant asset which we should all be trying to leverage to brand Victoria as an international hot spot for creative technologies and innovation in new media. Several national studies have highlighted the neglected role of cultural institutions within our national innovation system. ACMI has been singled out as a case study. R&D and education feature strongly in ACMI's charter, and the potential in this area merits stronger support from government at all levels.

Third, the very opening of ACMI at its iconic site at Federation Square is something to celebrate. The founding of ACMI is a triumph of vision, imagination and creative collaborations over the inevitable challenges posed by building works and the organisation of a new venture. This report documents how our start up phase has succeeded beyond expectations. But ACMI and its Board are all too conscious of the fact that their roller coaster ride is not over. We are only at the end of the beginning, and now face the inevitable growing pains of a new institution, and numerous challenges.

ACMI's successful opening is a tribute to all the people involved: our staff, our indefatigable CEO John Smithies and his talented executive team, the Government and the unwavering support of our Minister, Mary Delahunty MP, and Arts Victoria, the artists and community organisations collaborating with us in innovative programs, and our industry partners working with us to develop exciting new technology platforms and skills here in Victoria. Special tribute is due to ACMI's Board members, each of whom has played an active and vital role in its establishment. This year particular thanks are due to founding President Ann Sherry whose tenure was cut short prematurely because of her relocation to New Zealand, and to retiring Director Rod Bennett, who chaired our Building Committee, for his close involvement and energetic commitment.

The fourth reason why this milestone report is significant is because, as we move to consolidate our operations, we face both growing pains and the challenge of responding to unfolding and expanding opportunities.

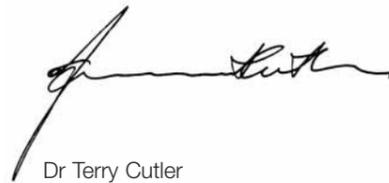
In April 2003 the Centre adopted a statement of strategic direction based on the premise that the moving image will be the language of creativity for industries of the future. ACMI has identified three long-term outcomes we need to deliver, namely:

- > Australians are the most moving image literate community in the world
- > Australians are value-adding users of audio-moving image media
- > The State of Victoria is recognised internationally as a centre for innovation and the moving image.

As ACMI moves forward it faces a number of challenges, including those of securing adequate base funding for our core activities. We now confront the reality check of knowing the actual costs of operations and the cold fact that we lack the development capital to explore emerging opportunities. The financial statements for 2002–2003 show an operating deficit. On the basis of current funding and revenue projections our situation is not expected to change in the near term. Consequently the Board has adopted a sober forward plan, and the organisation is operating more like a technology start-up company than a landmark institution.

Unlike the more venerable cultural agencies with well-endowed foundations and philanthropic support, ACMI is starting from scratch. Securing new and sustainable streams of funding is now a major priority for the Board. Until the end of 2003 we will be handicapped in this because major facilities are still to become operational and there has been uncertainty about the accommodation needed outside what is available at Federation Square. Until we can showcase what we do and grow the public and industry awareness of our activities we are hamstrung in our private fundraising.

I hope we can report a major turnaround in our next annual report. The omens are good.



Dr Terry Cutler



The opening of the Australian Centre for the Moving Image at Federation Square is the culmination of many years of planning and development. While some areas on the ground floor of the building are still to be completed, ACMI opened to the public on 26 October 2002 and has since attracted 800,000 visitors. This new cultural institution has been warmly received and is establishing itself as an icon in the public life of the State.

As ACMI evolves it is purposefully positioning itself within a global creative movement that is contemporary with the implementation of digital technology and the growth in telecommunications networks. There is a growing understanding about how to use digital technology to convert ideas, images and artefacts into bits and the ability for a world to share those bits and reconstruct the ideas, images and artefacts with anyone else online. ACMI aims to lead in the development of moving image technology and culture.

ACMI 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. ACMI is not only the public facility at Federation Square, but 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 both access and create moving images.

Digital Storytelling, a program introduced at ACMI in 2002–2003, enables all Australians to tell stories with the moving image by using entry-level video and media editing technologies on consumer platforms. The skills learnt from shooting video, digitising stills, adding sound, framing and editing are the basic building blocks of moving image content creation. The digital world now offers this potential for all Australians with access to technology.

In 2002–03 ACMI developed a new corporate plan, based on its strategic direction statement and informed by government policy documents, particularly the Arts policy *Creative Capacity +*, Information Economy policy *Victorians. Bright Ideas. Brilliant Futures.* and the Arts Portfolio Outputs Framework developed by Arts Victoria. The plan will guide the organisation throughout its early years and assist in documenting our performance and impact.

ACMI expects to attract at least one million visitors per year to the Federation Square facility and another million visitors online. ACMI will also develop and trial other forms of access, including a national lending program, remote access to programs via the website and via screen lounges in remote locations. 2002–2003 has been immensely satisfying in opening the Centre, planning for its future in the cultural life of Victoria and observing the public reception of its ideas.



John Smithies

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 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 Mary Delahunty MP, Minister for the Arts.



MEMBERSHIP

Terry Cutler *President from December 2002*
 Rod Bennett
 Annette Blonski
 Peter Doughty
 Alan Finney OAM
 Stephen Found
 Natalie Miller OAM
 Dan Pearce
 Ann Sherry *President to October 2002*

Audit Committee

Peter Doughty *Chair*
 Annette Blonski
 Dan Pearce

Executive Remuneration Committee

Terry Cutler *Chair*
 Stephen Found
 Dan Pearce

Building Committee

Rod Bennett *Chair*
 Peter Doughty
 Stephen Found
 Dan Pearce
 John Smithies *Chief Executive Officer*
 Lyn Harper *Director Corporate Resources*
The Building Committee held its final meeting in June 2003.

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*

OBJECTIVE	MEASURE	TARGET	PERFORMANCE	
> Establish the ACMI cinemas program	Number of attendances Occupation Paid tickets	135,000 35% 85%	Cinema	ACMI's cinema program attendance target was estimated for a full-year operation. ACMI Cinemas were launched on 5 December 2002, with attendances of 65,019 to 30 June 2003 (equivalent to approximately 120,000 over a 12 month period). The cinema occupancy rate was 46% (compared with an industry standard of 35%). Paid admissions constituted 86% of total admissions.
> Establish the exhibitions program	Number of exhibitions Screen gallery attendances	4 400,000	Exhibitions	Four major exhibitions were held in the screen gallery in 2002–2003 and another three exhibitions were held in the Studio exhibition space at ACMI. Screen gallery attendance for 2002–2003 was estimated for a full year. Visitation during five and a half months of operation was 183,000 (equivalent to approximately 400,000 for a 12-month period).
> Achieve agreed hire ratio for ACMI venues	Screen culture: Corporate	90:10	Venue hire	Screen culture hire 94%, corporate hire 6%
> Launch new ACMI website	Date of launch	March 2003	ACMI website	www.acmi.net.au was launched in March 2003
> Establish a customer services unit	Number of volunteers Level of customer satisfaction	70 very good or excellent ≥90%	Customer services	The Customer Services unit and volunteers program were established early in 2002–2003. As at 30 June 2003, there are 107 active volunteers at ACMI. Ad hoc customer surveys, including comments via the ACMI website, indicate a level of customer satisfaction greater than 90% during 2002–2003. Comprehensive surveys will be carried out in 2003–2004.
> Establish a sponsorship strategy and program	Number of sponsors Sponsorship revenue	1 major; 15 minor \$250,000	Sponsorship	ACMI's sponsorship strategy was drafted in December 2002 and activity has attracted over 15 minor sponsorships. Sponsorship revenue in 2002–2003 is valued at \$297,068. Discussions with potential major sponsors are ongoing as at 30 June 2003.
> Onsite visitation	Number of visitors	800,000	Onsite visitation	ACMI achieved its annual targeted attendance at Federation Square of 800,000 visitors in 2002–2003, in eight months of operation.
> Online visitation	Number of visitors	854,000	Online visitation	Online visitation during 2002–2003 was 803,812.
> Lending collection audience	Number of users	1,500,000	Lending collection	The 2002–2003 lending collection audience was calculated at 1,380,000.

ACMI's focus in 2002–2003 was to successfully open ACMI at Federation Square, launch a new ACMI website and complete the financial and organisational restructuring associated with the establishment of ACMI as a new corporate entity.

Four strategic objectives operate across the organisation and inform 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.

ACMI's 2002–2003 performance targets were drafted in June 2002, when it was expected that the building at Federation Square would be fully operational in the first quarter of the year. Due to factors beyond ACMI's control, the building's opening was delayed until 26 October 2002 and occupation, fitout and use of the facility occurred in stages thereafter. Revised opening strategies were developed during the year.

By 30 June 2003, approximately 60 per cent of the facility was fully commissioned and operational, including the screen gallery, ACMI Shop, ACMI Cinemas, Box Office and information area.

Despite the major building delays, ACMI delivered core public and education programs throughout 2002–2003. The facility at Federation Square is expected to be fully operational by late 2003.



1 CREATIVE DEVELOPMENT

ACMI's Creative Development division aims to foster an informed and innovative environment for the research, development and presentation of the moving image. The Division is led by Victoria Lynn, Director Creative Development, and includes the Curatorial, Production and Web units.

The division is responsible for research and the recommendation of acquisitions for the collections; the development, organisation and presentation of exhibitions, both onsite and online; and legal and technical support in establishing and maintaining contracts and licences, and procuring and testing equipment in preparation for exhibitions.

The new ACMI website, www.acmi.net.au, was launched in March 2003.

2 PROGRAM DEVELOPMENT

The Program Development division is led by Martin Mowlam, Director Program Development. The division represents the public face of ACMI and is comprised of the Public Programs, Collections, Marketing and Customer Services units.

ACMI programs are underpinned by a commitment to screen education and screen literacy and developed with the notion of lifelong learning. Programs delivered to the education sector include curriculum-based and other screening lectures, specialist lectures on film study for secondary and tertiary students, seminars for teachers, professional development lectures and literacy lectures to primary and secondary teachers.

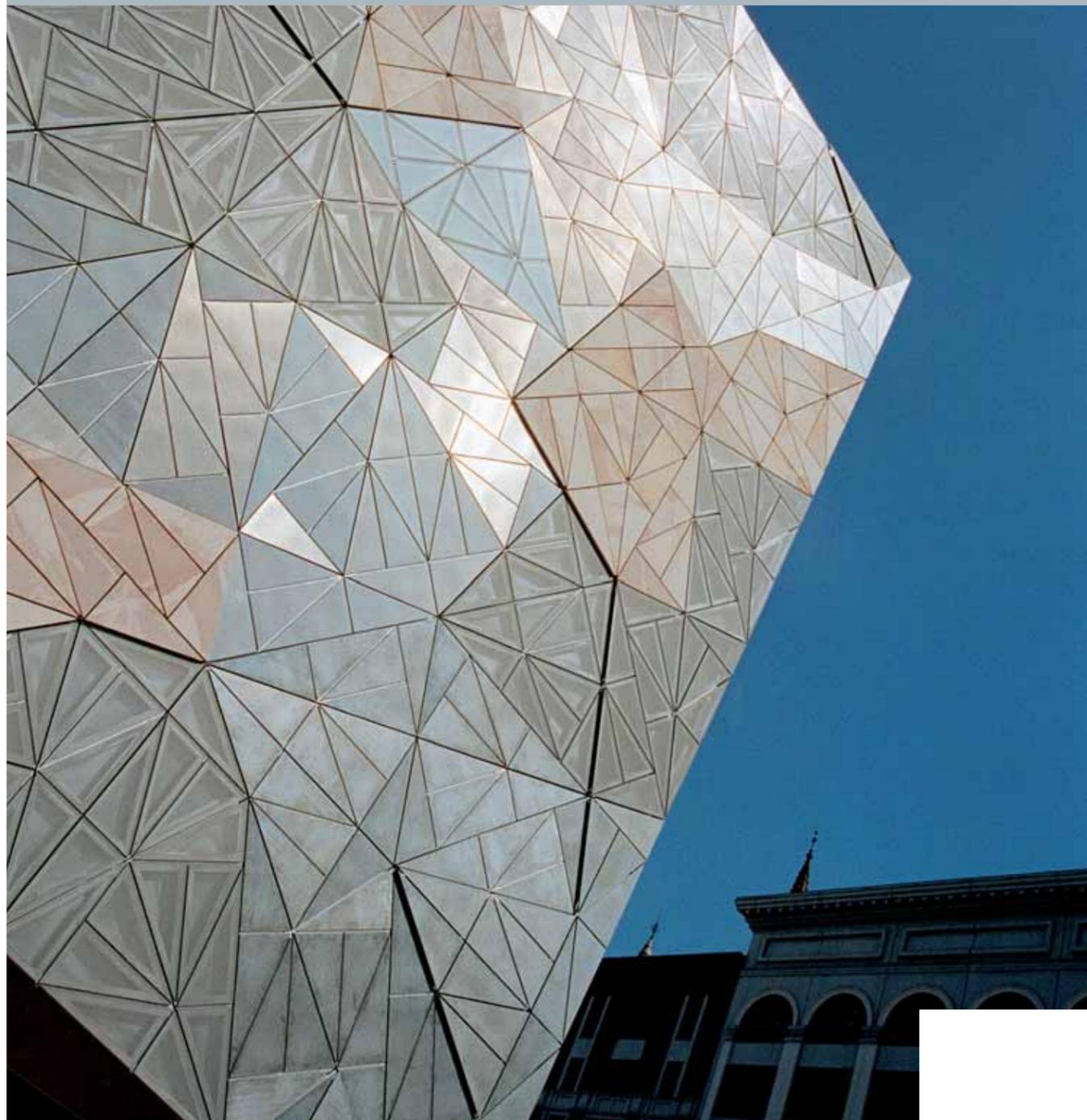
Much of the collections' content was acquired under the auspices of ACMI's predecessor organisation, the State Film Centre of Victoria, established in 1946. ACMI Collections now encompass a diverse range of moving image works, which include film, video, digital media and other formats. Collections include a lending collection, an exhibition collection and the National Film and Video Lending Service (the collection of the National Library of Australia), as well as Chinese, French and German embassy collections. The exhibition collection was initiated in 1999 when a number of curatorial themes were developed, around which screen-based artworks began to be acquired. ACMI Collections are formulated with a range of cultural experiences in mind – events and activities including festivals, conferences, publications, workshops and exhibitions, and distribution through the ACMI website and lending service.

3 OPERATIONS

ACMI's Operations division is led by Tony Batt, Director Operations. The division is responsible for operational infrastructure of the highly technical set of facilities required for daily operations and program delivery, including exhibition and events set-up, and staging and venue management. The division comprises the Building Services, Venues and Technology units.

4 CORPORATE RESOURCES

The Corporate Resources division, led by Lyn Harper, Director Corporate Resources, comprises the Executive Services, Administration, Finance, Corporate Legal 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.



IN THE EVOLVING 160 YEAR HISTORY OF TELECOMMUNICATIONS, THE WORLD HAS MOVED FROM MORSE CODE THROUGH VOICE, TEXT, DATA, GRAPHICS, AUDIO AND NOW MOVING IMAGE

The early months of this reporting period were the final stages of many years of planning. As part of its preparation for opening the major new public facility at Federation Square, ACMI committed to the establishment of new systems aligned to developing business needs.

Establishment of the new corporate entity (from 1 January 2002) offered the opportunity to consider, develop and refine a suite of strategic policy documents. Early in 2002–2003 ACMI developed core policies – for Acquisitions and Commissions, Collections Management, Pricing and Ticketing, and Programming and Exhibitions, as well as a Risk Management Strategy. These directional guidelines provide a framework for the procedural guidelines that direct day-to-day conduct and decision making. ACMI chose a model for policy and procedure development based on version control that facilitates widespread consultation and manages appropriate document review dates.

On 1 July 2002, ACMI staff were located at Treasury Place East Melbourne, and Park Street South Melbourne. During 2002–2003 ACMI relocated from Treasury Place to the Alfred Deakin Building at Federation Square and another accommodation site opposite that precinct at 196 Flinders Street Melbourne. Collections staff remained at the South Melbourne premises during the year, resulting in ACMI operating over three accommodation sites. While multiple sites are not ideal, fitout and occupancy of the Federation Square building and the premises at 196 Flinders Street were major, positive milestones prior to opening the new public facility.

The Alfred Deakin Building at Federation Square also houses the Melbourne operations of SBS, and was intended to bring the world of film, television and new media together. The building received funding of \$50 million from the Commonwealth's Centenary of Federation Fund.

Major technology projects undertaken early in 2002–2003 included the installation of network equipment, a dark fibre link between the Federation Square building and the 196 Flinders Street building, and an events management and ticketing system.

ACMI entered into a ten-year lease with Federation Square Management in October 2002. The lease requires ACMI to pay rent and outgoings for the premises including cultural and commercial areas occupied by ACMI.

A new public facility necessitated the provision of customer services. ACMI's Customer Services unit was established early in 2002–2003, with the recruitment of over 40 positions prior to opening in October 2002. This significant recruitment

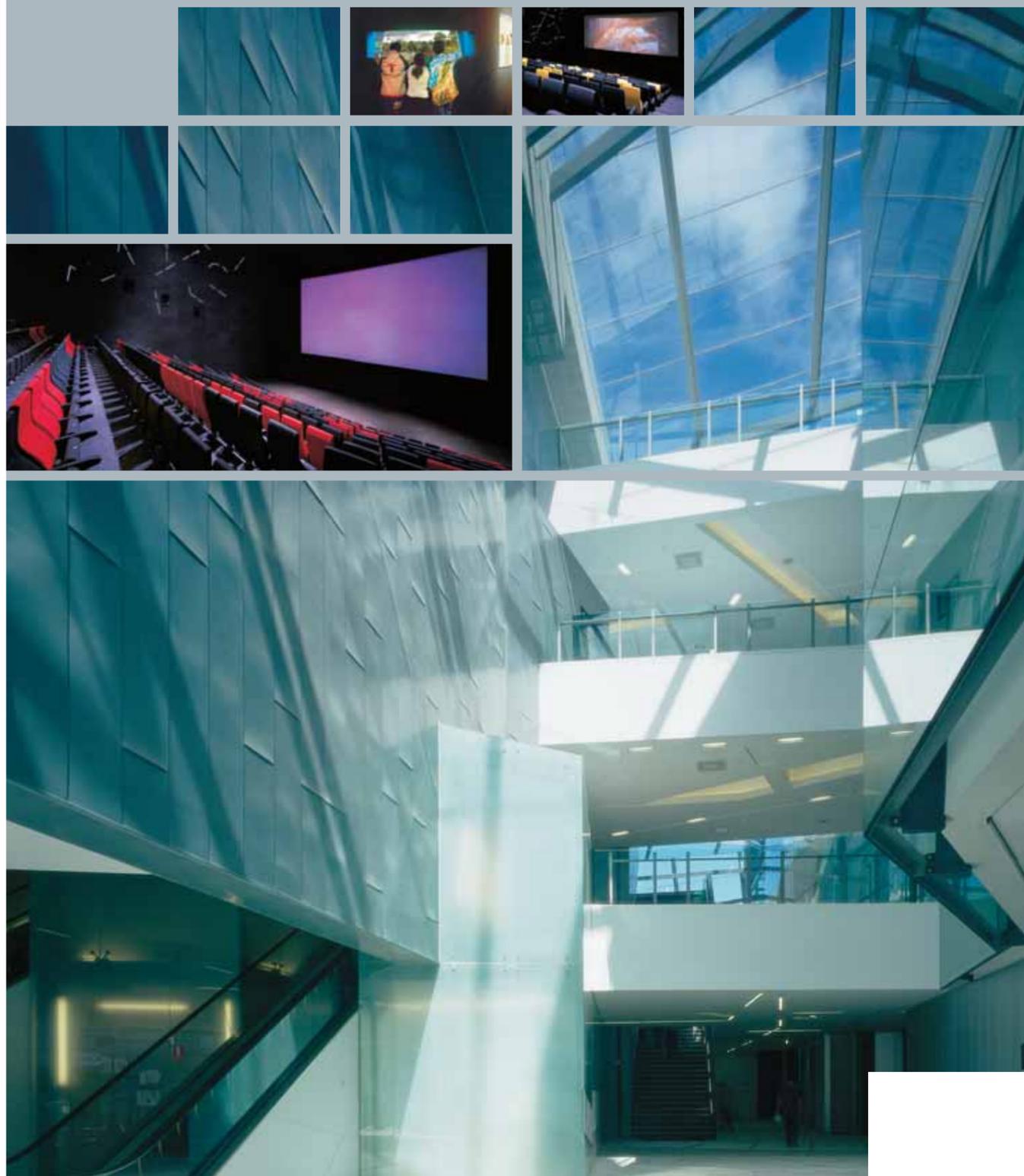
endeavour included a tailored induction program. ACMI also developed and implemented a volunteers program, which initially recruited 101 volunteers. Training and development programs for ACMI volunteers were established and are ongoing. The volunteers program has been an extremely successful one, with widespread public interest. Volunteers assist visitors and conduct tours of the Centre.

The period of planning prior to opening the facility included arrangements for inaugural exhibitions in the screen gallery, *Deep Space: Sensation & Immersion* and *Ngarinyin Pathways Dulwan*, accompanying content on public imaging screens, contextual material and film program. Planning involved prototyping technology, recruitment to key positions, exhibition design, media design, licence negotiations and the preparation and establishment of exhibition for the ACMI website.

Design and fitout of the following areas of ACMI were completed by October 2002:

- > Information – the visitor orientation and information zone, featuring public imaging on various sized screens, located centrally on the ground floor.
- > Screen gallery – a unique exhibition space designed for curated programs of the most innovative and imaginative screen-based art. Immersive environments, interactive installations and contemporary digital media art co-exist with exemplary works from the history of film, video and television.
- > Cinemas and bio box – situated on the first and second floors of the Centre, two multi-format cinemas equipped with the latest technologies enable screenings ranging from Super 8, video and DVD to 16mm, 35mm and 70mm films (including large-screen format), digital projections and webcasts. The cinemas are designed for curated film seasons, film festivals and events, forums and educational programs and screen industry presentations and functions. Cinema 1 seats 176 and Cinema 2 seats 397.
- > ACMI Shop – 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.
- > Studio – the Studio exhibits interactive installations and contemporary digital media art, complementing exemplary works of film, video and television. It is proposed that the Studio will be turned into an interactive production lab in late 2003.

During the period of planning and development of ACMI at Federation Square, the Centre continued to deliver core public and education programs, lending services, and cinema programs at Treasury Theatre prior to relocating to the Federation Square facility.



PUBLIC IMAGING AT ACMI ALLOWS THE VISITOR A GRADUAL ACCUMULATION OF SCREEN EXPERIENCES, WITH THE SEQUENCES OF WORKS CHOSEN TO REFLECT AND COMPLEMENT THE THEMES THAT ACMI EXPLORES.

Deep Space: Sensation & Immersion 26 October 2002 – 27 January 2003
Ngarinyin Pathways Dulwan 26 October 2002 – 31 August 2003

ACMI opened to the public on 26 October 2002. The opening exhibitions in the screen gallery were *Deep Space: Sensation & Immersion* and *Ngarinyin Pathways Dulwan*.

Ngarinyin Pathways Dulwan, a major multi-screen audiovisual installation, offered unprecedented insight into the art and culture of the Ngarinyin Aboriginal people of the Kimberley plateau in Australia's north-west. An ambitious, long term-project to record and communicate the traditions, laws and knowledge of the Ngarinyin, *Ngarinyin Pathways Dulwan* reflected the Ngarinyin elders' decision to employ screen-based media and information technologies as potent tools for the transmission and continuity of cultural identity.

With the shared aim of recording the meanings in the narratives and in the art of their country, the Pathway Project was initiated in 1992 by Ngarinyin elders Banggal and Ungudman during a visit with Jeff Doring to record cultural evidence around Alyaguma gorge. The project was later supervised by Ngarjno and Nyawarra, the current Chairman of the Ngarinyin Aboriginal Corporation.

Ngarinyin Pathways Dulwan is one expression of the Pathway Project which invited the visitor into Ngarinyin country to watch, listen and learn from four Ngarinyin munnumburra – experts in traditional law, culture and art. The munnumburra reveal the durable themes that have sustained their cultural continuity for millenia, and through the disruptions and dispossession of the past century. They instigated and guided filming to record historical narratives and orations spoken by them in the presence of ancestral and living evidence on their dulwan nimindi (pathway of knowledge and law).

Ngarinyin Pathways Dulwan was produced with the assistance of the Australian Film Commission and is part of ACMI's exhibition collection.

Deep Space: Sensation & Immersion, a co-production between the Art Gallery of NSW and ACMI, was curated by Victoria Lynn, Director Creative Development. The exhibition explored notions of time, space and movement as perceived through film, video and new media, and brought together a group of Australian and international artists who have made art into a physical, immersive experience.

Lynette Wallworth's *Hold Vessel #1* is a corridor with three video projections beamed into an empty space. The visitor is invited to take hold of a delicate glass bowl and gently try to catch the images within it. The act of looking, of experiencing the artist's work, becomes an attempt to capture images that threaten to dissolve and disappear. A shimmering portal into a world of visions appears only as we cradle the bowl in our hands. Mariko Mori's *Link* is experienced by entering a circular structure in groups of up to ten people. Video sequences are projected around the structure, enclosing the visitor in a series of interconnected landscapes of past, present and future cities. *The Visitor: Living by Number*, by Luc Courchesne, is a sculpturally elegant 360-degree screen in which the conventional division between audience and screen is broken down, allowing the viewer to control their own personal journey. The viewer interacts with characters and navigates rural Japanese roads and dwellings by pronouncing simple coordinates such as three for east, six for south, nine for west and twelve for north.

As well as these complex installations, *Deep Space* included single-screen works exploring the themes of space, time and light. In Pernille Spence's video artwork, *I Look Up...I Look Down*, the laws of science are dispelled as a skydiver is seen floating through the air without ever approaching the ground. Moving hypnotically around the camera, the body disorients any sense of up and down, its falling motion transforming, at one point, into an ascent, buffeted by the air, toward a passing plane.

The ACMI building was designed with a number of arcades that thread from Federation Square to Flinders Street. As part of the visitor's experience of screen-based works at ACMI, these arcades boast over 30 plasma and LCD screens that display a changing array of content – known as Public Imaging. Public Imaging at ACMI allows the visitor a gradual accumulation of screen experiences, with the sequences of works chosen to reflect and complement the themes that ACMI explores. Many established and emerging filmmakers have been commissioned to create content especially for these silent screens. The Public Imaging screens aim to take the visitor on new, unexpected journeys through the lenses of both historical and contemporary filmmaking.



As part of the *Deep Space* exhibition, the Public Imaging screens displayed an array of work that explores deep space, astronomical space, architectural space, urban space and the ways in which the moving image can both slow down and speed up time itself. Ben Speth's *Expectant Spaces* screens still, ghostly and enigmatic images of spaces of waiting or anticipation, including hospital emergency rooms, bus shelters, classrooms, dental waiting rooms and car parks; Gregory Godhard's camera in *Wormholes* breaches space-time as it bores through urban spaces in a looped, concertinaed movement – first forward and then back in retreat. Planetary Vision's *Cosmic Zoom* is a breathtaking digital animation that takes us on a journey from the top of the Empire State Building to the edge of the known universe, across planetary surfaces, and through atmospheres, stars, and galaxies. George Méliès' *Le Voyage dans la Lune* (1904) comprises 30 separate scenes, each of which were acted out on a custom-built stage. Not only one of the first science fiction films, this is also a comedy about what humans might find on the moon. Walter Ruttmann's *Opus I, Opus II, Opus III and Opus IV* are landmark silent experimental works, and some of the earliest to explore the potential of cinema to challenge new understandings of space, time and motion.

Comprising short experimental and poetic documentary works alongside classic and contemporary features, the *Deep Space: Sensation & Immersion* cinema program echoed and responded to key motifs in the screen gallery exhibition: odyssey and myth, time and light, and the construction, dissolution and imaginative reconstruction of memory, experience and space. The works in the program took audiences on journeys across physical and metaphorical landscapes, inviting explorations of variously constructed, densely layered spatial and temporal dimensions, in films such as Nicolas Roeg's *Walkabout*, Stanley Kubrick's *2001: A Space Odyssey*, Tom Tykwer's *Run Lola Run* and Alex Proyas' *Dark City*. The cinema program ran from 17 November 2002 to 21 January 2003.

ACMI Cinemas celebrate the vibrancy and diversity of the moving image with dynamic screening programs and events. ACMI's two state-of-the-art cinemas are the new home to film, video and digital media festivals, filmmaker and artist retrospectives, spotlight events, industry forums and screen education programs. Both cinemas are equipped with aperture screen masking, allowing for multiple screen sizes. The lighting system and data cable installation allows for diversity and flexibility, allowing both to operate as broad and narrow cast environments. Both cinemas are also equipped with THX-certified sound systems. The cinemas host special seasons and events presented by ACMI and other screen culture organisations, production houses, community and cultural groups, educational institutions and corporations.

The Digital Cinema program opened on 5 December 2002 with the screening of Alexander Sokurov's *Russian Ark*. The program paid tribute to the filmmakers who have embraced the opportunities that new technologies offer and who have, as a result, created new forms of cinema. It was programmed in response to the enormous excitement that surrounded the lead-up to the opening of ACMI's new, superbly equipped cinemas, complete with Australia's first digital projector. *Russian Ark* exploits digital filmmaking in a celebrated 96-minute single shot.

Iron Helmets, Smoking Guns explored the cultural significance of the bushranger genre and its role in mythologising the Australian bush bandit. The program was centred around Australia Day, screening from 30 January to 3 February 2003.

Indulging in the excesses of 60s and 70s B-Grade cinema, *Sex, Death and Greed* (18–24 February 2003) included spaghetti westerns, pulp horror and Japanese gangster films from Sergio Leone, Dario Argento and Seijun Suzuki. Exploiting the codes and conventions of traditional genre films, these filmmakers have achieved international cult status for their trademark baroque visuals, flamboyant widescreen composition, excessive music scores and grotesque violence. Subverting the moralistic attitude imposed on our fascination with sex, death and greed, this program celebrated the excessive, the erotic and the taboo.

Walt Disney Pictures' *The Lion King* screened throughout summer 2002–2003. Reformatted specially for the giant screen from the film's original digital elements, this special limited season offered moviegoers a chance to experience one of the greatest animated adventures on the most majestic canvas imaginable and with a spectacular, newly remixed soundtrack.

Seniors' Film Festival (17–21 March 2003) screened as part of the Victorian Seniors Festival. Highlights included elegant period dramas *Gosford Park* and *The Importance of Being Earnest*, an international focus on films from Asia and Europe, a tribute screening of *Spider & Rose*, starring Ruth Cracknell, and a program of films that celebrated musical forms. The program also included a special Melbourne Queer Film Festival co-presentation of the lavish biopic *Wilde*, based on the life of Oscar Wilde.

The Studio exhibition space opened on 6 December 2002 with *Closer*, a screen-based dance installation produced by renowned contemporary dance company Chunky Move. Completely interactive, *Closer* combined real-time video processing with eight floor-mounted sensor pads that responded to audience members using their bodies to modify the moves of an on-screen dancer. The work was commissioned by ACMI and Film Victoria's Digital Media Fund and ran until 29 January 2003. From 7 March to 6 April 2003 the Studio hosted a pioneering and humorous work by new media artist Jeffrey Shaw. *Place Urbanity* immersed the visitor in 15 fully panoramic video recordings of Melbourne's suburbs, each the district of a specific immigrant or ethnic community. A robotic platform allowed the visitor to rotate the projected image within a fully surrounding projection screen while navigating through virtual space.

As part of ACMI's screen events program, Lounge Critic is a monthly forum where practitioners from academia and the television and film industry discuss their observations, opinions and theories about local and international television programs. Lounge Critic was introduced in December 2002, with a session on the television program *Kath & Kim*. Lounge Critic aims to enhance the television experience of the dedicated couch potato, debunking the idea that we are passive consumers of the medium.

Live@ACMI is a dynamic and innovative program that explores the intersection of moving image, performance and music. During the period of this report the program showcased performers such as the legendary punk musician Ed Kuepper and electronic outfit B(if)tek.



Part 1: *Persistence of Vision* 21 March 2003 – 25 May 2003
 Part 2: *Reverberation* 27 June 2003 – 31 August 2003
 Cinema program: *Remembered By* 11 April 2003 – 20 July 2003

ACMI's creative direction statement, developed in April 2001, outlines the aesthetic and philosophical principles that inform ACMI's collections, exhibitions, and creation of content and programming. It recognises that the moving image generates constantly unfolding meanings and emotions from conjunctions of sounds, images, time, texts, contexts and audiences. *Deep Space: Sensation & Immersion* was used as a theme in the various spaces of ACMI in its opening programs. This notion was taken further with *Remembrance + the Moving Image*, an evocative meditation on memory that thematically united the zones and departments within ACMI from March 2003.

Remembrance + the Moving Image opened in the screen gallery with the exhibition *Persistence of Vision*. The cinema program *Remembered By* screened in the ACMI Cinemas. Public Imaging screens throughout the building displayed film sequences and flashbacks creating memory-in-action throughout the spaces of ACMI's three levels. The publication *Remembrance + the Moving Image* (ACMI, 2003) and the Remembrance website at www.acmi.net.au/remembrance amplified the theme. A second exhibition, *Reverberation*, occupied the screen gallery from 27 June 2003.

Curated by Ross Gibson, former Creative Director of ACMI, *Remembrance + the Moving Image* featured artworks by 13 leading Australian and 23 international artists, presented in two exhibitions. Part 1 *Persistence of Vision* included Robert Arnold's *The Morphology of Desire*, a lush, pulsating trash-culture montage that combines digital film processes to morph an eternal series of wanton glances, and Jem Cohen's *Black Hole Radio*, a video installation generated by a series of advertisements for a New York City phone confession line. To call in and confess was free, to listen cost money. Cohen acquired recordings of these taped confessions of murderous thoughts, desire and treachery, and used them to form the audio heartbeat of his work.

Other highlights included Gustav Deutsch's *Film Ist*, an extraordinary montage of images edited from archives of scientific and educational films, and *Mind of Tibet*, a multi-screen installation designed as a meditation space and also a kind of habitable mandala. With an astonishing candour, the faces of hundreds of Tibetan pilgrims greet the camera. Geshe Sonam Thargye and his collaborators recorded the basic footage while conducting a teaching festival in Tibet.

This ambitious endeavour proved highly successful. The visitor was immersed in explorations from the romantic to the confessional, from the spiritual to the taboo. The thematic programs exploited the building's capabilities. It was also the opportunity to gauge visitor reactions to such programming and to test the building's potential.

The publication, *Remembrance + the Moving Image*, Ross Gibson (ed), ACMI, 2003, was the first in a series dedicated to ACMI's exhibition collection. Like the *Deep Space: Sensation & Immersion* publication, it featured a number of texts by ACMI staff. The *Remembrance* program of events featured a series of curatorial and artist talks designed to further explore the remembrance theme.

Celebrating cinema's passionate obsession with itself, the *Remembered By* cinema program explored the play of remembrance - active recall, associative linkage - between our favourite films and the films they are remembered by. Each week ACMI presented a double or triple bill that traced some of the great movie connections, such as the screenings of James Whale's *Frankenstein*, a film that remembers the early German silent classic *Der Golem*, and in turn is remembered by Victor Erice's profoundly beautiful *The Spirit of the Beehive*.

ACMI launched exclusive limited seasons of three new 35mm prints: Charles Laughton's *The Night of the Hunter* starring Robert Mitchum, Shelley Winters and Lillian Gish; Robert Aldrich's noir classic *Kiss Me Deadly*; and Alexander Mackendrick's *Sweet Smell of Success* starring Burt Lancaster and Tony Curtis. Other highlights included a glorious 70mm restoration print of Alfred Hitchcock's *Vertigo*, which screened with a new, imported 35mm print of Chris Marker's *Sunless*.

Free Sunday screenings were initiated at ACMI from November 2002, accompanying the *Deep Space* exhibition. The *Remembrance* program also offered free screenings, illuminating the themes threading through the exhibition and including additional works by artists represented in *Persistence of Vision*: Alexander Sokurov's celebrated earlier work *Mother and Son*, and Gustav Deutsch's *Film Ist 7-12*.

Public Programs were also developed to explore the theme of remembrance. The screen text teacher seminar *I remember when...* presented memory and identity in Australian animation for teachers of English and Media in Years 9-11.

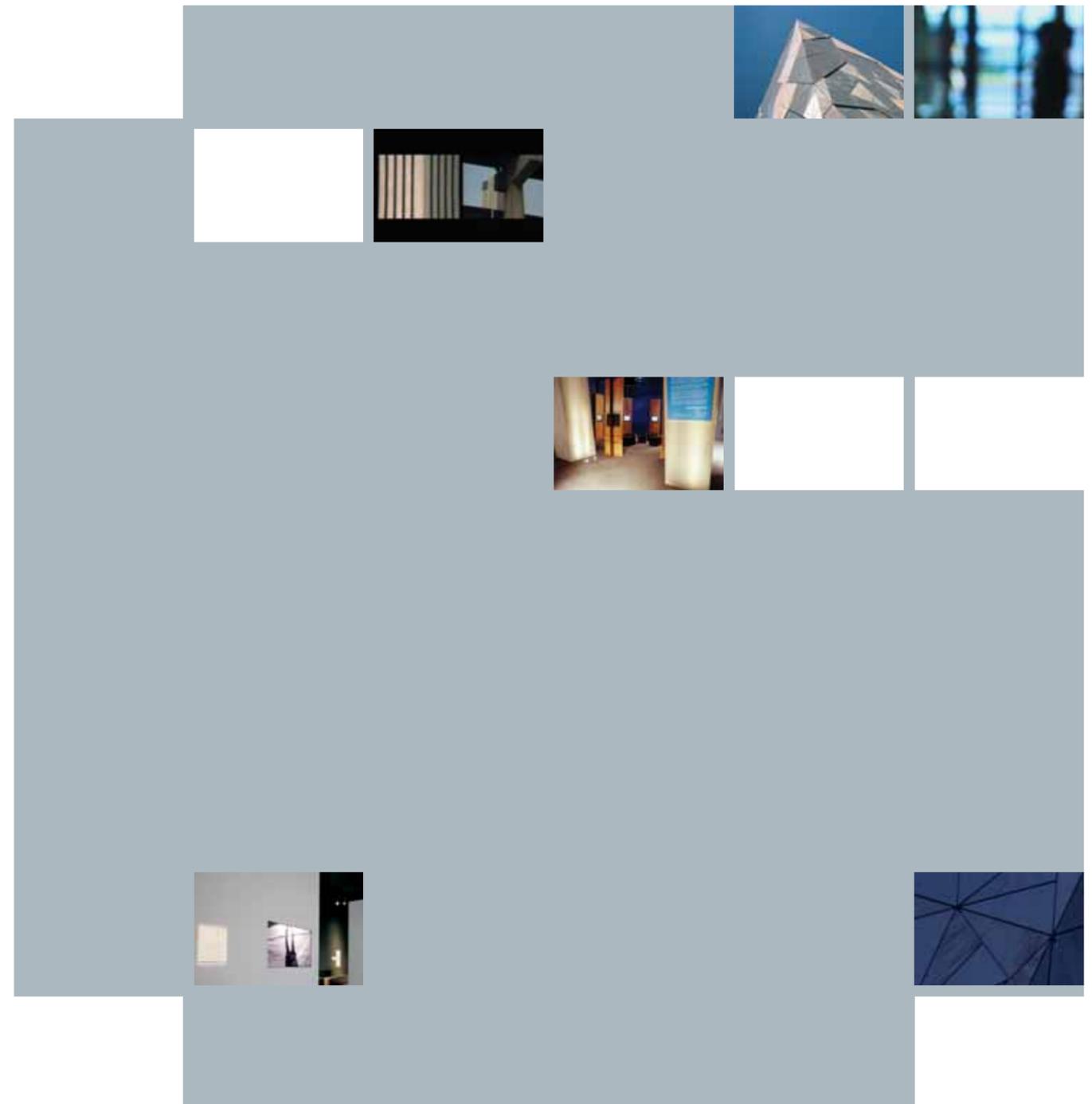


It focused on a selection of short Australian animations that represent storytelling from the personal perspective, the re-telling of another's story, the positioning of 'truth', and the construction of memories. Screen events during this period included forums, lectures, curatorial discussion panels and artist talks.

The *Remembrance* Public Imaging experience could be understood as a random reservoir of moving images. Through the accidental collisions between these silently moving images, visitors were treated to tiny narratives, poignant with forgotten gestures, glances, faces, winks of light and time. Included were works that possess some architectural or historical recollection of cinema, Federation Square, or the city of Melbourne more widely: Ettore Siracusa excavating the all-but-forgotten movie houses of Melbourne's recent past in *Picture Palaces*; Scott Millwood pulling focus on city crowds in *Gather*; Miles Bennett and Natascha Stellmach exploring the 'new' as seen through ageing eyes in *Old Man: New World*; and drawn exclusively from ScreenSound Australia's extensive archive, *Federation Faces*, *Melbourne Epiphanies* and *Great Moments in Silent Cinema*, all worked together to provide memorable and emotive footage.

From 17 April to 20 June 2003 the Studio exhibition space hosted *The Persuaders*, by Sonia Leber and David Chesworth, a video project built up around fragments of the human voice utilising automatic vocalisations of people in stimulated states.

ACMI continued to develop its corporate and IT infrastructure throughout the period of this report. During the latter part of the year, work was completed on a Storage Area Network and associated servers and backup facilities. ACMI is also developing a major IT project, its Media Platform, which will manage the online delivery of video to all parts of the Federation Square facility. The first three stages of the Media Platform project became operational during 2002–2003, including streaming of video to Public Imaging displays and support for high quality MPEG2 encoding. Significant progress was also made on commissioning of three new production areas – the Screen Pit, Digital Studio and Media Design Studio – which will be fully operational later in 2003.





COLLECTIONS WILL CONTINUE TO EVOLVE, ENSURING THE ACQUISITION OF WORKS IMPORTANT TO THE VARIED CULTURAL HERITAGE AND MEMORY OF VICTORIA AND AUSTRALIA

ACMI developed its strategic direction statement in April 2003, which in turn was developed as its corporate plan. These documents build on work undertaken through the arts portfolio outputs project, and, together with the annual business plan, provide a framework for ACMI's activities over the coming years.

The public building on Federation Square opened in stages from October 2002 and parts of the building are not yet commissioned. The following spaces were in development in 2002–2003 and are expected to be fully operational in late 2003.

Digital Studio

The Digital Studio will be a hands-on workshop environment designed to foster screen literacy. The space 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. In particular the studio will introduce visitors to the basic building blocks of moving image storytelling through editing video and sound into short digital stories.

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.

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 of digital multimedia to primary and secondary students, teachers and the general public.

Screen Lounges

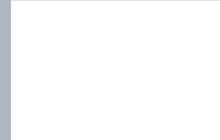
The Screen Lounges will be intimate environments for viewers to access the exemplary works held in the ACMI Collection and from other content partners. A range of screen-based experiences will be available, including programs relating to curatorial themes, individually programmable by users for research purposes or entertainment.

Café-Diner

The Café-Diner is expected to be a popular eatery for city commuters, residents, tourists, Federation Square users and ACMI's visitors. The café will be licensed and will have refreshments and informal, casual dining available all day. It will also become a focus for ACMI events.

In 2003–2004 the ACMI lending service will relocate to the Federation Square precinct from its current premises in South Melbourne.

With new spaces opening over the next year there will be programs and opportunities for visitors to find new levels of engagement with the moving image. As communities rapidly adopt new forms of visual communication, the Australian Centre for the Moving Image will provide a focus and context to this exciting world as it unfolds.



FINANCIAL REVIEW OF OPERATIONS AND FINANCIAL CONDITION

ACMI was established on 1 January 2002. Comparisons have been made with the six-month period ending 30 June 2002.

	6 months to June 2002	12 months to June 2003
Revenue from government	7,989,548	21,821,238
Other revenue	767,315	2,473,078
Total revenue	8,756,863	24,294,316
Net result from operating activities	2,365,545	(918,794)
Net cash flow from operating activities	3,738,303	(636,374)
Total assets	28,670,617	37,501,986
Total liabilities	6,923,164	3,485,450

In 2002–2003 ACMI's result from ordinary activities was significantly affected by a range of factors associated with the completion and opening of the Centre at Federation Square, including a markedly reduced period between building handover and opening date. There was a significant increase in funding from government in recognition of additional costs. However, this was not sufficient to cover the costs associated with establishing and opening a new business. These included a substantially increased workforce and the costs of relocating and establishing new office environments.

Revenue from private funding and self-generated income did not reach targets set due to delays in the completion and opening of the Centre.

During the 12-month period to 30 June 2003 collection acquisitions totalled \$400,822. The total asset value includes \$10.3m of technology as well as the collections valued at \$10.6m.

RISK MANAGEMENT

A Risk Management Strategy and Plan was developed and implemented during the reporting period. A Risk Management Steering Committee was established and has met regularly to guide ACMI's risk management activities. As part of the strategic approach, the ACMI Board, senior executives and managers participated in a series of facilitated workshops to record the short-to medium-term risks facing the organisation and to plan for their management. ACMI is working through the risk issues identified to plan and manage appropriate responses.

HUMAN RESOURCES MANAGEMENT

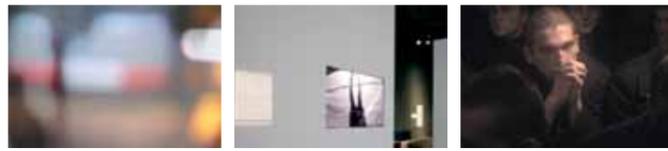
During the period of this report, staffing numbers steadily increased by 48% as the Centre progressively opened from October 2002.

The ACMI Enterprise Agreement 2001–2003 reached its nominal expiry date on 30 June 2003 and discussion regarding a subsequent agreement commenced with the Community and Public Sector Union and the Media, Entertainment and Arts Alliance in April 2003.

There were no days lost as a result of industrial disputes. One formal grievance was lodged during the reporting period.

The ACMI Consultative Committee, established under the ACMI Enterprise Agreement 2001–2003, met three times during the reporting period. The Committee comprises representatives of staff, the Community and Public Sector Union, the Media Entertainment and Arts Alliance, and ACMI management. The objectives of the Committee are to meet, discuss and consult on significant issues that affect the ACMI community, and to receive and develop proposals to enhance ACMI and its community.

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, relevant staff completed declarations of interests applicable to 2002–2003.



Learning and Development

A substantial exercise was undertaken to recruit over 40 Customer Services Officers who were provided with a planned induction program and training.

A total of 26 different training programs were attended during the year with a total attendance of 450.95 training hours.

Occupational Health and Safety

An Occupational Health and Safety Committee has formed and met regularly during the year. Training has been provided in a number of related topics, ranging from Occupational Health and Safety Law for Managers to Manual Handling training. All newly designated Occupational Health and Safety Representatives undertook a five-day introduction program.

There were nine new Workcover claims and 15 days lost as a result of industrial accidents during the reporting period. The percentage of sick leave days taken versus ordinary days worked fell slightly from 2% for the six months ended 30 June 2002 to 1.78% for the year ended 30 June 2003.

Employees continued to access the ACMI Employee Assistance Program, which provides a range of options to meet the diverse needs of employees in the various stages of their professional and personal lives and offers assistance to any employee who is experiencing concerns.

Merit and Equity

ACMI has in place policies aimed at avoiding all forms of discrimination and harassment in the workplace. ACMI employs people from a diverse range of cultural and linguistic backgrounds, with women comprising 59% of its workforce.

Workforce data

	at 30 June 2002			at 30 June 2003		
	Male	Female	Total	Male	Female	Total
Executive level employees	3	2	5	3	2	5
On-going	33	66	99	62	99	161
Fixed term	4	4	8	6	10	16
Casual	8	12	20	8	6	14
TOTAL	48	84	132	79	117	196

Executive level staff and executive level vacancies

	at 30 June 2002		at 30 June 2003	
	Male	Female	Male	Female
Executive level employees		5		5
Vacancies		–		–
TOTAL		5		5

Commencements

	6 months to 30 June 2002			12 months to 30 June 2003		
	Male	Female	Total	Male	Female	Total
Executive level employees	2	1	3	–	–	–
On-going	9	14	23	27	39	66
Fixed term	2	2	4	4	7	11
Casual	2	5	7	12	7	19
TOTAL	15	22	37	43	53	96

Terminations

	6 months to 30 June 2002			12 months to 30 June 2003		
	Male	Female	Total	Male	Female	Total
Executive level employees	–	–	–	–	–	–
On-going	2	1	3	6	12	18
Fixed term	–	–	–	2	1	3
Casual	2	5	7	4	7	11
TOTAL	4	6	10	12	20	32

Executive Officer remuneration

	6 months to 30 June 2002			12 months to 30 June 2003		
	Male	Female	Total	Male	Female	Total
< \$100,000	3	1	4	–	–	–
\$100,000 - \$109,999	–	–	–	–	–	–
\$110,000 - \$119,999	–	–	–	2	1	3
\$120,000 - \$129,999	–	–	–	–	–	–
\$130,000 - \$139,999	–	–	–	–	–	–
\$140,000 - \$149,999	–	–	–	1	–	1

CULTURAL DIVERSITY

ACMI aims to represent and cater for audiences of culturally and linguistically diverse backgrounds and markets the Centre in culturally diverse media.

An ongoing project, 'mapping world cinema', is guided by the lending service curatorial panel. As a result, the Lending Collection offers thousands of films for loan in many different languages. ACMI Collections will continue to evolve, ensuring the acquisition of works important to the varied cultural heritage and memory of Victoria and Australia. ACMI is the custodian for significant embassy film collections, in French, Chinese and German, as well as the National Library of Australia's collection, the National Film and Video Lending Service.

The opening of Federation Square on 26 October 2002 was preceded by an Indigenous ceremony, where participants led the official party through the precinct. ACMI staged a major exhibition celebrating the art and culture of the Ngarinyin Aboriginal people of the Kimberley plateau in Australia's north-west, *Ngarinyin Pathways Dulwan*. Members of the Ngarinyin visited ACMI to participate in the exhibition opening.

Mind of Tibet, a multi-screen installation designed as a meditation space, was commissioned by ACMI during the year. Many other works in the collection reflect cultural diversity.

ACMI's ongoing education programs are designed for primary, middle years, secondary, university and TAFE students and are committed to providing continuing educational initiatives in lifelong learning. Key screen education activities during the year included 'Digital Diaries', a program introduced to juvenile justice centres, and gallery programs including education kits and lectures for the *Pathways* project. 'Screens and Screams' was a joint project with the City of Melbourne in which a collaborative film was made by over 300 primary school students from diverse backgrounds.

Screen education programs also included the Regional Arts Victoria Cross Arts Project in Wangaratta and lectures at metropolitan and regional universities. Study guides on *Buffy the Vampire Slayer*, *Gattaca*, and *Breaker Morant* were published in 2002–2003, as well as four editions of *Australian Screen Education*.



ACMI continues its involvement in a major student film and digital media event, the Diegesis festival. At the 2002 festival two new youth packages were presented in collaboration with Interact 2002. The festival attracted works from 64 Victorian secondary schools and included forums, seminars and screenings aimed to extend knowledge and understanding of the new media industry.

ACMI's position as a new cultural institution at the forefront of cutting-edge developments in immersive, digital environments makes it ideally placed to attract a youth audience. New media art, games and innovative public and education programs attract a diverse range of patrons. In 2002–2003 ACMI developed a strategic direction and corporate plan that identify the youth market as a priority target market. Programs are being specifically developed to further attract the 16–24-year-old age group to ACMI.

FREEDOM OF INFORMATION

Access to information under the *Freedom of Information Act 1982* may be made in writing to the Freedom of Information 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.

For the 12 months ending 30 June 2003, ACMI received and responded to two requests under the *Freedom of Information Act 1982*. No requests progressed to the appeal stage.

WHISTLEBLOWERS PROTECTION ACT 2001

There were no disclosures made under the *Whistleblowers Protection Act* in 2002–2003.

ACMI's Protected Disclosure Officer is Ms Catherine Dynan, Manager Executive Services, who may be contacted as follows:

196 Flinders Street, Melbourne 3000
PO Box 14, Flinders Lane 8009
Telephone: 8663 2256 **Fax:** 8663 2211
Email: cdynan@acmi.net.au

ACMI's procedures under the *Whistleblowers Protection Act 2001* are reproduced in Appendix 2 to this report.

NATIONAL COMPETITION POLICY

ACMI is committed to competitive neutrality principles, which are taken into account in all activities.

CONSULTANCIES

During the reporting period ACMI entered into 67 consultancies each costing less than \$100,000. The total cost of these consultancies was \$597,652.

ACMI continued a consultancy arrangement with CMR Consultants for project management services relating to the Federation Square building. An additional payment of \$122,251 was made during the reporting period. A further \$95,025 is committed to this consultancy.

A consultancy with Dimension Data was carried out at a total cost of \$111,312 for installation services associated with a servers and storage area network project. The consultancy was undertaken in 2002–2003 and there is no further commitment.

BUILDING ACT

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

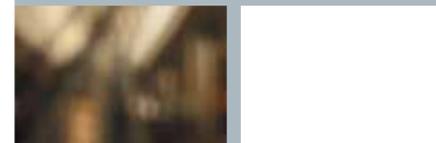
DISCLOSURE OF MAJOR CONTRACTS

ACMI did not enter into any contracts greater than \$10 million in 2002–2003.

INFORMATION AVAILABLE ON REQUEST

Details on the following matters are available upon request, subject to the provisions of the *Freedom of Information Act 1982*:

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



Clause	Requirement	
REPORT OF OPERATIONS		
Charter and Purpose		
9.1.3(i)(a)	Manner of establishment and Minister	6
9.1.3(i)(b)	Objectives, functions, powers and duties	6
9.1.3(i)(c)	Nature and range of services	12ff
Management and Structure		
9.1.3(i)(d)(i)	Name of Chief Executive Officer	7
9.1.3(i)(d)(ii)	Names of senior office holders and brief description of responsibility	11
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Financial and other information		
9.1.3(i)(e)	Statement of workforce data and merit and equity	26
9.1.3(ii)(a)	Summary of financial results for the year	25, 34-36
9.1.3(ii)(b)	Significant changes in financial position during the year	25
9.1.3(ii)(c)	Operational and budgetary objectives and performance against objectives	8-9
9.1.3(ii)(d)	Major changes or factors affecting achievement	9
9.1.3(ii)(e)	Subsequent events	n/a
9.1.3(i)(f)	Application and operation of Freedom of Information Act 1982	28
9.1.3(ii)(h)	Compliance with building and maintenance provisions of Building Act 1993	28
9.1.3(ii)(k)	Statement on National Competition Policy	28
9.1.3(ii)(f)	Details of consultancies over \$100,000	28
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9.6.2(l)(iv)	Disclosure of major contracts	28
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9.1.3(ii)(j)	Compliance index	30-31
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FINANCIAL STATEMENTS

Basis on which financial statements have been prepared and other compliance details

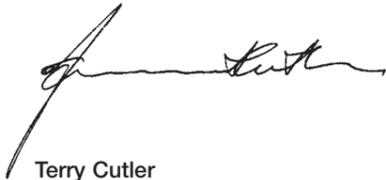
9.2.2(ii)(a)	Accrual basis of accounting	37
9.2.2(ii)(b)	Compliance with AASs and other authoritative pronouncements	37
9.2.2(ii)(c)	Compliance with Ministerial Directions and AFRBs	37
9.2.2(ii)(d)	Adoption of historical cost convention, except for specified assets	37
9.2.2(iii)	Rounding of amounts	n/a
9.2.2(i)(d)	Notes to the financial statements	37-49
9.2.2(iv)	Accountable officer's declaration	32
9.2.2(i)	Model Financial Report	n/a

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9.2.2(i)(a)	Statement of financial performance	34
9.2.3(ii)(a)	Operating revenue by class	39
9.2.3(ii)(b)	Investment income by class	39
9.2.3(ii)(c)	Other material revenue including disposal of non-current assets	39
9.2.3(ii)(e)	Depreciation	39
9.2.3(ii)(f)	Bad and doubtful debts	n/a
9.2.3(ii)(g)	Financing costs	39
9.2.3(ii)(h)	Net increment or decrement on revaluation recognised in the statement of financial performance	34
9.2.3(ii)(i)	Audit expense	49
9.7.2(l)(ii)	Motor vehicle lease commitments	n/a
Statement of financial position		
9.2.2(i)(b)	Statement of financial position	35
9.2.3(iii)(a)(i)	Cash at bank and funds held in trust	40
9.2.3(iii)(a)(ii)	Inventories by class	40
9.2.3(iii)(a)(iii)	Receivables, including trade debtors, loans and other debtors	40
9.2.3(iii)(a)(iv)	Other assets including prepayments	40
9.2.3(iii)(a)(v)	Investments	n/a
9.2.3(iii)(a)(vi)	Property, plant and equipment	40-42
9.2.3(iii)(a)(vii)	Intangible assets	n/a
9.2.3(iii)(b)(l)	Overdrafts	n/a
9.2.3(iii)(b)(ii)	Other loans	n/a
9.2.3(iii)(b)(iii)	Trade and other creditors	43
9.2.3(iii)(b)(iv)	Finance lease charges	n/a
9.2.3(iii)(b)(v)	Provisions, including employee benefits	43,49
9.2.3(iii)(c)(l)(ii)	Contributed capital	43
9.2.3(iii)(d)	Reserves, and transfers to and from reserves	43
Statement of cashflows		
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Other disclosures in notes to the financial statements		
9.2.3(iv)(a)	Liability secured by a charge over assets	n/a
9.2.3(iv)(b)	Contingent liabilities	49
9.2.3(iv)(c)	Commitments for expenditure	44
9.2.3(iv)(d)	Government grants received or receivable	39
9.2.3(iv)(e)	Employee superannuation funds	49
9.2.3(iv)(f)	Assets received without adequate consideration	n/a
9.4	Responsible person-related disclosures	48

We certify that the attached financial statements for the Australian Centre for the Moving Image have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements presents fairly the financial transactions during the year ended 30 June 2003 and financial position of the entity as at 30 June 2003.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Terry Cutler
President
06/10/2003



John Smithies
Chief Executive Officer
06/10/2003



Margaret Thompson
Finance Manager
03/10/2003



AUDITOR-GENERAL'S REPORT

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

Audit Scope

The accompanying financial report of the Australian Centre for the Moving Image for the financial year ended 30 June 2003, 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 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, and its financial performance and 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 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE
20 October 2003



J.W. CAMERON
Auditor-General

	Notes	30 June 2003	1 January 2002 to 30 June 2002
		\$	\$
REVENUE FROM ORDINARY ACTIVITIES			
Victorian Government Grants		21,821,238	7,989,548
Interest		481,489	189,468
ACMI Operations			
Sales		169,460	0
Other Income		1,525,061	537,950
Sponsorship		297,068	39,897
Total Revenue Ordinary Activities	2	24,294,316	8,756,863
EXPENSES FROM ORDINARY ACTIVITIES			
Salaries and Associated Costs		(9,832,031)	(3,126,787)
Operating Costs		(8,316,700)	(2,404,575)
Cost of Goods for Resale		(71,798)	0
Capital Asset Charge		(1,344,187)	(64,452)
Revaluation decrement		(32,321)	0
Depreciation & Amortisation of Non-Current Assets	3(a)	(3,760,607)	(337,770)
Rental Expense on Operating Leases	3(b)	(1,855,466)	(457,734)
Total Expenses		(25,213,110)	(6,391,318)
Result from Ordinary Activities		(918,794)	2,365,545
NET RESULT FOR THE REPORTING PERIOD		(918,794)	2,365,545
Net Increase in Asset Revaluation Reserve	12(c)	4,328,600	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH VICTORIAN STATE GOVERNMENT IN ITS CAPACITY AS OWNER ON BEHALF OF THE CROWN	12(d)	3,409,806	2,365,545

The above statement of financial performance should be read in conjunction with the accompanying notes.

	Notes	30 June 2003	1 January 2002 to 30 June 2002
		\$	\$
CURRENT ASSETS			
Cash Assets	4	7,110,804	13,025,307
Receivables	5	721,229	954,230
Inventories	6	115,372	13,482
Other	7(a)	4,840	90,881
TOTAL CURRENT ASSETS		7,952,245	14,083,900
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	18,904,216	8,459,204
Collections	9	10,635,525	6,117,513
Other	7(b)	10,000	10,000
TOTAL NON-CURRENT ASSETS		29,549,741	14,586,717
TOTAL ASSETS		37,501,986	28,670,617
CURRENT LIABILITIES			
Payables	10	2,615,786	6,332,374
Provisions	11(a)	733,152	526,053
TOTAL CURRENT LIABILITIES		3,348,938	6,858,427
NON-CURRENT LIABILITIES			
Provisions	11(b)	136,512	64,737
TOTAL NON-CURRENT LIABILITIES		136,512	64,737
TOTAL LIABILITIES		3,485,450	6,923,164
NET ASSETS		34,016,536	21,747,453
EQUITY			
Contributed Capital	12(a)	28,241,185	19,381,908
Accumulated Surplus	12(b)	1,446,751	2,365,545
Reserves	12(c)	4,328,600	0
TOTAL EQUITY		34,016,536	21,747,453

The above statement of financial position should be read in conjunction with the accompanying notes.

	Notes	30 June 2003	1 January 2002 to 30 June 2002
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Funding		20,477,051	7,925,097
Interest Received		481,489	189,468
Memberships & Theatre Hire		378,313	113,997
GST Received		2,045,200	231,606
Operations		1,615,219	189,207
		24,997,272	8,649,375
Payments			
Salaries and Associated Costs		(9,553,157)	(3,235,754)
Consultants		(309,324)	(1,026,367)
Operations		(15,771,165)	(648,951)
		(25,633,646)	(4,911,072)
Net Cash Flows (used in)/provided by Operating Activities	14(b)	(636,374)	3,738,303
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments			
Payments for Property Plant and Equipment (including Collections)		(14,137,406)	(5,705,225)
Net Cash Flows used in Investment Activities		(14,137,406)	(5,705,225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Initial Cash Contribution		0	7,190,215
Government Capital Funding		8,859,277	7,802,014
Net Cash Flows provided by Financing Activities		8,859,277	14,992,229
Net Increase/(Decrease) in Cash Held		(5,914,503)	13,025,307
Cash at Beginning of the Year		13,025,307	0
Cash at the End of the Year	14(a)	7,110,804	13,025,307

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTE 1:
SUMMARY 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*, Australian Accounting Standards, Statements of Accounting Concepts, other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views. The financial report has been prepared on the basis of historical cost and does 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 accounting policies adopted in preparing the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Reporting Period

The Centre was established under the *Film Act 2001*. Current reporting period figures relate to the twelve month period ending 30 June 2003. The comparative reporting period figures relate to the six month period ended 30 June 2002.

In October 2002, the Centre was officially opened at Federation Square. The objectives of the Centre are to educate, promote and exhibit the moving image in all its forms.

(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. Valuations 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

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life or the improvement to the Centre whichever is shorter. Leasehold improvements are amortised over the period of the lease.

Leasehold improvements held at the reporting date are being amortised over 10 years.

Depreciation

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

Class of Fixed Asset	30 June 2003	1 January 2002 to 30 June 2002
	Depreciation Rate	Depreciation Rate
Audio Visual Equipment	25.00%	25.00%
Computers	33.33%	33.33%
Furniture and Fittings	20.00%	20.00%
Office Equipment	20.00%	20.00%
Software	40.00%	40.00%
Leasehold Improvements	10.00%	10.00%

(d) Collections

(i) Lending Collection

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

The Centre depreciates the Lending Collection in recognition that these assets are in continual public use and have limited useful lives.

Class of Fixed Asset	30 June 2003	1 January 2002 to 30 June 2002
	Depreciation Rate	Depreciation Rate
Lending Collection	20.00%	20.00%

**NOTE 1:
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**
(ii) Film Collection

This collection was valued during the reporting period by an independent valuer, John Turner, Registered Valuer under the Federal Government's Cultural Gifts Scheme.

The value of this collection was based on its estimated replacement value. Periodic, formal revaluations of the Collection will be undertaken at intervals not greater than three years.

Given the unique nature of the Film Collection, depreciation is not recognised as the service potential of these cultural assets cannot be estimated reliably. As such, the valuation of the Film Collection is deemed to be valued at fair value at the reporting date.

(iii) Exhibition Collection

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

This collection has been brought to account based on an internally developed valuation methodology, in consultation with Graeme Addicott (FAPI,MPA) of the Australian Valuation Office in May 2003.

Given the unique nature of the Exhibition Collection, depreciation is not recognised as the service potential of these cultural assets cannot be estimated reliably. As such, the valuation of the Exhibition Collection is deemed to be valued at fair value at the reporting date.

(e) Leases

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

(f) Employee Benefits
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 benefits expected to be settled within one year have been measured at nominal rates. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff departures.

Employee benefits 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 17.5%, have been included in the determination of the liability.

(g) Contributed Capital

Appropriations for additions to net assets have been designated 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.

(h) Superannuation

All superannuation contributions are expenses in the Statement of Financial Performance.

A total of \$658,625 was contributed to a number of superannuation funds during the reporting period.

(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.

	30 June 2003	1 January 2002 to 30 June 2002
	\$	\$
NOTE 2: REVENUE		
Revenue from Government		
State Current - Department of Premier and Cabinet	20,477,051	7,925,098
State - Capital Asset Charge	1,344,187	64,451
	21,821,238	7,989,549
Self Generated Revenue		
Interest from Financial Institutions	481,489	189,468
Miscellaneous Income	356,186	219,137
Memberships	199,184	76,293
Venue Hire	179,129	27,786
Programming - Screenings, Lectures & Events	406,299	62,364
ACMI Shop	127,796	0
Lounge Bar	41,664	0
Library Collection Management	384,263	152,369
Sponsorship Income	297,068	39,897
	2,473,078	767,314
	24,294,316	8,756,863

NOTE 3: RESULT FROM ORDINARY ACTIVITIES

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

(a) Depreciation & Amortisation of Non-Current Assets
Depreciation

Audio Visual Equipment	(1,366,410)	(144,143)
Computer Equipment	(1,415,345)	(134,409)
Office Equipment	(52,930)	(21,772)
Furniture and Fittings	(41,685)	(13,958)
Software	(45,235)	(6,539)
Lending Collection	(179,089)	(9,180)
TOTAL DEPRECIATION	(3,100,694)	(330,001)

Amortisation

Leasehold Improvements	(659,913)	(7,769)
TOTAL AMORTISATION	(659,913)	(7,769)

TOTAL DEPRECIATION & AMORTISATION	(3,760,607)	(337,770)
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(b) Rental Expense on operating lease

Minimum lease payments	(1,744,379)	(401,599)
Equipment Rental	(111,087)	(56,135)
TOTAL RENTAL EXPENSE	(1,855,466)	(457,734)

	30 June 2003	1 January 2002 to 30 June 2002
	\$	\$
NOTE 4: CASH ASSETS		
Cash on Hand	4,500	1,600
Cash at Bank	1,617,965	3,053,561
ACMI Gift Fund	8,968	0
Money Market Instruments	5,479,371	9,970,146
	7,110,804	13,025,307

NOTE 5: RECEIVABLES

Current:		
Trade Debtors	408,610	241,457
GST Receivable	303,040	712,773
Interest Receivable	9,579	0
	721,229	954,230

NOTE 6: INVENTORIES

Current:		
Catalogues on Hand	8,097	13,482
ACMI Shop Stock on Hand	92,317	0
ACMI Lounge Bar Stock on Hand	2,585	0
Publications on Hand	12,373	0
	115,372	13,482

NOTE 7: OTHER FINANCIAL ASSETS

(a) Current		
Other Receivables	4,840	90,881
	4,840	90,881
(b) Non-Current		
Other Assets, at Cost		
Security Deposit - Leasehold	10,000	10,000
	10,000	10,000

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Audio Visual Equipment		
At Cost	7,189,368	4,932,234
Less Accumulated Depreciation	(1,820,676)	(467,918)
	5,368,692	4,464,316
Computer Equipment		
At Cost	6,673,004	1,944,477
Less Accumulated Depreciation	(1,885,601)	(506,053)
	4,787,403	1,438,424
Furniture and Fittings		
At Cost	182,369	35,402
Less Accumulated Depreciation	(60,753)	(19,170)
	121,616	16,232

	30 June 2003	1 January 2002 to 30 June 2002
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued		
Office Equipment		
At Cost	199,174	175,157
Less Accumulated Depreciation	(110,653)	(55,517)
	88,521	119,640

Leasehold Improvements

At Cost	9,359,538	458,885
Less Accumulated Amortisation	(953,939)	(294,026)
	8,405,599	164,859

Leasehold Improvements (Work in Progress)

At Cost	0	2,244,939
Less Accumulated Amortisation	0	0
	0	2,244,939

Software

At Cost	197,612	30,786
Less Accumulated Depreciation	(65,227)	(19,992)
	132,385	10,794

TOTAL PROPERTY, PLANT AND EQUIPMENT	18,904,216	8,459,204
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NOTE 9: COLLECTIONS

Film Collection		
At Fair Value (2003 Independent Valuation)	8,828,600	4,500,000
Lending Collection		
At Cost	972,348	827,632
Less Accumulated Depreciation	(748,063)	(568,975)
	224,285	258,657
Exhibition Collection		
At Fair Value	1,582,640	1,358,856
TOTAL COLLECTIONS	10,635,525	6,117,513

NOTE 8 & 9: PROPERTY, PLANT AND EQUIPMENT AND COLLECTIONS
Reconciliations

Movements in the carrying amounts of each class of Property, Plant and Equipment and Collections at the beginning and end of the current financial year are set out below.

	Audio Visual Equipment	Computer Equipment	Furniture and Fittings	Office Equipment	Leasehold Improve- ments	Leasehold Improve- ments (Work in Progress)	Software	Lending Collection	Film Collection	Exhibition Collection	Total
2003											
Carrying amount at start of year	4,464,316	1,438,424	16,232	119,640	164,859	2,244,939	10,794	258,656	4,500,000	1,358,857	14,576,717
Additions	2,288,056	4,769,498	147,069	21,936	8,900,653	0	166,826	144,718	0	256,104	16,694,860
Disposals	(17,270)	(5,174)	0	(125)	0	0	0	0	0	0	(22,569)
Adjustments	0	0	0	0	0	(2,244,939) ¹	0	0	4,328,600 ²	(32,321) ³	2,051,340
Depreciation/ amortisation expense	(1,366,410)	(1,415,345)	(41,685)	(52,930)	(659,913)	0	(45,235)	(179,089)	0	0	(3,760,607)
Carrying amount at end of year	5,368,692	4,787,403	121,616	88,521	8,405,599	0	132,385	224,285	8,828,600	1,582,640	29,539,741

Details of adjustments

¹ Leasehold Improvements (Work in Progress) transferred to Leasehold Improvements Additions

² Lending Collection Revaluation increment

³ Exhibition Collection Revaluation decrement

	Audio Visual Equipment	Computer Equipment	Furniture and Fittings	Office Equipment	Leasehold Improve- ments	Leasehold Improve- ments (Work in Progress)	Software	Lending 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	3,157,508	947,719	4,516	10,705	155,795	2,244,939	1,741	73,478	-	201,433	6,797,834
Disposals	-	(786)	-	-	-	-	-	-	-	-	(786)
Depreciation/ amortisation expense	(144,143)	(134,410)	(13,958)	(21,772)	(7,769)	-	(6,539)	(9,180)	-	-	(337,771)
Carrying amount at end of year	4,464,316	1,438,424	16,232	119,640	164,859	2,244,939	10,794	258,656	4,500,000	1,358,857	14,576,717

NOTE 10: PAYABLES

	30 June 2003 \$	1 January 2002 to 30 June 2002 \$
Trade Creditors	596,021	1,466,320
Sundry Creditors	216,468	3,686,692
Unearned Revenue	22,468	0
Accrued Expenses	1,771,866	1,179,139
Customer Deposits	8,963	223
	2,615,786	6,332,374

NOTE 11: PROVISIONS
(a) Current

Employee Benefits (Note 18)	733,152	526,053
	733,152	526,053

(b) Non-Current

Employee Benefits (Note 18)	136,512	64,737
	136,512	64,737

Aggregate Carrying Amount of Provisions

Current - Employee Benefits	733,152	526,053
Non-Current - Employee Benefits	136,512	64,737
	869,664	590,790

NOTE 12: EQUITY AND MOVEMENTS IN EQUITY
(a) Contributed Capital

Balance 1 July	19,381,908	0
Contributed Capital acquired from Cinemedia pursuant to the <i>Film Act 2001</i>	0	11,579,894
Capital contribution during the year by Victorian State Government	8,859,277	7,802,014
Balance 30 June	28,241,185	19,381,908

(b) Accumulated Surplus

Accumulated surplus at the beginning of the financial year	2,365,545	0
Net result for the reporting period	(918,794)	2,365,545
Accumulated surplus at the end of the financial year	1,446,751	2,365,545

(c) Reserves

Balance 1 July	0	0
Revaluation increment of Film Collection during the year	4,328,600	0
Balance 30 June	4,328,600	0

(d) Total In Equity

Net Result for the Reporting Period	(918,794)	2,365,545
Asset Revaluation Reserve	4,328,600	0
	3,409,806	2,365,545

	30 June 2003	1 January 2002 to 30 June 2002
	\$	\$

NOTE 13: COMMITMENTS

The balance of the Centre's commitments which were not expended in this financial year amounted to \$20,094,851. These commitments become payable when contracts are executed and upon contractors satisfying certain conditions.

Capital Commitments

Not later than one year	1,721,361	3,828,226
Later than one year but not later than five years	1,286,469	0
Later than five years	0	0
	3,007,830	3,828,226

Operating Lease Commitments

	13(a)		
Not later than one year		2,312,216	1,117,957
Later than one year but not later than five years		9,486,310	1,659,226
Later than five years		5,288,495	1,372,740
		17,087,021	4,149,923

13(a) Operating Lease Commitments

ACMI's ability to meet these future contractual commitments depends on future Parliamentary appropriations. These commitments predominately relate to leasing premises across three sites: Federation Square Flinders Street Melbourne, 196 Flinders Street Melbourne and Park Street South Melbourne.

NOTE 14: 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 Statement of Financial Position as follows:

Cash on Hand	4,500	1,600
Cash at Bank	1,617,965	3,053,561
ACMI Gift Fund	8,968	0
Money Market Instruments	5,479,371	9,970,146
	7,110,804	13,025,307

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

Net Surplus/(Deficit)	(918,794)	2,365,545
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Add (Less) Non-Cash Flows in Operating Surplus

Depreciation of Property, Plant and Equipment and Lending Collection	3,100,694	330,001
Amortisation of Leasehold Improvements	659,913	7,769
Revaluation decrement	(32,321)	786
Write-off of Property, Plant and Equipment	(22,569)	0

Changes in Assets and Liabilities

(Increase) / Decrease in Receivables	233,001	(308,042)
(Increase) / Decrease in Inventories	(101,890)	3,056
(Increase) / Decrease in Other Current Assets	0	3,032
(Increase) / Decrease in Other Receivables	86,041	(23,933)
Increase / (Decrease) in Payables	(3,919,322)	1,271,637
Increase / (Decrease) in Provisions	278,873	88,452
Net Cash Flows from Operating Activities	(636,374)	3,738,303

NOTE 15: FINANCIAL INSTRUMENTS
(a) Terms, Conditions and Accounting Policies

The Centre'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 4.52% and 4.70%.
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 4.55% 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 they have been invoiced.	Trade liabilities are normally settled on 30 day terms.

NOTE 15: FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk

The Centre'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:

Financial Instruments	At the Floating Interest Rate	Non-Interest Bearing	Total carrying amount as per Statement of Financial Position
	30 June 2003	30 June 2003	30 June 2003
(i) Financial Assets			
Cash	1,626,933	4,500	1,631,433
Debtors	0	711,650	711,650
Investments	5,479,371	9,579	5,488,950
Total Financial Assets	7,106,304	725,729	7,832,033
(ii) Financial Liabilities			
Creditors	0	834,957	834,957
Total Financial Liabilities	0	834,957	834,957

Financial Instruments	At the Floating Interest Rate	Non-Interest Bearing	Total carrying amount as per Statement of Financial Position
	30 June 2002	30 June 2002	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 assets	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

NOTE 15: FINANCIAL INSTRUMENTS (continued)

(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 2003	
(i) Financial Assets	
Cash	1,631,433
Receivables	711,650
Investments	5,488,950
Total Financial Assets	7,832,033
(ii) Financial Liabilities	
Creditors	834,957
Total Financial Liabilities	834,957

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 advancing credit 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 2003 was \$200,000.

NOTE 16: RELATED PARTIES

Responsible Persons

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

Minister for the Arts

The Hon Mary Delahunty MP

Governing Board

Dr Terry Cutler <i>President appointed December 2002</i>	Mr Alan Finney OAM
Mr Rod Bennett <i>resigned August 2003</i>	Ms Annette Blonski
Mr Peter Doughty	Mr Dan Pearce
Mr Stephen Found	Ms Natalie Miller OAM

Resignations

Ms Ann Sherry *President to October 2002*

In accordance with government policy no members of the Centre's governing board were remunerated during the reporting period.

Related Party Transactions

Transactions during the financial year with Responsible Persons and Responsible Person-related Entities are as follows:

Payments to Related Parties

Entity	Related Party	Transaction details	30 June 2003 \$	1 January 2002 to 30 June 2002 \$
BDO Consulting Pty Ltd	Mr Peter Doughty	Budget Review Services	5,478	0
Buena Vista International	Mr Alan Finney	Film Hire	46,358	0
Bytecraft Entertainment Pty Ltd	Mr Stephen Found	Electrical supplies	2,119	0
Holding Redlich	Mr Dan Pearce	Legal Fees	37,912	7,585
Rushmead Consulting Pty Ltd	Ms Annette Blonski	General Consulting identification of Hungarian Films	0	1,670
Sharmill Films	Ms Natalie Miller	Rights & Licence Fee over 5 years for works	0	1,100
Cinema Nova	Ms Natalie Miller	Cinema tickets	0	30

Payments from Related Parties

Entity	Related Party	Transaction details	30 June 2003 \$	1 January 2002 to 30 June 2002 \$
Buena Vista International	Mr Alan Finney	Guest Speaker Expense reimbursement	2,933	0

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

Remuneration of Responsible Persons

Remuneration and benefits received, or due and receivable	148,530	72,682
The remuneration of the Minister is reported separately in the financial statements of the Department of Premier and Cabinet.		

30 June 2003	1 January 2002 to 30 June 2002
\$	\$

NOTE 17: REMUNERATION OF AUDITORS

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	18,370	17,000
	18,370	17,000

NOTE 18: EMPLOYEE BENEFITS

Current (Note 11)

Annual Leave	565,730	377,406
Long Service Leave	167,422	148,647
	733,152	526,053

Non-current (Note 11)

Long Service Leave	136,512	64,737
	136,512	64,737
Aggregate Employee Benefit Liability	869,664	590,790

Government Employees' Superannuation Fund

No liability is recognised in the Statement of Financial Position for the Centre's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

Superannuation Contributions

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the Statement of Financial Performance of the Centre. Contributions for the Year represent cash contributed, whereas Contributions Outstanding at Year End represent contributions unpaid. The names and details of the major employee superannuation funds and contributions made by the Centre are as follows:

Fund	Contribution for the Year 30 June 2003 \$	Contribution for the Year 1 January 2002 to 30 June 2002 \$	Contribution Outstanding at Year End 30 June 2003 \$	Contribution Outstanding at Year End 1 January 2002 to 30 June 2002 \$
AMP Superleader Plan	30,481	13,604	3,016	-
Government Superannuation Fund	54,125	18,579	-	-
Superannuation Trust of Australia	15,760	4,306	2,235	-
Victorian Superannuation Fund	458,674	121,753	53,971	-
Various other	99,585	37,445	10,148	-
Total	658,625	195,687	69,370	-

Superannuation contributions to these funds include the statutory 9% contribution and salary sacrifice amounts, except contributions to the Government Superannuation Fund are determined by that Fund.

NOTE 19: CONTINGENT ASSETS & LIABILITIES

(i) Contingent Assets

ACMI has leased its Café Diner to a third party operator. The Lease was signed in July 2003 for a 5 year term. Rent will be payable by the Lessee based on a percentage of gross revenue plus a minimum of \$138,376 in the first and second years. Subsequent rent is based on a minimum \$162,376 rent per annum.

(ii) Contingent Liabilities

There is an outstanding claim related to an accident in the Screen Gallery involving a member of the public. The Centre is in the process of responding to this claim, and to date has not accepted liability. At this stage the anticipated maximum amount of the claim is \$100,000, inclusive of costs.

LENDING COLLECTION

Acquisitions for the ACMI Lending Collection totalled \$144,718 in 2002–2003. The Collection continued to develop and to meet the needs of its key users - individuals, educational institutions, practitioners, arts sector, government and industry. Particular areas of emphasis in 2002–2003 include key directors (including Claude Chabrol, Abel Ferrara and Frederick Wiseman), performance and globalisation-related documentaries, children's films, contemporary and classic television, national cinemas (Iran, Arab and North Africa), international art cinema, underground and mainstream Australian feature film, short filmmaking, animation, and music clips.

NATIONAL FILM AND VIDEO LENDING SERVICE

The National Film and Video Lending Service (NFVLS) acquired 167 new titles and 52 donated titles, including seven donated titles from the German Embassy. One hundred and twenty-nine new titles were ordered with extended rights, allowing access to all members for non-commercial and non-theatrical screenings. Licences were renewed for 244 titles, including packages of titles from Werner Herzog Filmproduktion, Hollywood Classics and Roadshow Film Distributors.

NFVLS acquisitions included 50 key works from the DEFA studios, responsible for East German film production from WWII to the reunification of Germany in 1989. Thirty-eight new VHS titles were added to the already significant holdings of ethnographic film and 16 short, feature, experimental and documentary films on VHS were acquired from Arab Film Distribution. The NFVLS also purchased around 150 film titles on 16mm from Roadshow Film Distributors. The films are ex-rental prints of varying condition, but of significant interest to members. Titles include classics such as *Million Dollar Legs* and *David Copperfield*, through to more recent works.

EXHIBITION COLLECTION**ACMI ACQUIRED THE FOLLOWING TITLES IN 2002–2003 FOR ITS EXHIBITION COLLECTION**

Anthony C Anderson, *Drive By Shooting* ■ Lindsay Anderson, *O Dreamland* ■ Kalman Apple, *Speed for Thespians* ■ bigHart Inc, *Hurt Installation* ■ Steven Burke, *81* ■ Tim Burns & Ros Sultan, *Luke's Party* ■ Wenona Byrne, *Saturn's Return* ■ Jane Campion, *Peel* ■ Jane Campion, *A Girls Own Story* ■ Jane Campion, *Passionless Moments* ■ David Charles, *Fell* ■ Jem Cohen, *Chain* ■ Daniel Crooks, *Fluid City* ■ Marcus Dineen, *Velocity* ■ Stephen Elliott, *Rap, Race & Equality* ■ Davide Grassi, *Nuclear Body* ■ Davide Grassi, *Ron's Story* ■ Todd Hayes, *Dottie Gets Spanked* ■ Damon Herriman, *The Hitch* ■ Colleen Hughson, *Chicks With Decks* ■ Lyndal Jones, *Spitfire* ■ Leonie Knight, *Let Me Die Again* ■ Jochen Kuhn, *Recently 2* ■ Peter Kuran, *Rapatronic* ■ Caroline Leaf, *The Street* ■ Caroline Leaf, *Between Two Sisters* ■ Don McKellar, *Blue* ■ Brian McKenzie, *Winter's Harvest* ■ Tracey Moffatt, *Night Cries* ■ Matthias Muller, *Phantom* ■ Kate Murphy, *Prayers of A Mother* ■ Norie Neumark, *Shock in the Ear* ■ Monica Pellizzari, *Just Desserts* ■ D A Pennebaker, *Daybreak Express* ■ Debra Petrovitch, *Uncle Bill* ■ Bob Rogers, *Ballet Robotique* ■ Ben Speth, *Expectant Spaces* ■ Ben Speth, *Dummy* ■ Wayne Stamp, *Basilisk* ■ Wayne Stamp, *A Universe of Dirt* ■ Suzanne Treister, *No Other Symptoms* ■ Tamas Waliczky, *Human Motions* ■ Tamas Waliczky, *Is There Any Room Here for Me?* ■ Tamas Waliczky, *Landscape* ■ Tamas Waliczky, *Memory of Maholy Nagy* ■ John Whitney, *Experiments In Motion Graphics* ■ John Whitney, *Arabesque* ■ John Whitney, *Matrix* ■ John Whitney, *Permutations* ■ John Whitney, *A Personal Search* ■

1 SUMMARY

The Australian Centre for the Moving Image (ACMI) is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* ('the Act'). It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct. ACMI is committed to excellence in the management and administration of its resources and will support and facilitate the confidential disclosure of conduct that is inconsistent with this commitment.

2 INTRODUCTION

This document establishes a system for reporting disclosures of improper conduct or detrimental action by the Australian Centre for the Moving Image and its employees. In accordance with the Act, such disclosure may be made to the protected disclosure coordinator or to one of the nominated protected disclosure officers.

Disclosures may be made by employees or by members of the public. These procedures are designed to complement normal communication channels between supervisors and employees.

These procedures support the operation of the Act, pursuant to the *Whistleblowers Protection Act 2001* - Ombudsman's Guidelines. These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

2.1 Objects of the Act

The *Whistleblowers Protection Act 2001* commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

2.2 Definition of key terms

Three key concepts in the reporting system are improper conduct, corrupt conduct and detrimental action.

2.2.1 Improper conduct

Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

2.2.2 Corrupt conduct

Corrupt conduct means:

- > conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions
- > the performance of a public officer's functions dishonestly or with inappropriate partiality
- > conduct of a public officer, former public officer or a public body that amounts to a breach of public trust
- > conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- > a conspiracy or attempt to engage in the above conduct.

2.2.3 Detrimental action

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- > action causing injury, loss or damage
- > intimidation or harassment
- > discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

3 GUIDELINES

3.1 The reporting system

Disclosures of improper conduct or detrimental action by the Australian Centre for the Moving Image or its employees may be made to the protected disclosure coordinator or a protected disclosure officer.

Protected Disclosure Coordinator

Catherine Dynan
Telephone: (03) 8663 2256
Email: cdynan@acmi.net.au

Protected Disclosure Officers

Janet Riley
Telephone: (03) 8663 2269
Email: jriley@acmi.net.au

Gael McIndoe
Telephone: (03) 8663 2425
Email: gmcindoe@acmi.net.au

Correspondence to:

Australian Centre for the Moving Image
Level 1, 196 Flinders Street Melbourne
PO Box 14 Flinders Lane Melbourne
Victoria 8009

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

A disclosure about improper conduct or detrimental action by the Australian Centre for the Moving Image or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)

Internet: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au
Telephone: (03) 9613 6222
Toll Free: 1800 806 314
Ombudsman: Dr Barry Perry
Telephone: (03) 9613 6202

3.2 Roles and responsibilities

3.2.1 Protected disclosure officer

The protected disclosure officer will:

- > be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action
- > make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace
- > receive any disclosure made orally or in writing (from internal and external whistleblowers)
- > commit to writing any disclosure made orally
- > impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure)
- > take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- > forward all disclosures and supporting evidence to the protected disclosure coordinator.

3.2.2 Protected disclosure coordinator

The protected disclosure coordinator has a central clearinghouse role in the internal reporting system.

The protected disclosure coordinator will:

- > receive all disclosures forwarded from the protected disclosure officers
- > receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure
- > impartially assess each disclosure to determine whether it is a public interest disclosure
- > refer all public interest disclosures to the Ombudsman
- > be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman
- > be responsible for overseeing and coordinating an investigation where an investigator has been appointed
- > appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals
- > advise the whistleblower of the progress of an investigation into the disclosed matter
- > establish and manage a confidential filing system
- > collate and publish statistics on disclosures made
- > take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- > liaise with the chief executive officer of the public body.

3.2.3 Investigator

An investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the public body. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

3.2.4 Welfare manager

A welfare manager is responsible for looking after the general welfare of the whistleblower.

The welfare manager will:

- > examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment
- > advise the whistleblower of the legislative and administrative protections available to him or her
- > listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
- > keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action
- > ensure the expectations of the whistleblower are realistic.

3.2.5 Employees

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures. All employees of the Australian Centre for the Moving Image have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

3.3 Confidentiality

The Australian Centre for the Moving Image will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 constitutes an offence that is punishable by a maximum fine of 60 penalty units or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- > where exercising the functions of the public body under the Act
- > when making a report or recommendation under the Act
- > when publishing statistics in the annual report of a public body
- > in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

The Australian Centre for the Moving Image will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored in a separate secure designated directory and be given password protection which is accessible only by the protected disclosure coordinator. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The Australian Centre for the Moving Image will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

3.4 Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- > the number and types of disclosures made to public bodies during the year
- > the number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures
- > the number and types of disclosed matters referred to the public body by the Ombudsman for investigation
- > the number and types of disclosures referred by the public body to the Ombudsman for investigation
- > the number and types of investigations taken over from the public body by the Ombudsman
- > the number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body
- > the number and types of disclosed matters that the public body has declined to investigate
- > the number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation
- > any recommendations made by the Ombudsman that relate to the public body.

3.5 Receiving and assessing disclosures

3.5.1 *Has the disclosure been made in accordance with Part 2 of the Act?*

Where a disclosure has been received by a protected disclosure officer or by the protected disclosure coordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

3.5.2 *Has the disclosure been made to the appropriate person?*

For the disclosure to be responded to by the Australian Centre for the Moving Image, it must concern an employee, member or officer of the Australian Centre for the Moving Image. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. If the disclosure has been made anonymously, it should be referred to the Ombudsman.

3.5.3 *Does the disclosure contain the essential elements of a protected disclosure?*

To be a protected disclosure, a disclosure must satisfy the following criteria

- > Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- > Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- > Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- > Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be responded to in consultation with the protected disclosure coordinator.

3.5.4 *Is the disclosure a public interest disclosure?*

Where the protected disclosure officer or coordinator has received a disclosure that has been assessed to be a protected disclosure, the protected disclosure coordinator will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure. In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the protected disclosure coordinator will consider whether the disclosure shows, or tends to show, that the public officer to whom the disclosure relates:

- > has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer, or
- > has taken, is taking, or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will:

- > notify the person who made the disclosure of that conclusion, and
- > refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

- > notify the person who made the disclosure of that conclusion, and
- > advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

- 3.6 Investigations**
Where the Ombudsman refers a protected disclosure to the Australian Centre for the Moving Image for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.
- 3.6.1 Objectives**
The objectives of an investigation will be:
- > to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment
 - > to consider the information collected and to draw conclusions objectively and impartially
 - > to maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
 - > to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.
- 3.6.2 Terms of reference**
Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.
- 3.6.3 Investigation plan**
The investigator will prepare an investigation plan for approval by the protected disclosure coordinator.
The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:
- > what is being alleged?
 - > what are the possible findings or offences?
 - > what are the facts in issue?
 - > how is the inquiry to be conducted?
 - > what resources are required?
- At the commencement of the investigation, the whistleblower should be:
- > notified by the investigator that he or she has been appointed to conduct the investigation
 - > asked to clarify any matters
 - > provide any additional material he or she might have.
- The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.
- 3.6.4 Natural justice**
The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.
The Australian Centre for the Moving Image will have regard to the following issues in ensuring procedural fairness:
- > the person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced)
 - > if the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report
 - > all relevant parties to a matter should be heard and all submissions should be considered
 - > a decision should not be made until all reasonable inquiries have been made
 - > the investigator or any decision maker should not have a personal or direct interest in the matter being investigated
 - > all proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process
 - > the investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses.
- Where appropriate, conclusions as to credibility should be included in the investigation report.
- 3.6.5 Conduct of the investigation**
The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.
It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview.
- 3.6.6 Referral to the Ombudsman**
The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:
- > the investigation is being obstructed by, for example, the non-cooperation of key witnesses; or
 - > the investigation has revealed conduct that may constitute a criminal offence.
- 3.6.7 Reporting requirements**
The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.
The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation. Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

3.7 Action taken after an investigation

3.7.1 Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- > the allegation/s
- > an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed
- > the conclusions reached and the basis for them
- > any recommendations arising from the conclusions

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- > the steps that need to be taken to prevent the conduct from continuing or occurring in the future
- > any action that should be taken to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- > the transcript or other record of any oral evidence taken, including tape recordings
- > all documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report. The report will not disclose particulars likely to lead to the identification of the whistleblower.

3.7.2 Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Executive or to the board the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report to the Minister for the Arts, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

3.8 The welfare of the whistleblower

The Australian Centre for the Moving Image is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure (see 3.2.4 above).

3.8.1 Keeping the whistleblower informed

The protected disclosure coordinator will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure, and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

3.8.2 Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- > record details of the incident
- > advise the whistleblower of his or her rights under the Act
- > advise the protected disclosure coordinator or chief executive officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act.

3.8.3 Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, the Australian Centre for the Moving Image will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures.

The Australian Centre for the Moving Image acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, it must be clearly demonstrated that:

- > the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information)
- > there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances
- > there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.



3.9 Management of the person against whom a disclosure has been made

The Australian Centre for the Moving Image recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures. All reasonable steps will be taken to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- > informed as to the substance of the allegations
- > given the opportunity to answer the allegations before a final decision is made
- > informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- > has his or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The Australian Centre for the Moving Image will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Australian Centre for the Moving Image will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

3.10 Criminal offences

The Australian Centre for the Moving Image will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

- > It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units or two years imprisonment or both.
- > It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units or six months imprisonment or both.
- > It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units or two years imprisonment or both.
- > It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units or two years imprisonment or both.

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