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**Government
of South Australia**

ADELAIDE FILM FESTIVAL

2021-22 Annual Report

ADELAIDE FILM FESTIVAL

1 Mulberry Road Glenside SA 5065

Adelaidefilmfestival.org

Contact phone number: (08) 8394 2505

Contact email: info@adelaidefilmfestival.org

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Date presented to Minister: 29 September 2022

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2021-22 ANNUAL REPORT for Adelaide Film Festival

To:

The Hon. Andrea Michaels MP

Minister for Small and Family Business,
Minister for Consumer and Business Affairs,
Minister for Arts.

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *'Public Corporations (Adelaide Film Festival) Regulations 2017'* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the ADELAIDE FILM FESTIVAL by:

Mathew Kesting GAICD,
CEO/Creative Director

Date 29 September 2022

Signature



From the Chief Executive



Adelaide Film Festival (AFF) is South Australia's premier screen event. Internationally regarded, AFF is a home for courageous storytellers at the frontier of film art. AFF provides platform for our own storytellers and presents these works within an international context, invests in the production of bold new screen

works through the AFF Investment Fund, provides an interface for industry and audiences and generates opportunity to formulate collective identity.

AFF's mission continues to be inherently reinforced as an essential priority since we live in an expanding screen culture. There is almost no one on earth that is not touched by film and moving image and the world-wide demand for content continues to grow. Furthermore, South Australia is synonymous with film production, and it is therefore fitting that the state be home to one of Australia's leading film festivals. Our strategy is to continue accelerating the development of AFF as a thriving organisation that enhances culture, expands audiences, develops, supports, and engages the filmmaking community and delivers economic growth in the creative sector. We do this while navigating the evolution of storytelling and the growing role in which screen plays in our daily lives.

The year 2021-22 marks a significant milestone for AFF with the realisation of the long-held ambition for the biennial festival to be presented annually. Thanks to increased investment from the State Government, AFF will be able to present the festival annually from October 2022. This significant turning point in the organisation's 19-year history has galvanised the support of existing stakeholders while also attracting new investment to the organisation, enhanced by AFF's focus on business development since 2019. Numerous other benefits of annual presentation are forecast, as evidenced by the transition of other local festivals from biennial to annual presentation. For one, annual presentation conforms to the expectations and rhythm of industry as well as those of audiences and partners.

The 2021-22 period saw the establishment of a philanthropic giving program, *AFF Luminaries*, which has provided a unique point of engagement for financial support of the festival. As an ambassadorial initiative, the program has seen immense interest and has generated the beginnings of a significant source of revenue to assist the organisation to deliver on its mission and vision.

In the 2021-22 period, AFF presented the pilot edition of a screen program dedicated to young South Australians, *AFF Youth*. With support from the Department for Education, SA Power Networks alongside more than fifteen other partners, including tertiary education and industry partners, AFF Youth incorporated a week-long program of activity. The program comprised an international screening program, a state-wide schools filmmaking competition, a youth competition jury, teacher and student workshops and a creative industries career pathway expo that saw students from across the state engage with peak industry businesses and training organisations. AFF Youth was originally scheduled for 25-30 July 2021 but due to a state-wide COVID-19 shutdown at that time, the program was consolidated, postponed, and presented in September as a hybrid online/ in person event.

The period also saw AFF partner with Illuminate Adelaide to showcase two AFFIF funded virtual reality (VR) projects: *Thin Ice VR* and *Square Circles*. In *Thin Ice VR* environmentalist and adventurer, Tim Jarvis AM, retraces Ernest Shackleton's exploration of Antarctica and the impact of climate change is revealed utilising the virtual reality medium. *Square Circles* draws upon William Barton's Country, culture and dreaming, featuring his visceral music in collaboration with the Australian String Quartet (ASQ). However, the presentation of both projects was deleteriously impacted by the state-wide COVID-19 shutdown. *Thin Ice VR* was later presented in partnership with the South Australian Museum in a season that ran for three months.

At the time of writing this report, AFF is focussed on the launch and presentation of AFF 2022 due to take place 19-30 October and we look forward to welcoming you!



Mathew Kesting GAICD

Chief Executive and Creative Director, Adelaide Film Festival

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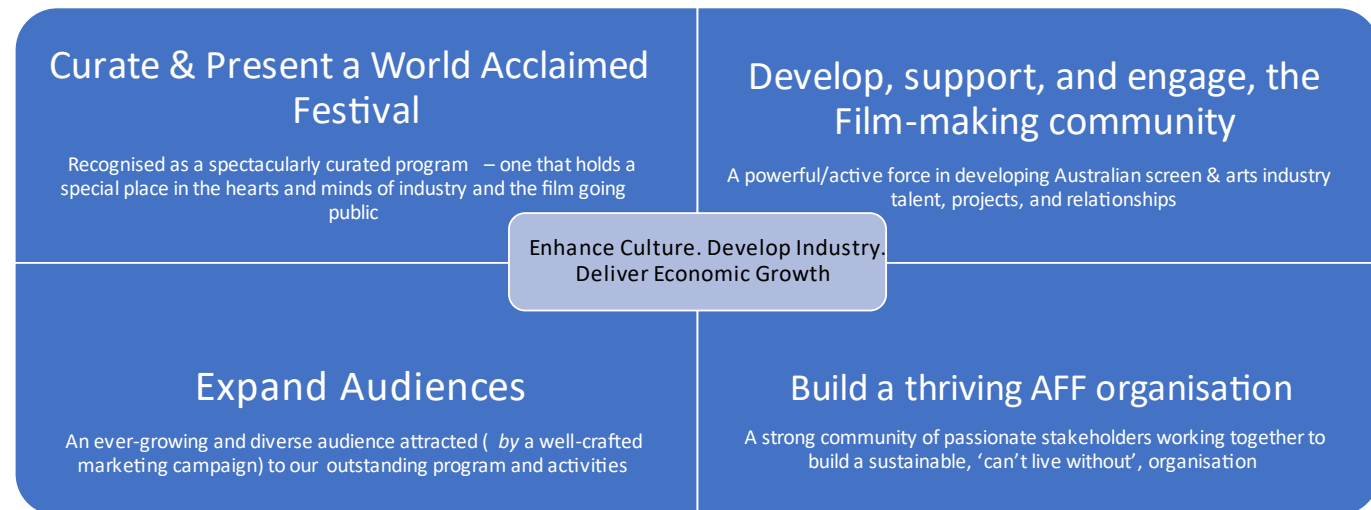
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Overview: about the agency

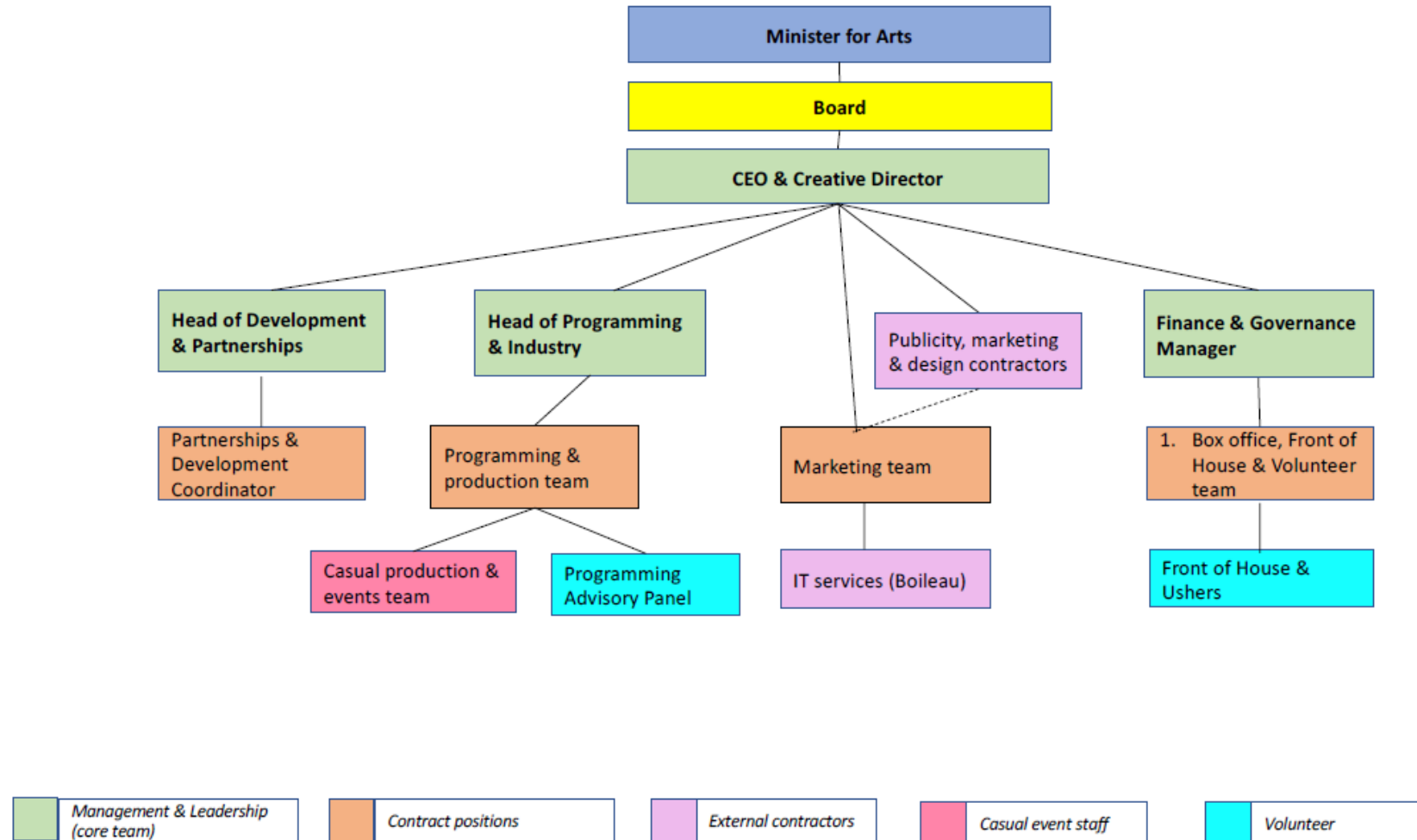
Our strategic focus

<p>Our Purpose</p>	<p>AFF's core business is to courageously curate high quality film programs and to support and develop films and filmmakers to tell stories that provide a window to our world.</p>
<p>Our Vision</p>	<ol style="list-style-type: none"> 1. To deliver a distinctive festival, unique in the landscape of Australian film festivals, which integrates with the existing calendar of successful South Australian cultural festivals. 2. To attract complementary arts and cultural events and partnerships to raise the profile of the State and festival and extend opportunities for the local industry. 3. To use the Fund to capitalise on local and national creative strengths in order to: <ul style="list-style-type: none"> • boost production in the State • increase business and employment opportunities in the State • enhance the State's national and international reputation as a centre of independent filmmaking. 4. To create, market and present a challenging and distinctive screening program, accompanied by a substantial forum program, which profiles and explores key program themes and approaches to screen practice. 5. The festival will be relevant to both the general public and the industry, attracting a broad audience demographic and introducing this audience to innovative areas of screen practice. 6. To reflect current and future trends in the film and screen-based industries. 7. To present a film festival and associated events which consistently meet audience and financial targets.

AFF: STRATEGIC PILLARS



Our organisational structure



Management & Leadership (core team)

Contract positions

External contractors

Casual event staff

Volunteer

Board

Mr Anton Andreacchio GAICD (Chair)	<i>Appointed October 2018</i>
Ms Rebecca Cole	<i>Appointed November 2020</i>
Ms Martha Coleman GAICD	<i>Appointed November 2014</i>
Mr Joshua Fanning	<i>Appointed November 2020</i>
Ms Marianna Panopoulos GAICD (Chair, Audit & Risk Subcommittee)	<i>Appointed November 2020</i>
Mr Hugo Weaving AO	<i>Appointed November 2020</i>

Changes to the agency

During 2021-22 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

Our Minister is The Hon. Andrea Michaels MP, Minister for Arts.



(Previously, to March 2022, our Minister was the Hon. David Pisoni MP, Minister for Innovation and Skills.)

Our Executive team

Mathew Kesting is Adelaide Film Festival's CEO and Creative Director.

Legislation administered by the agency

Nil

Other related agencies (within the Minister's area/s of responsibility)

The Hon. Andrea Michaels MP is Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts.

The agency's performance

Performance at a glance

Key performance measure	Performance
Create and present a biennial festival	<ul style="list-style-type: none"> As a biennial event, 2021-22 was a non-festival year. The last festival was presented October 2020 and the next edition is scheduled for October 2022.
Boost, through the Adelaide Film Festival Investment Fund (Fund), the level of screen-based production in South Australia.	<ul style="list-style-type: none"> 2021-22 saw a total of 15 works commissioned for premiere as part of AFF in October 2022, including 10 feature length works, 3 short films and 2 moving image artworks.
Where appropriate and within budget parameters, present ancillary activities that build the Adelaide Film Festival brand to enhance market position, and that expand opportunities for stakeholder and audience engagement.	<ul style="list-style-type: none"> A pilot edition of AFF Youth was presented in September 21. Under the AFF Film Club brand, AFF presented regular advance and premiere screening events in various cinemas across Adelaide.
Generation of non-State Government sourced revenues	<ul style="list-style-type: none"> 2021-22 was a non-festival year.
Achievement of a break-even or surplus result	<ul style="list-style-type: none"> Surplus achieved

Per the Regulations, the AFF Board is required to meet a minimum of six times per year. There were 8 meetings held in the 2021-22 period. Meetings were attended by:

Member	Number of meetings attended
Mr Anton Andreacchio GAICD (Chair)	8
Ms Rebecca Cole	4
Ms Martha Coleman GAICD	8
Mr Joshua Fanning	8
Ms Marianna Panopoulos GAICD (Chair, Audit & Risk Subcommittee)	8
Mr Hugo Weaving AO	8

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	AFFIF supported screen production jobs
Lower costs	Efficiencies were gained through careful negotiation of supplier contracts and a focus on value for money.
Better Services	Development of improved event strategies and plans.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Enhance Culture	<ul style="list-style-type: none"> • Curate & present a World Acclaimed Festival • Expand audiences 	2021-21 was a non-festival year
Develop Industry	<ul style="list-style-type: none"> • Develop, support and engage the filmmaking community 	Despite 2021-21 being a non-festival year, AFF invested in new screen productions through the AFF Investment Fund and presented regular Film Club screenings.
Deliver Economic Growth	<ul style="list-style-type: none"> • Build a thriving Adelaide Film Festival organisation • Economic impact 	<p>A revised organisational structure and interim event activities in the period strengthened the organisation and its relationships with stakeholders.</p> <p>As a non-festival year, AFF did not measure economic impact.</p>

Corporate performance summary

Employment opportunity programs

Program name	Performance
AFF Internship Program	AFF partnered with tertiary institutions (University of South Australia, Flinders University, and University of Adelaide) to offer development internship programs. The objective of these programs is to develop skills on the job.
Curate Your Own Festival	The Curate Your Own Festival program is a regional skills development and events initiative established by AFF. Participants from various regional centres apply to attend AFF and participate in festival activities. Participants curate a program for presentation in their home community with mentoring and assistance from AFF. 2021-22 was a non-festival year hence program activity will occur in alignment with the delivery of the festival in 2022-23.
Youth Training Pathways	AFF has formed a partnership with the Department for Education to deliver a dedicated Youth Program as part of the festival. Part of this program includes working with the Department to form industry linkages and clarify skills training pathways.

Agency performance management and development systems

Performance management and development system	Performance
AFF Risk Register	AFF maintains an active risk register to monitor and manage all organisational risks. The register is reviewed by an audit & risk committee appointed by the AFF Board.
Regular performance reviews of key management personnel	The small but dynamic core team of AFF remained focussed on the successful delivery and output of events. Performance reviews were conducted in the form of regular meetings, on-going coaching and feedback and annual formal reviews for ongoing personnel and resulted in 100% compliance.
Upskilling of personnel as required – training courses and seminars made available to AFF when applicable	AFF is a small team, and it is not difficult to disseminate information (collateral and learnings) from the various courses, seminars and workshops that the team attends.

Work health, safety and return to work programs

Program name	Performance
Robust WH&S policies in place	<p>AFF has robust WH&S management systems in place, formalised in the organisation’s policy and procedure document.</p> <p>Incoming AFF staff, volunteers and interns are required to read and adhere to WH&S policies.</p> <p>Events Producers on the team prepare risk assessments for events/venues and ensure the implementation of WH&S policies across all events.</p> <p>AFF offices are accommodated within the Adelaide Studios/South Australian Film corporation complex, and all building/landlord specific regulations are adhered to.</p>
AFF Risk Register	Work health and safety risks are monitored through the AFF Risk Register, which is updated regularly and shared across the team.

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0

Return to work costs**	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

**before third party recovery

Executive employment in the agency

Executive classification	Number of executives
Chief Executive	1

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Total Income	2,085	1,891	(194)	2,128
Total Expenses	2,324	1,791	533	2,147
Net Result	(239)	100	339	(19)
Total Comprehensive Result	(239)	100	339	(19)

Statement of Financial Position	2021-22 Actual \$000s	Past year 2020-21 Actual \$000s
Current assets	2,201	2,083
Non-current assets	10	0
Total assets	2,211	2,083
Current liabilities	496	437
Non-current liabilities	0	31
Total liabilities	496	468
Net assets	1,715	1,615
Equity	1,715	1,615

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	Nil

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Nil		Nil
	Total	Nil

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$5,769

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Hender Consulting	Contract Finance & Governance Manager	\$60,003

This was a short week by week contract.

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

The Audit and Risk Subcommittee comprises three non-executive directors and an external expert who during the year met as scheduled to consider its responsibilities pertaining to finance, audit, risk and compliance pursuant to the AFF Audit and Risk Subcommittee charter. The Committee was satisfied that the organisation's risk management and compliance procedures were rigorous and robust during the reporting period.

Fraud detected in the agency

Category/nature of fraud	Number of instances
No instances of fraud were detected	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

- The CEO and Finance and Governance Manager report to the Audit & Risk Sub Committee, which meets at least 2 times per year. The primary objective of the Audit & Risk Sub Committee is to assist the AFF to understand and manage its organisational risks and assist the AFF Board in fulfilling its responsibilities for overseeing the organisation's financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with relevant laws, regulations, and codes.
- Quarterly reports are prepared for the Department for Industry, Innovation and Science, comparing budgeted income and expenditure to actuals. Updated forecasts are also provided as and when necessary.
- The management team undergoes reviews of expenditure and risk management plans, and these are maintained through team and Board assessment.
- A range of strategies and internal controls have been put in place to manage potential risk, with purchase order systems and an internal audit program, as described in the policies and procedures.
- Any external audit recommendations are implemented as a matter of priority.

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*: *nil*.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy	0

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	0

Service Improvements

N/A

Compliance Statement

Adelaide Film Festival is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Adelaide Film Festival has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2021-22



Our ref: A22/317

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

Mr A Andreacchio
Chair
Adelaide Film Festival
Adelaide Studios
1 Mulberry Road
GLENSIDE SA 5065
email: Anton@convergen.com.au
mat@adelaidefilmfestival.org

Dear Mr Andreacchio

Audit of the Adelaide Film Festival for the year to 30 June 2022

We have completed the audit of your accounts for the year ended 30 June 2022. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters.

1 Independent Auditor's Report

We are returning the financial report for the Adelaide Film Festival, with the Independent Auditor's Report. This report is unmodified.

The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday, 18 October 2022.

2 Audit management letters

As the audit did not identify any significant matters requiring management attention, we will not issue any audit management letter.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

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Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. O'Donohue', with a long horizontal flourish extending to the right.

Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

29 September 2022

enc

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the members of the Board Adelaide Film Festival

Opinion

I have audited the financial report of the Adelaide Film Festival for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Film Festival as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive Officer/Creative Director, and Finance and Governance Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Film Festival. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive Officer and the members of the Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the Schedule to the *Public Corporations Act 1993*, I have audited the financial report of Adelaide Film Festival for the financial year ended 30 June 2022.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.


As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Adelaide Film Festival's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

29 September 2022

Adelaide Film Festival Financial Statements for the year ended 30 June 2022

Certification of the Financial Statements

We certify that the:

- financial statements for the Adelaide Film Festival:
 - comply with relevant Treasurer's instructions;
 - comply with relevant accounting standards;
 - are in accordance with the accounts and records of the Adelaide Film Festival; and
 - present a true and fair view of the financial position of the Adelaide Film Festival as at 30 June 2022 and the results of its operation and cash flows for the financial year.
- the internal controls employed by the Adelaide Film Festival for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Anton Andreacchio
Chair

21/9/2022



Mat Kesting
CEO/Creative Director

21/9/22



Robyn Wigley
Finance & Governance
Manager

21/9/22

Adelaide Film Festival
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Note No.	2022 \$' 000	2021 \$' 000
Income			
SA Government Grants	6	1,545	1,141
Revenues from sales		30	322
Interest		2	6
Non SA Government grants & Sponsorships	5	220	540
Investment returns AFFIF		11	23
Other income	7	83	96
Total income		1,891	2,128
Expenses			
Employee benefits	2	639	709
Supplies and services	4	1,148	1,436
Depreciation	10	4	2
Total expenses		1,791	2,147
Net result		100	(19)
Total comprehensive result		100	(19)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Adelaide Film Festival STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	8	2,154	2,009
Receivables	9	47	74
Total current assets		2,201	2,083
Non-current assets			
Property, plant and equipment	10	10	-
Total non-current assets		10	-
Total assets		2,211	2,083
Current liabilities			
Payables	11	152	244
Employee benefits	12	31	35
Contract liabilities	13	313	158
Total current liabilities		496	437
Non-current liabilities			
Contract liabilities	13	-	31
Total non-current liabilities		-	31
Total liabilities		496	468
Net assets		1,715	1,615
Equity			
Retained earnings		1,715	1,615
Total equity		1,715	1,615

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Adelaide Film Festival STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note No.	2022 Inflows (Outflows) \$'000	2021 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from the sale of goods and services		73	318
Interest received		2	9
Receipts from Non SA Government grants and sponsorships		122	367
Trust funds received		77	68
Other receipts		252	298
Receipts from SA Government grants		1,682	1,241
Cash generated from operations		2,208	2,301
Cash outflows			
Employee benefit payments		(646)	(659)
Supplies and services		(1,227)	(1,330)
Payments on behalf of other entities		-	(130)
GST paid to the ATO		(89)	(84)
Trust funds payments		(87)	(110)
Cash used in operations		(2,049)	(2,313)
Net cash provided by (used in) operating activities		159	(12)
Cash flows from Investing Activities			
Cash outflows			
Purchase of property, plant and equipment		(14)	-
Net cash used in investing activities		(14)	-
Net increase (decrease) in cash and cash equivalents		145	(12)
Cash and cash equivalents at the beginning of the financial year		2,009	2,021
Cash and cash equivalents at the end of the financial year	8	2,154	2,009

The accompanying notes form part of these financial statements.

Adelaide Film Festival
STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2020	1,634	1,634
Net result for 2020-21	(19)	(19)
Total comprehensive result for 2020-21	(19)	(19)
Balance at 30 June 2021	1,615	1,615
Net result for 2021-22	100	100
Total comprehensive result for 2021-22	100	100
Balance at 30 June 2022	1,715	1,715

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

ADELAIDE FILM FESTIVAL

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Note 1 Basis of Financial Statements, Objectives and Activities

The Adelaide Film Festival (AFF) is a subsidiary of the Minister for the Arts established under the Regulations pursuant to the *Public Corporations Act 1993*.

The financial statements and accompanying notes include all the controlled activities of AFF.

AFF does not control any other entity and has no interests in unconsolidated structured entities.

Basis of Preparation

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

AFF has applied relevant Australian Accounting Standards with reduced disclosure requirements that are applicable to not-for-profit entities, as AFF is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by AFF for the period ending 30 June 2022.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

AFF is not subject to income tax. AFF is liable for goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Objectives

AFF's objectives are:

- to present a festival which celebrates and explores contemporary Australian and international screen culture with a unique program of screenings and special events, which aim to increase audience knowledge and participation.
- to increase and stimulate innovative and new screen production through the provision of equity finance for the premiering at the Festival.
- to raise the profile of arts and screen culture in South Australia for audiences and practitioners.

The Adelaide Film Festival facilitates an Investment Fund (AFFIF) (refer Note 14).

Activities

AFF undertakes the following activities:

- The Adelaide Film Festival was established in 2003 to present a biennial festival. From October 2022 the festival will be presented annually.

Significant transactions with government related entities

- The AFF has no significant transactions with government related entities except for SA government grants in note 6

Note 2 Employee benefits

	2022	2021
	\$'000	\$'000
Salaries and wages	574	634
Annual leave	3	13
Employment on-costs - superannuation	57	63
Employment on-costs - other	5	(1)
Total employee benefits expenses	639	709

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the AFF's contributions to superannuation plans in respect of current services of current employees.

Key Management Personnel

Key management personnel of AFF include the Minister, the Chief Executive Officer and the six members of the Board who have responsibility for the strategic direction and management of AFF.

Total compensation for key management personnel was \$158,000 in 2021-22 and \$146,000 in 2020-21.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Note 3 Remuneration of Board and Committee Members

Board members

The following persons held the position of governing board member during the financial year:

Mr Anton Andreacchio

Ms Rebecca Cole

Ms Martha Coleman

Mr Joshua Fanning

Ms Marianna Panopoulos

Mr Hugo Weaving AO

Remuneration of governing board members

The members of the AFF board have not received remuneration during the financial year.

Note 4 Supplies and services

	2022	2021
	\$'000	\$'000
Programmed events		
Advertising and media	27	31
Box office	17	48
Equipment hire	1	35
Competitions and awards	4	30
Contractors	2	78
Design	12	18
Direct mail and promotional material	-	11
Functions and premieres	8	49
Merchant fees	-	9
Printing and stationery	1	41
Hospitality	1	19
Marketing	25	84
Production	7	11
Film rights	9	43
Travel and accommodation	29	80
Venue hire	10	87
Other	74	45
Total programmed event	227	719
Administration expenses		
Insurance	3	3
Audit fees	19	20
Board and committee meeting costs	7	20
Plant and equipment maintenance	21	10
Telecommunications	2	3
Bank fees	1	2
Postage and distribution fees	1	1
Office rental	29	15
Consultants	-	2
Contractors	64	19
Sponsorships - in-kind	98	240
Other administration expenses	89	94
Total administration expenses	334	429

Note 4 Supplies and services (cont'd)

	2022	2021
	\$'000	\$'000
Adelaide Film Festival Investment Fund		
Audit fees	3	2
Feature films/documentaries	540	210
Short films	22	56
Cross platform	10	20
Legal costs	8	-
Marketing	4	-
Total AFFIF	587	288
Total supplies and services	1,148	1,436

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2022	No	2021
		\$'000		\$'000
Below \$10,000	-	-	1	2
Total paid /payable to the consultants engaged	-	-	1	2

Note 5 Non SA Government grants and sponsorships

	2022	2021
	\$'000	\$'000
Non SA Government grants and sponsorships - cash	122	300
Sponsorship - in-kind	98	240
Total non SA Government grants and sponsorship	220	540

All in-kind sponsorship are included in revenue. This is also included in expenses reflecting the goods/services provided.

Services of this nature would have otherwise been purchased.

Note 6 South Australian Government grants

	2022	2021
	\$'000	\$'000
Operating grant	1,010	584
AFF Investment Fund	500	500
Other South Australian Government grants	35	57
Total South Australian Government grants	1,545	1,141

Revenue from the SA Government is received in the form of grants. The operating and AFF Investment Fund funding are granted through a memorandum of administrative arrangement between the Department for Industry and Skills and AFF. Other SA Government revenue is received through individual grant agreements with various SA Government agencies.

The AFF recognises any event specific revenue in the period the event occurs and when the relating performance obligations are satisfied.

Note 7 Other income

	2022	2021
	\$'000	\$'000
Donations and fundraising	43	26
Bettison and James fees	22	7
Cash boost stimulus	-	50
Other income	18	13
Total other income	83	96

Donations and other income are recognised on receipt.

The majority of the donations received are from AFF Luminaries.

Note 8 Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash at bank	1,407	952
Term deposits	747	1,057
Total cash and cash equivalents	2,154	2,009

Cash is measured in nominal amounts.

Cash at bank includes funds held in trust, refer to note 11.

Note 9 Receivables

	2022	2021
	\$'000	\$'000
Debtors	5	52
Accrued interest	1	1
Prepayments	28	20
Other receivables	13	1
Total receivables	47	74

No receivables are impaired as at 30 June 2022.

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Debtors, prepayments and other receivables are non-interest bearing.

Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST receivable to the ATO is included as part of other receivables.

The carrying amount of receivables approximates net fair value due to being receivable on demand.

Note 10 Property, plant and equipment

	2022	2021
	\$'000	\$'000
Office furniture and equipment		
Office furniture and equipment at cost (deemed fair value)	23	9
Less accumulated depreciation	13	9
Total office furniture and equipment	10	-

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during the reporting period:

	Office furniture and equipment	
	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	-	2
Acquisitions	14	-
Depreciation expense	(4)	(2)
Carrying amount at the end of the period	10	-

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful Life (Years)
Office furniture and equipment	3-4

Note 11 Payables

	2022	2021
	\$'000	\$'000
Funds held in trust	94	104
GST payable	-	19
Employment on-costs	35	40
Accrued expenses	22	22
Creditors	1	59
Total payables	152	244

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

The net amount of GST payable to the ATO is included as part of payables in 2021.

Employment on-costs

Salary on-costs include ReturnToWorkSA levies and superannuation contributions. AFF makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

Note 12 Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	31	28
Accrued wages	-	7
Total current employee benefits liability	31	35

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable in full within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

No liability for long service leave is recorded as no employees have met the minimum service requirements for recognition of a liability.

Note 13 Contract liabilities

	2022	2021
	\$'000	\$'000
Sponsorships	31	36
South Australia Government grant	248	100
Other grants	34	10
Exhibitor fees	-	7
Box office sales	-	5
Total unearned revenue	313	158

In preparation for the Festival to be held in October 2022, the AFF commenced receiving various sources of revenue in the 2021-22 financial year. Revenue received during the 2021-22 financial year is recognised as unearned revenue and will be recognised in the 2022-23 financial year.

Note 14 Adelaide Film Festival Investment Fund

The Adelaide Film Festival Investment Fund (AFFIF) was established to capitalise on local and national creative strengths in order to:

- boost production in the State;
- increase business and employment opportunities in the State; and
- enhance the State's national and international reputation as a centre of independent screen creativity and innovation.

The closing balance of the AFFIF is included in total cash and cash equivalents at 30 June (refer Note 8).

The AFFIF balance must be used for investment in film projects or reasonable administration costs of administering the AFFIF.

The following table demonstrates the movements in the AFFIF:

	2022	2021
	\$'000	\$'000
Balance as at 1 July	1,303	1,058
Income		
Grant from SA Government	500	506
Investment returns	11	23
Non SA Government grants and sponsorships	-	51
Interest	1	3
Total income	512	583
Expenses		
Administration and programming expenses	65	2
Investment in films	572	286
Employee benefits	50	50
Total expenses	687	338
Balance as at 30 June	1,128	1,303

Note 15 Unrecognised contractual commitments

(a) Expenditure commitments

Commitments for expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2022	2021
	\$'000	\$'000
Within one year	2	-
Total expenditure commitments	2	-

Amounts disclosed include commitments for office accommodation leased from the South Australian Film Corporation. The lease expired on 30 November 2021 and the renewal was not executed as at 30 June 2022 as it has been referred to the Crown Solicitor's Office.

(b) AFFIF commitments

Commitments arising from AFFIF contractual agreements are payable as follows:

	2022	2021
	\$'000	\$'000
Within one year	250	364
Total AFFIF commitments	250	364

Note 16 Contingent assets and liabilities

The AFF is not aware of any contingent assets or liabilities.

Note 17 COVID-19 pandemic impact and outlook for the AFF

COVID-19 impacted the pilot edition of AFF Youth, the event scheduled for July 2021 was cancelled due to a statewide lockdown. A variation of AFF Youth was held in September 2021.