

# Office of Film & Literature Classification

*Te Tari Whakarōpū Tukuata, Tuhituhinga*

## Statement of Intent 2011 - 2014



# PURPOSE AND VISION

## Our Purpose

To provide and communicate impartial classification decisions and information services.

## Our Vision

New Zealand society is protected from the harm caused by the unrestricted availability of restricted and objectionable publications.

*We will achieve this by balancing the values inherent in freedom of expression with the need to protect society from injury.*

## FOREWORD

*The Chief Censor and Deputy Chief Censor are independent statutory officers holding office under warrants from the Governor-General. The roles required of them are prescribed in the Films, Videos, and Publications Classification Act 1993. They are supported in exercising their statutory functions by the Office of Film and Literature Classification.*

*Reflecting the independent, apolitical and quasi judicial roles performed by the Chief Censor and Deputy Chief Censor, the Office of Film and Literature Classification is an Independent Crown Entity. The administrative requirements of the Office are governed by the Crown Entities Act 2004.*

*The Films, Videos, and Publications Classification Act 1993 requires the Office of Film and Literature Classification to provide impartial classification decisions, to conduct such research as may be necessary to perform its functions, to disseminate information about classification and the Classification Office, and to address inquiries and complaints about the classification system.*

*The context within which the Classification Office performs these functions is dictated by the right to freedom of expression, reflected domestically in s.14 of the New Zealand Bill of Rights Act 1990, and by government policy. On 8 February 2011 the Prime Minister advised Parliament that government's goals included:*

- *Building a safer New Zealand, particularly for children*
- *Reducing the costs of doing business in New Zealand*
- *Building better public services*

*I was appointed Chief Censor from 7 March 2011.*

*By performing my statutory classification and information related duties I will help to make New Zealanders safe from the harm caused by the unrestricted availability of restricted and objectionable publications. This will contribute to making New Zealand safer, especially for children.*

*I will continue to focus on managing the issues raised by digital technology with other regulators and content providers, and to identify areas where legislative or regulatory reform is needed to cope with digital technology. In particular I will continue to support the legislative changes contained in part five of the Regulation Reform Bill 2010. This will help reduce the costs of doing business in New Zealand and make New Zealanders safer.*

*I will also engage with other agencies (both public and private) in the media regulation sector to explore opportunities for improved service and reduced cost through better collaboration. In particular I will focus in the short term on changes to the way the Classification Office is currently funded to better meet the needs of consumers and to address issues facing the businesses which supply them. I will also focus on exploring the benefits of a wider review of our current media regulation framework. This will contribute to reducing the costs of doing business in New Zealand, help develop better public services and make New Zealanders safer.*

*This Statement of Intent shows how the Classification Office intends to meet its statutory duties over the next three years, and the intended value to government and other stakeholders.*



*Dr Andrew R Jack  
Chief Censor*

# STRUCTURE AND ROLE OF THE OFFICE

## The Role of the Office

New Zealand's censorship system is established by the Films, Videos, and Publications Classification Act 1993. The censorship system is designed to protect the New Zealand public from material that is likely to be harmful, or injurious to the public good. The Classification Act defines what is considered harmful, and establishes criteria for rating, classifying and labelling films and other publications.

The Classification Office is one of four bodies established by the Classification Act. Also established are the labelling body (currently the Film and Video Labelling Body Inc.), the Film and Literature Board of Review and Inspectors of Publications. Each body plays a separate role in the classification system. The functions of the Classification Office are to determine the classification of any publication submitted to it, to disseminate to the public information about the classification system, to receive complaints and inquiries, and to provide research services to the Office.

Publications submitted to the Office usually contain text or images that include sex, horror, crime, cruelty or violence. The Classification Office assesses these publications, and will classify them as restricted or objectionable if it thinks that making the publication available to everyone would be harmful, or injurious to the public good and that in accordance with the New Zealand Bill of Rights, the restriction is reasonable, demonstrably justifiable and the minimum required to prevent injury.

There are a number of words and phrases that have specific meaning in terms of the Classification Act.

A **publication** is any printed recorded or stored image or text. This includes films, videos, books magazines, posters and computer discs.

A **classification** is a legal statement about who can legally view a publication. The Classification Office is responsible for classifying all publications that may be harmful and need to be restricted or banned.

**Ratings** provide consumer advice about the audience for which a film is suitable. Ratings are not legally enforceable

Submissions can be made by the Film and Video Labelling Body, the Secretary for Internal Affairs, the Comptroller of Customs, the Commissioner of Police, the Courts and members of the public. These responsibilities are set out in the Classification Act.

The Office can classify any written, recorded or stored information or image. Since it first opened in 1994, the Office has classified many types of publications including:

- Films, Videos & DVDs
- Books & Magazines
- Music CDs
- Computer games, discs & files
- Screen-printed t-shirts
- Jigsaws & Playing cards
- Billboards
- Paintings & Photographs
- Weekly newspapers

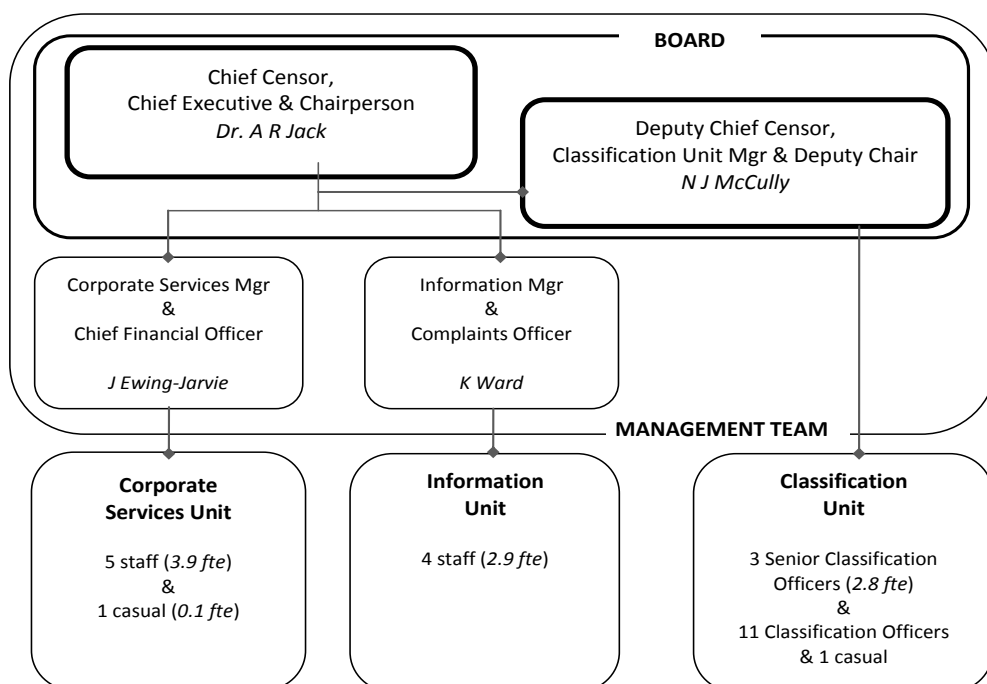
### The Structure of the Office

The Classification Office has a Board which consists of the Chief Censor and the Deputy Chief Censor, who are chairperson and deputy chairperson respectively. The Chief Censor is also the Office’s Chief Executive.

The Chief Censor and the Deputy Chief Censor are appointed under the Crown Entities act by the Governor-general, on the recommendation of the Minister of Internal Affairs acting with concurrence of the Minister Of Women’s Affairs and the Minister of Justice.

The Office is structured into two units responsible for each of the two main outputs of the Office. The Classification Unit and the Information Unit, and the functions of these units are set in the Classification Act. The functions of the Information Unit are to disseminate to the public information about the classification system, to receive complaints and inquiries, and to provide research services to the Classification Unit and the Office. Support functions are provided by Corporate Services. The Chief Censor, Deputy Chief Censor, Information Manager and Corporate Services Manager form the Office’s management team.

**Figure 1: Classification Office Organisation Chart**



## Accountability and Governance of the Office

The Classification Office is an independent Crown entity.

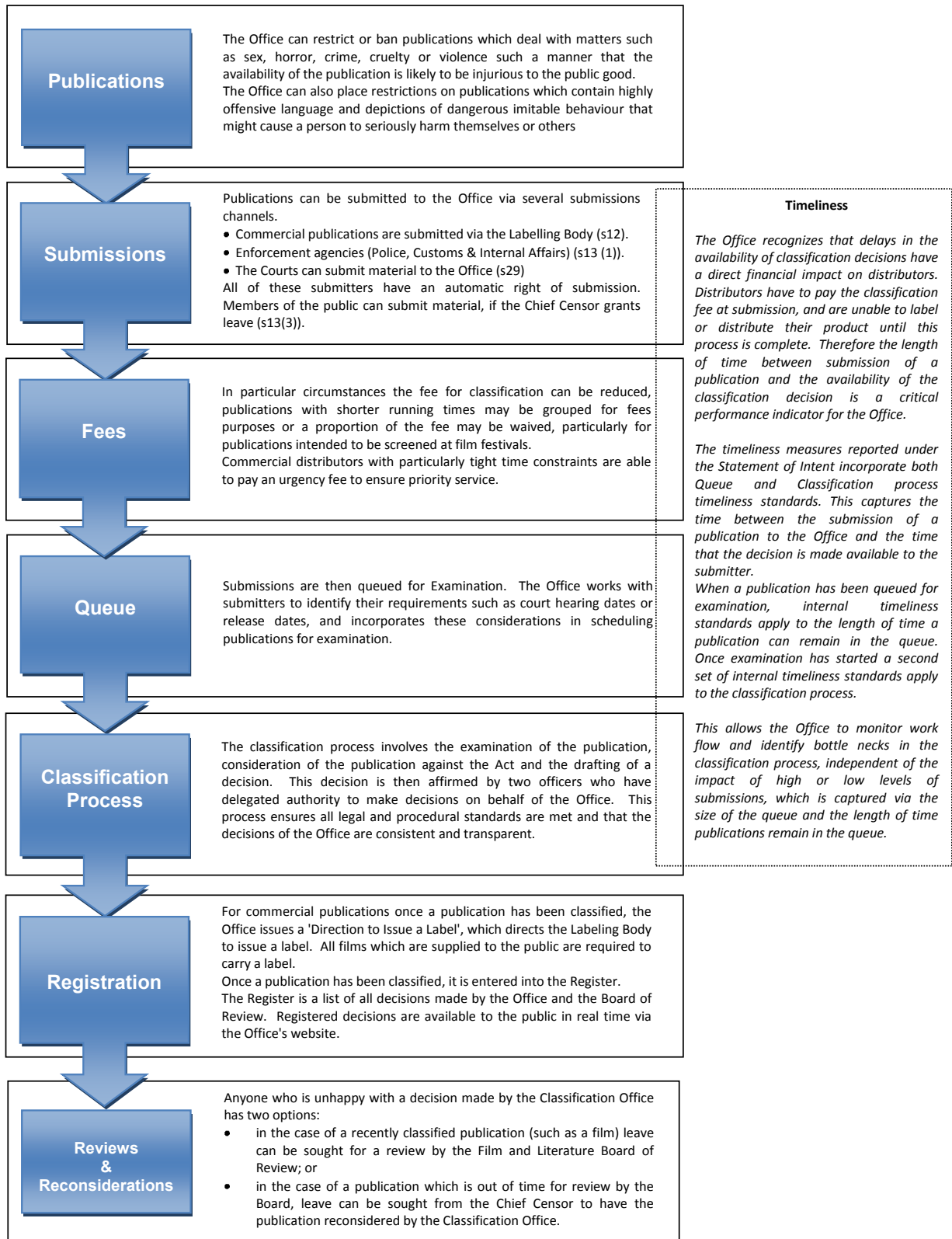
The Minister of Internal Affairs is the responsible Minister, and the Department of Internal Affairs is the monitoring department, while the Ministry of Justice is responsible for the administration of the Classification Act.

In order to provide a mechanism for ensuring appropriate accountability to the Crown, a Memorandum of Understanding is in place between the Minister of Internal Affairs (on behalf of the Crown) and the Chief Censor (as Chair of the Board of the Classification Office). This memorandum reflects the standards set out in the Statement of Intent (SOI) and is an output agreement for the purposes of the Crown Entities Act. The Chief Censor makes quarterly reports to the Minister of Internal Affairs on the financial and non-financial performance of the Office.

## Funding of the Office

The Classification Office receives Crown funding under Vote: Internal Affairs, Non-Departmental Output Expense 'Classification of Films, Videos, and Publications' and fees from the submission of commercial publications to the Office for classification.

**Figure 2: Explanation of the Classification Process**



# OUR ENVIRONMENT AND OUR CAPABILITY TO MEET ITS CHALLENGES

The legal, political, technological and social environments in which the Classification Office operates significantly affect our work. This section sets out how the Office will use its resources to achieve its impacts and outcome in this environment.

## Regulatory environment

The Films, Videos, and Publications Classification Act 1993 (the Act) governs censorship in New Zealand. The primary function of the Classification Office is to determine the classification of any publication submitted to it. Under the Act a publication is objectionable if it describes, depicts or otherwise deals with matters such as sex, horror, crime, cruelty or violence in such a way that the unrestricted availability is likely to be injurious to the public good. Figure 2 provides an explanation of the key stages of classification process.

In addition to regulation by government agencies, self-regulation is assisted by the Classification Office's provision of information. Industry and public preference for digital technology continues unabated and enforcement of the law in terms of limiting the availability of injurious publications is the responsibility of many individuals and groups, including parents, libraries, teachers, retailers and consumers.

The Office has adopted a number of strategies to achieve its mandate to minimise the risk to New Zealand society caused by the unrestricted availability of digital publications depicting matters such as sex, horror, crime, cruelty and violence. Some of these strategies require the help of the executive and Parliament.

### Managing Digital Technology

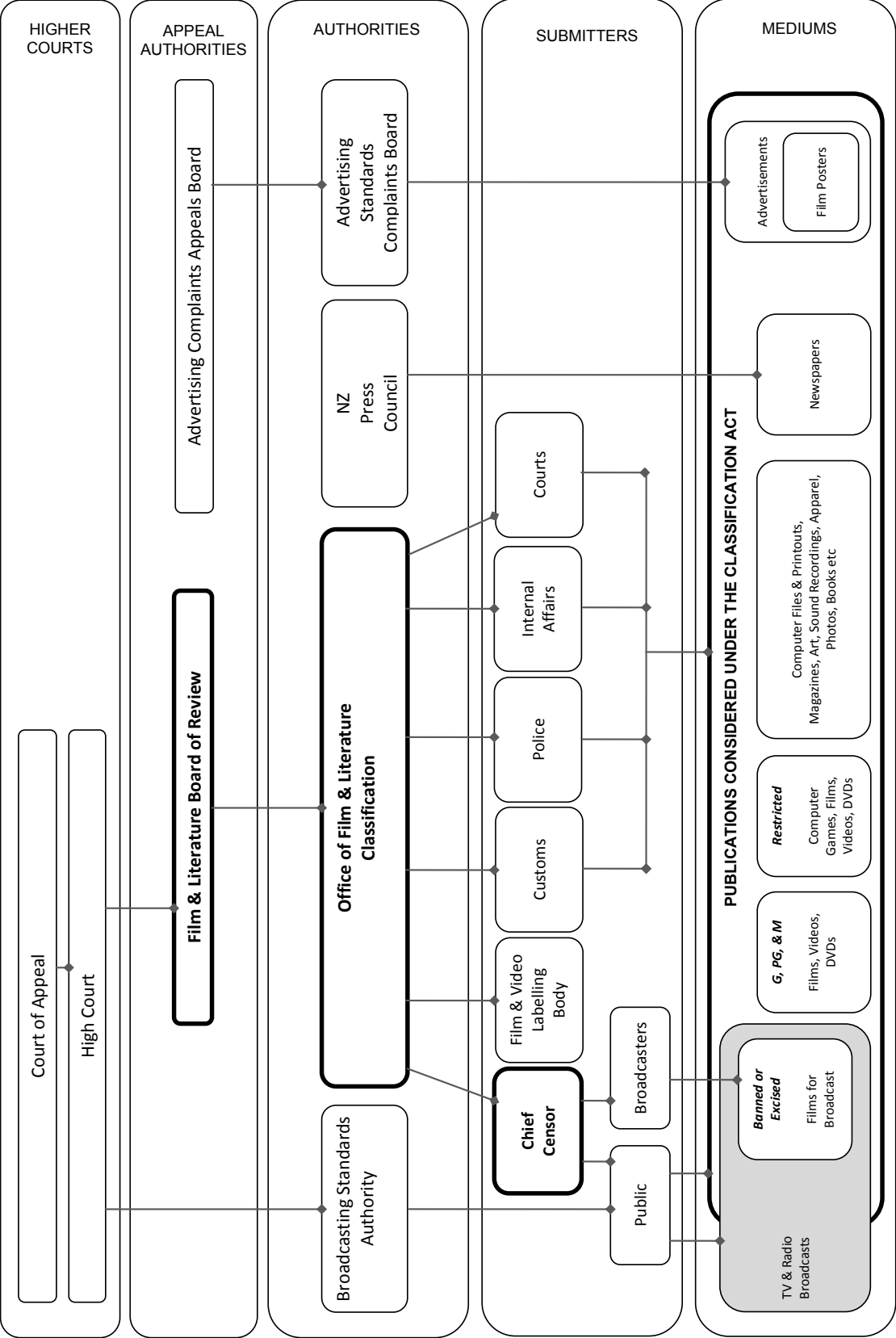
The first strategy is to manage issues raised by digital technology with other regulators and content providers. Such management involves the identification of overlapping jurisdictions, or gaps in jurisdiction, and informing providers of digital content of their legal obligations. The Office maintains regular dialogue with the Broadcasting Standards Authority, the Film and Video Labelling Body and overseas regulators with respect to issues raised by digital technology.

### Legislative and Regulatory Reform

The second strategy is to identify areas where legislative or regulatory reform is needed to cope with digital technology. The definition of "publication" and the offence provisions were updated in 2005 to cover digital content. The labelling provisions were not comprehensively updated, and the Office has worked with the Minister of Internal Affairs and the Ministry of Justice to support amendments to the Films, Videos, and Publication Classification Act 1993 as part of the Regulatory Reform Bill 2010. This Bill contains a number of amendments to legislation with the policy objective of reducing the compliance burden on business. In relation to the Classification Act, the Bill:

- modernises labelling requirements by allowing rating and classification labels to be digitally printed.
- amends the period in which an application for review of a classification decision can be lodged with the Film and Literature Board of Review.

Figure 3: Regulatory Environment



- clarifies that the Film and Literature Board of Review has the flexibility to inform interested parties of its decision before giving written notice.
- requires the Register of classification decisions to be established and maintained in an electronic medium.

These amendments will reduce compliance costs and enhance the efficiency and effectiveness of the Act, but will have minimal impact on the day to day operations of the Classification Office.

Efforts will continue as the Bill proceeds through the legislative process. However, notwithstanding these amendments further amendment to fully address issues arising from the rapid evolution of technology is desirable.

These strategies remain sound and will prove effective but the wider media regulatory environment remains fragmented and presents opportunities for further performance improvement and additional value for money.

### **Sector Reform**

The Classification Act establishes four bodies to deal with different aspects of media regulation within the legislation; the Office of Film and Literature Classification, the Labelling Body, Inspectors of Publications and the Film and Literature Board of Review. The Broadcasting Act 1989 creates three further bodies; the Broadcasting Standards Authority, the Broadcasting Commission and Te Reo Whakapuaki Irirangi. The advertising industry maintains the Advertising Standards Board and the print media maintains the Press Council. Each of these bodies is supported by their own structures, has different standards and objectives and performs different but often overlapping functions, and all at a cost to the taxpayer or to commercial stakeholders.

The Ministry of Justice is the department responsible for the Classification Act, and for matters pertaining to the New Zealand Bill of Rights Act 1990 which provides domestic statutory protection the right to freedom of expression. The Ministry of Culture and Heritage is responsible for the Broadcasting Act 1989.

The Department of Internal Affairs, the Office and the Ministry of Culture and Heritage all engage in policy activity in relation to media regulation, and the Human Rights Commission plays a significant and valuable role in media regulation policy through its active engagement in relation to freedom of expression.

The Department of Internal Affairs, Police and the New Zealand Customs Service all engage in enforcement activity in relation to media regulation.

The two key statutes which deal with media regulation while very well drafted in many respects have both been amended several times and may be more complex than necessary.

Research conducted by the Office of Film and Literature Classification indicates that the most important aspects of a classification system for the public are consistency and clarity, and a regulatory model which focuses on content rather than on the medium by which it is carried to the consumer. The current regulatory environment offers significant potential for improvements in this regard.

For these reasons the Office proposes to engage with other agencies in the media regulation sector to explore opportunities for improved service and reduced cost through better collaboration and in particular to explore the benefits of a wider review of the our current media regulation framework.

## The publications marketplace

Technological advances, such as pxt-capable and internet-capable cellphones, allow instantaneous and easy distribution of content covered by the Classification Act. Such content is capable of being easily distributed to a wide audience without reference to any censorship authority. Since the private use of content covered by the Act can affect the public good, the Classification Office must ensure it is technically capable of classifying any type of publication that may be submitted. We must also explore other means of limiting the potential of new technology to injure the public good.

New content unanticipated when the Classification Act was passed in 1993 continues to be submitted. The Office will continue to review the technology required to carry out its function of classifying publications in new mediums and where necessary will obtain the required technology and advice to enable it to do so, either directly or in conjunction with other partner agencies.

The Office will continue to review its training expenditure to ensure that staff remain competent to respond to the challenges raised by technological change, and works with submitters to facilitate the classification process.

## Public knowledge and understanding of the classification system

The growth in the popularity, complexity and visual quality of electronic games was not foreseen when the Classification Act was passed. Unlike films, DVDs and video recordings, unrestricted electronic games are allowed by s8(1)(q) of the Classification Act to keep their foreign rating labels. The Classification Office's research on underage gamers<sup>1</sup> shows that 44% do not understand the meaning of the Australian labels that appear on the unrestricted games. These games comprise approximately 90% of all games on sale in New Zealand. Public confusion over the meaning of labels undermines the classification system because labels are the primary means of obtaining information about the classification, nature and suitability of a publication.

The Classification Office's 2006 survey on *Public Understanding of Censorship* showed that the public had high levels of understanding of most classification labels and parents, in particular, found them useful in making viewing choices. The general public was aware of the work of the

Office and mainly considered that the censorship system was operating well. Although detailed analysis is yet to be completed, a follow up survey in 2010/2011 appears to reinforce these conclusions.

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<sup>1</sup> Underage Gaming Research (2005) p.17.

It is important that the increase in the consumption of entertainment media is matched by greater public knowledge of, and trust in, the classification system.

The Office will strengthen its capacity to disseminate censorship information so that people can equip themselves to cope with potentially injurious publications. The outcome of this strategy will be felt in private homes. The Office disseminates information on the classification system via its "Censor for a Day" high schools' programme, material to support NCEA Media Studies Level 3 Achievement Standard AS90779 supported by a website for students ([www.censor.org.nz](http://www.censor.org.nz)), its website ([www.censorship.govt.nz](http://www.censorship.govt.nz)), community group talks, advertisements, and information brochures and posters distributed to libraries, cinemas, and game retailers. The Office has invested in improvements to its publicly searchable database, produced a DVD and has conducted and made available research on new technologies.

We will continue to monitor the extent to which Board of Review and Classification Office decisions diverge to ensure publications are appropriately classified. We will continue to research and monitor the extent to which public confidence is maintained in the classification system by monitoring trends in complaints and inquiries and by completing and disseminating the analysis of the 2010/11 survey of *Public Understanding of Censorship*. We will continue to disseminate information on the classification system to various groups through public speaking engagements, the websites and social networking sites and our Censor for a Day high schools programme and DVD.

The Classification Act deems that decisions made by former censorship authorities: the Video Recordings Authority, the Indecent Publications Tribunal, and the Chief Censor of Films, are current legally binding decisions. The Classification Office has therefore taken steps to preserve the information contained in these decisions through a project to add them to the publicly available decisions database.

This year, the Office will conclude a project commenced in February 2009 to achieve compliance with the framework for recordkeeping provided by the Public Records Act 2005 and Archives New Zealand's mandatory recordkeeping standards.

The Office has also begun a two year implementation project to create, maintain and preserve its public records within the framework for recordkeeping compliance provided by the Public Records Act 2005 and the subsequent mandatory recordkeeping standards. This project is now well advanced and will be completed to implementation within the 2011/12 year.

## The current fiscal environment

The Office of Film and Literature Classification has responded positively to the current financial issues facing New Zealand's economy, conducting a line by line review of its expenditure. The Office has serious concerns that further cost reduction will not be possible without significant reduction in service delivery outputs and increased harm to the community. Other taxpayer funded agencies in the sector will no doubt have been through similar reviews with similar results. The Office considers that the wider media regulation sector must look to sector wide initiatives for further value for money opportunities.

The Classification Office has been operating with a deficit since 2008/09 and is forecasting a deficit for the years covered by this Statement of Intent. The Classification Office is funded by the Crown and by classification fees paid by the private sector. Crown funding has been fixed since 1998 and fees for classification services were last increased in July 1997. In the 10 years up to 2007/08 third party revenue increased an average of 15% per annum and this was able to offset in the cost of running the Classification Office and taxpayers' equity increased to a level in excess of the Crown's original investment in the Office.

Submission activity is the main driver of third party revenue and since 2008/09 the number of submissions from the Labelling Body have levelled off and started dropping. The target for third party submissions for 2011/12 is 30 percent less than that received in 2008/09. Crown submissions, while still a small proportion of total work carried out by the Office, are trending upwards although fluctuations in Crown submissions are not directly tied to revenue, as revenue from the Crown is fixed.

Up to 80% of the Office's expenditure is required to meet the fixed costs of personnel, rent and depreciation. Reduction of non-fixed operating expenditure would negatively impact on the long term production and timeliness of outputs leaving the community more exposed to harm and adversely impacting on commercial stakeholders' businesses. The Office continues to predict an 17% decline in third party revenue by the end of the 2011/12 financial year.

The Classification Office currently has sufficient cash reserves to cover the forecast budget shortfall however this is not a sustainable strategy. Alternative funding models for media regulation would be an integral part of a wider review of the sector proposed as a strategy above.

## The Government's Priorities

An annual letter of expectations from the Minister of Internal Affairs sets out the Government priorities as they relate to the work of the Classification Office.

The priorities set in this letter are for the Office to:

- maintain fiscal constraint with the intention of improving financial performance.
- develop a short-term and longer term plan, including legislative and non-legislative options to enable the Office to remain financially viable.
- continue to work with the Department of Internal Affairs and the Ministry of Justice on legislative reform.

In response to these expectations the Classification Office will continue to seek cost savings in its day to day operations including reviewing its participation in areas which may be seen as 'best practice'. While this may increase risk to the Crown and the Office, many 'best practice' activities carry significant cost.

The Office will also engage with other agencies (both public and private) in the media regulation sector to explore opportunities for improved service and reduced cost through better collaboration. In particular the Office will focus in the short term on changes to the way the Classification Office is currently funded to better meet the needs of consumers and to address issues facing the businesses which supply them. The Office will also focus on exploring the benefits of a wider review of our current media regulation framework.

## Organisational Health and Capability

### Financial Health of the Office

The most significant factors affecting the financial health of the Classification Office are:

- (a) baseline Crown funding remaining at its 1998/99 level without adjustment for inflation;
- (b) reduction in third party revenue, due to drop in commercial submissions;
- (c) reduction in cash reserves, due to budgeted deficits; and
- (d) depreciation moderated by the amortisation of expenditure on the classification database application over 7 years.

By mid 2014, the Office is predicting that annual operating deficits will have depleted the Office's cash reserves. By this time, the Classification Office will have had no increase in Crown funding for 15 years, and in the currently environment is unlikely to see any increase in revenue from classification fees.

The financial health of the Classification Office may improve if an economic upturn results in the submission of more private sector fee-bearing publications to the Office for classification. Any optimism in this regard must be tempered however by the further swing away from physical media such as film and DVD to digital delivery systems, that to pose technological challenges to the current pervasive enforceability of labelling and classification laws.

The challenges posed by technological changes in how recorded entertainment is supplied and exhibited to the public are partly addressed in the amendments to the Films, Videos and Publications Classification Act 1993 which form Part 5 of the Regulatory Reform Bill 2010 (currently before Parliament). In addition, the financial position of the Office would be improved by reviewing classification fees that have not changed since 1997 to bring them up to date by amending the Films, Videos and Publications Classification (Fees) Regulations 1994.

However, it is the view of the Office of Film and Literature Classification that a more extensive review designed to rationalise the way a number of agencies currently regulate media content is clearly warranted, and that this review should include an examination of how the sector is funded.

In the medium term the Office has exhausted its options to can improve its financial performance in any significant way, without impacting on the quality of its outputs and services. Initiatives that could be investigated and which do not require legislative or regulatory change include reducing the degree to which the Office makes its decisions open to public scrutiny with written reasons, reducing the level of specialised information, research and training which is made available to staff to inform the decision-making process, reducing the Office's public, statutory, professional association and employer liability insurance, delivering timely decisions to commercial submitters ahead of crown agencies, and classifying only the predicted number of publications submitted to the Office for classification each year.

The Office will continue to evaluate risks and benefits of any such proposal and seek guidance from stakeholders including the Minister of Internal Affairs, the Censorship Compliance Unit of Internal Affairs, Audit NZ and submitters.

## **Health of our Staff**

Staffing levels in the Office have remained relatively stable since 2000, despite a 27% increase in classification activity<sup>1</sup> and 58% increase in information activity<sup>2</sup> since that time.

A policy of attrition was placed in 2010 and will see savings equivalent to the costs associated with three staff from July 2011. In addition, the three positions disestablished as a consequence of the successful implementation of the Classification Database Application will see the costs associated with a further three staff (about \$180,000) saved in out years from July 2011. This clearly imposes additional work load on the remaining staff.

The balance of work is shifting away from commercial publications, with an increasing number of publications submitted by enforcement agencies, so the nature of the publications requiring classification is increasingly demanding. Staff are spending a greater proportion of their day examining explicitly objectionable material. This increases the risk of harm to staff at the Office, who are working in an environment where they are increasingly exposed to objectionable material. In order to minimise the harmful effects of such material we will continue to ensure that staff receive suitable peer and professional support. We will encourage staff to pursue interests outside of the workplace and assist them in developing their skills and experience to enable them to pursue other careers in the future.

The Office considers average length of service as an indicator of the health of its staff. An unstable workforce with a high turn-over is expensive in terms of recruitment costs and productivity as well as loss of corporate knowledge. The average length of service at the Office is 6.7 years. The Office is also mindful of the importance for staff to take time away from the Office. In light of the new provisions in the Employment Relations Act regarding the ability for staff to 'cash up' annual leave, the Office will review its practices regarding leave usage over the upcoming year.

The Office's EEO committee conducted a workplace survey and a work profile questionnaire and are actively pursuing, with management support, a number of worthwhile initiatives, in particular to promoting work/life balance, and strategies to address issues such as dealing with stresses in the work place as well as an awareness of the issues surrounding disability.

## **Research**

While the budget set for externally provided research is relatively small (between \$20,000 and \$50,000 per year), research is supplemented by a wide range of inquiries – e.g. desktop research; database research; analysis of library materials; guest speakers and attendance at training and educational forums. Therefore, research undertaken by the Information Unit, members of the Classification Unit and Management helps to inform the Office about the wider (including international) media regulation sector.

We keep abreast of research about specific issues relevant to the criteria for classification in the Classification Act, and with the views of the New Zealand public through analysis of inquiries and complaints and through targeted community perception projects. As a result of this ongoing and intensive interest in research relevant to its work, the Office is well-informed to carry out its classification and information outputs.

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<sup>1</sup> Based on a comparison of total publications registered in 2000 (2,202) and 2010 (2,812).

<sup>2</sup> Based on a comparison of total inquiries and complaints in 2000 (800) and 2010 (1,264).

## Website

Like most organisations, the Office's flagship for external communications is its website. The current version of the website has served the public, industry and officials well since 2008. However, web design and standards have changed markedly in the short space of time since then, and consequently the site needs review and modification.

The review is planned for completion by June 2012.

## Recordkeeping

The Office's good organisational health has been supported by a recordkeeping project to ensure recordkeeping practices at the Classification Office are compliant with the provisions of the Public Records Act 1994 and the mandatory recordkeeping standards issued by Archives New Zealand. The project included documentation of policies and mapping existing filing systems to Archive's NZ general disposal authorities, and to the Office's own continuing retention and disposal schedule approved by the Chief Archivist.

The project will conclude in 2012.

## Management of Significant Relationships

The **Minister of Internal Affairs** is the Minister responsible for the Classification Office for the purposes of the Crown Entities Act 2004. The Ministry of Justice is the ministry responsible for the administration and amendment of the Films, Videos, and Publications Classification Act 1993 and associated regulations.

The Office will continue the mutual "no surprises" approach that has characterised our relationship with the Minister of Internal Affairs. Such an approach ensures that the Minister and officials inform the Classification Office in a timely manner of any matter of significance to the Office or that could affect the performance of its functions to a high standard. It also ensures that the Classification Office keeps the Minister and officials informed in a timely manner of significant activities and initiatives, and briefed on censorship matters of importance or of current interest to the public.

The Classification Office's responsibility to issue classifications which protect the public good from injury means that private sector distributors will not always get the classifications they want and for which they will have paid a fee. In short, the Office has a responsibility to protect the public good from injury. This must be balanced against its responsibility to the fee payer to provide an effective and timely classification service. To do this, the Classification Office will ensure that its classification processing meets the timeliness and quality targets set out in this SOI.

## Commercial Distributors

The Office takes an early intervention approach with commercial distributors. This includes working with them so that they understand the New Zealand classification system and the Office understands their business drivers as it relates to classified material.

The Office strives for consistency and transparency in its decisions and provides sound and logical reasons for classifications, particularly in relation to material that has or is likely to be excised. This allows submitters to make sound commercial decisions and maintains good working relationships.

The Office recognizes that delays in the availability of classification decisions have a direct financial impact on distributors, who are unable to label or distribute their product until this process is complete, while the classification fee is required to be paid when a publication is submitted. Therefore the time between submission of a publication and the availability of the classification decision is critical to commercial submitters. The Office will continue to work with commercial submitters to understand and incorporate their needs into our business processes.

### **Labelling Body**

The Labelling Body is the main submitter to the Office and works with the Office to administer the classification system. The Office will maintain a close working relationship with the Labelling Body which includes daily contact to manage submissions, responding to complaints and inquiries from distributors, retailers and consumers, and the interpretation and application of the regulations.

### **Censorship Compliance Unit (DIA)**

The Inspectors of the **Censorship Compliance Unit** have a clearly delineated responsibility for the enforcement of the Classification Act, while the Classification Office is responsible for making classification decisions and providing the public with information about the classification system. Both agencies have a strong interest in practical application of the Classification Act and work to ensure that the public good is protected. The Office will continue to work with the Censorship Compliance Unit to ensure the consistent, reliable and practical advice and information is provided to consumers and distributors.

## **Goodwill**

We will protect the Classification Office's reputation as a respected and impartial provider of classification and information services that contribute to a society better protected from the harm caused by the availability of restricted and objectionable publications. To achieve a society protected from harm, the Office must, on a daily basis, limit one of the touchstones of western democracies that New Zealanders hold dear, the freedom of expression. The impact our work has on the freedom of expression increases the importance of maintaining this reputation. Damage to the Office's reputation from any source could adversely affect the confidence New Zealanders have in our ability to apply the law impartially and in a manner that balances the freedom of expression with Parliament's intention to protect the public good from injury. Damage to reputation causing loss of public confidence could significantly affect the Office's ability to perform its statutory functions to a high standard, and could negatively impact on the currently high level of industry compliance with classification law.

The Classification Office can do much to protect its reputation as a respected and impartial provider of classification and information services by performing its functions to a high standard and in a transparent, legal and accountable manner. The Office is, however, less able to protect its reputation from external sources of damage. Therefore, ongoing ministerial and official support of the Office and our work is also essential to the maintenance of public faith and confidence in the Classification Office and the classification system.

## OUTCOME STRUCTURE

The outcome sought by Parliament in establishing the Classification Office is that the harm to our society, which is caused by the unrestricted availability of restricted and objectionable publications, is reduced.

The public values freedom of expression, but also recognises that freedom is not without limits. The limits must be reasonable, clearly defined in law, and demonstrably justifiable in a free and democratic society.

Children are safer as a result of the imposition of restrictions on the availability of publications that are likely to adversely influence vulnerable young minds. For this reason, such restrictions are a reasonable limit on the freedom of expression that is demonstrably justifiable in a democratic society.

Members of the public are safer as a result of imposing restrictions on the availability of publications that actively promote or support the exploitation of children for sexual purposes, sexual violence and torture.

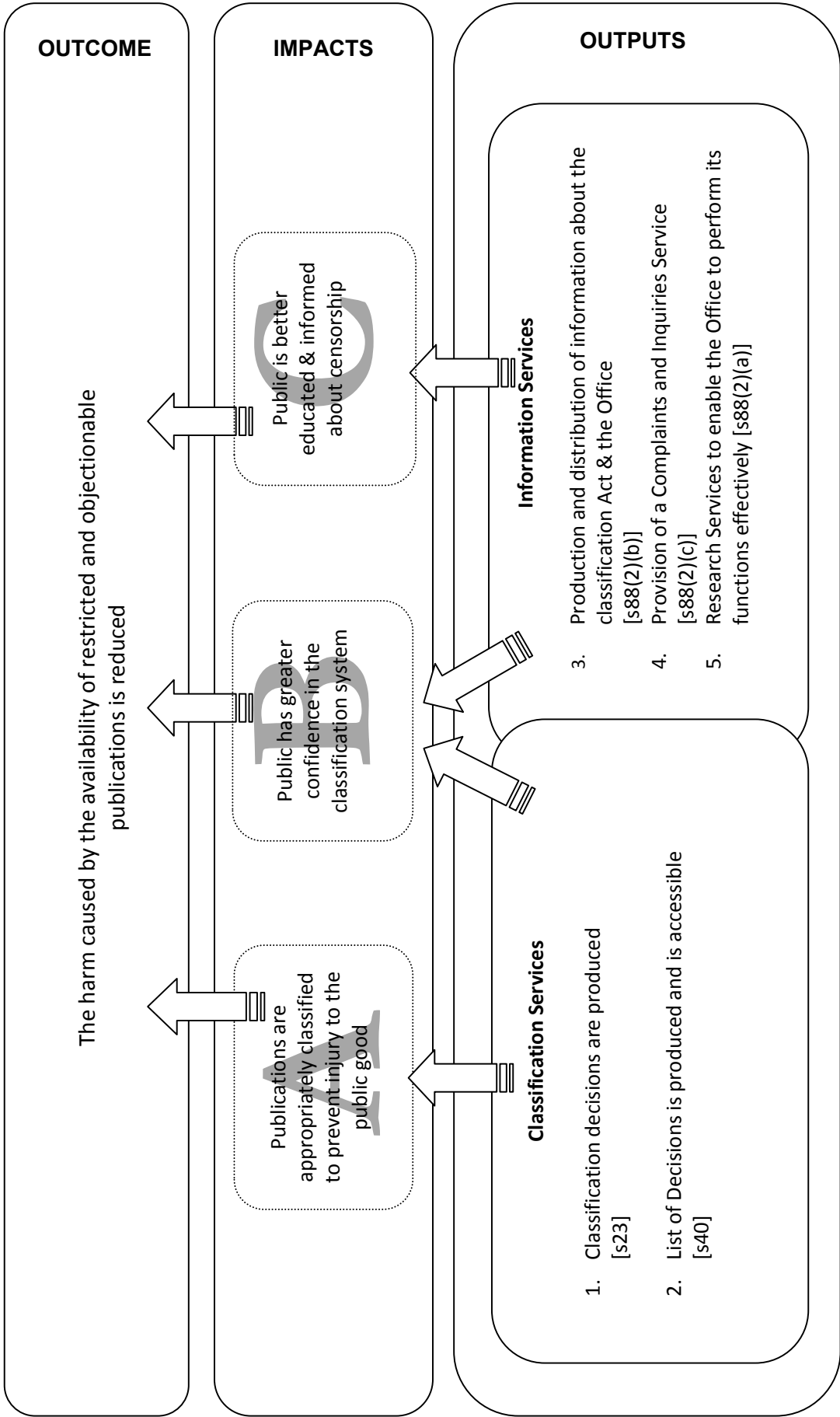
Restricting the availability of material that would otherwise make communities less safe is also a demonstrably justifiable and reasonable limit on the freedom of expression.

Parliament has given the Classification Office the responsibility of using the law to determine precisely where these limits are. The Office's work then inevitably takes it to the margins of expression. The job of the Classification Office is to protect the public good from injury by establishing beacons that illuminate the often foggy boundary between what is and is not legally acceptable expression.

In order to achieve this outcome, publications must be appropriately classified, the public must have confidence in the classification system, and they must be well informed about the classification system.

Figure 4 shows the intended impacts of the outputs of the Office, which contribute to the outcome sought by Parliament.

Figure 4: Outcome Structure



## EVALUATION OF OUTCOME

The outcome sought by Parliament in establishing the Classification Office is that the public good is protected from the injury that can be caused by the unrestricted availability of restricted and objectionable publications. We aim to achieve this by making high quality classification decisions that limit the availability of restricted and objectionable publications, and by educating the public so that it understands the harm that can be caused by such publications and can make informed viewing decisions.

It is difficult to develop a framework to assess whether or not we have achieved our outcome independently of the measures we have developed to assess whether or not our outputs have had the intended impact. A number of measures could be used, however many are inherently ambiguous. Take, for example, quantitative trends over time. An increasing number of inquiries could mean either an increased awareness of, and confidence in, our decisions, or, increased concern about the availability of objectionable and restricted material. Likewise an increasing number of publications submitted by the Crown could indicate either an increase in criminal activity related to objectionable publications, or that greater resources have been allocated to prosecuting such activity.

The extent to which our outputs have had the desired impact of appropriately classifying publications in order to prevent injury to the public good can be assessed directly by measures such as internal quality and timeliness standards and by external standards such as consistency between the decisions of the Classification Office and decisions of the Film and Literature Board of Review, and public confidence in the system. The extent to which the public has confidence in the classification system and is well educated and informed about censorship can be assessed through quantitative indicators such as website visits or inquiries answered. It can also be assessed qualitatively by responses to information initiatives and formal feedback on public presentations.

The public good is best protected when people understand the classification system, are able to make informed viewing decisions, and when the Classification Office operates in a transparent manner. Logically, if our outputs are assessed as meeting targets and our impacts are being achieved, there is a greater likelihood that the public good has been better protected from the injury caused by the availability of restricted and objectionable publications.

The following indicators assist the Office with understanding our progress towards our outcome.

### **Impact A: Publications are appropriately classified to prevent injury to the public good**

#### **Research**

Research plays an important role in informing the Classification Office and the public about attitudes, trends and issues in society that affect the classification of publications. We carry out research that assists in understanding public attitudes and behaviour relevant to our work to better inform our classification decisions.

This will incorporate surveys of public opinion, international literature reviews, and research into substantive issues such as sexuality and violence and emerging trends in the use and impact of entertainment media.

The restrictions the Office places on the availability of publications are intended to prevent or reduce injury to the 'public good'. It is essential for the Office to understand the nature of injury to the individual or society and the factors which contribute to the injury.

The following research has been undertaken and published by the Office. It contributes to public confidence in the classification system, to a public that is well educated and informed about censorship and to the outcome of a society better protected from the harm caused by the unrestricted availability of restricted and objectionable publications.

- Young People's Use of Entertainment Mediums (2010)
- Parent's Gaming Literacy (2010)
- A Review of Research on Sexual Violence in Audio-Visual Media (2009)
- Public Perceptions of a Violent Video Game X-Men Origins: Wolverine (2009)
- Viewing Violence: Audience Perceptions of Violent Content in Audio-Visual Entertainment (2008)
- Public Perceptions of Highly Offensive Language (2007)
- Young People's Use of Entertainment Mediums (2006)
- The viewing habits of users of sexually explicit movies (2004, 2005)
- Underage Gaming (2005)

During 2010/11 the Classification Office research focused on a quantitative and qualitative survey into public understanding and perceptions of the Classification Office and the classification system. This focus brings the 2010/11 research into Impact B: Public has greater confidence in the Classification System.

The Office currently carries out one significant research project each year.

### Decisions of the Board of Review

The Board of Review and the Classification Office are both tasked with applying the criteria established by the Films Videos and Publications Classification Act 1994. A review over time of decisions of the Board of Review and the related Classification Office decisions should not show a significant divergence.

In terms of a single publication, significant divergence may exist if the classification issued by the Board is vastly different from the classification issued by the Office. An example of this is an unrestricted classification replaced by an objectionable classification.

In terms of a trend across time, significant divergence could exist if the Board consistently gave publications higher, or lower classifications, than those given by the Office.

The Classification Office monitors Board of Review classifications to identify and report on any significant divergence in classifications and/or rationale of classification decisions between the Office and the Board of Review as this could indicate that publications were not appropriately classified.

Because the Classification Office does the lion's share of classifications, it is important that we are perceived to be accurate or slightly conservative in our classification of publications. However due to the small number of decisions which are issued each year (over the past 10 years the

Board of Review has made between 1 and 17 decisions each year) percentage reporting can be misleading.

In the 5 years to December 2010, 32 decisions were issued by the Board of which 96.9% received the same classification, 3.1% received a lower classification. No publications received a more restrictive classification.

**We will have achieved our target when:**

95% of Board of Review decisions are the same as, or lower than, the classifications issued by the Office with respect to the publications reviewed over a 5 year period.

**Figure 5: Comparison of Office and Board of Review Classifications**

	Lower Classification	Same Classification	Higher Classification	Performance Against Target	
Five years to Dec 06	7.50%	90.00%	2.50%	97.50%	Achieved
Five years to Dec 07	4.17%	93.75%	2.08%	97.92%	Achieved
Five years to Dec 08	6.52%	93.48%	0.00%	100.00%	Achieved
Five years to Dec 09	2.70%	97.30%	0.00%	100.00%	Achieved
Five years to Dec 10	3.13%	96.88%	0.00%	100.00%	Achieved

**Impact B: Public has greater confidence in the classification system**

The most direct avenue for members of the public to express their level of confidence in the classification system is through contact with the Office. Reports provided to the Minister of Internal Affairs under output 4.2 incorporate analysis of any trends in inquiries and complaints received by the Office.

Public surveys to understand public knowledge and use of the classification system are carried out in association with Research under output 5. This assists in evaluating the extent to which our outputs have contributed to public confidence in the classification system.

Every five years we will conduct a survey of public confidence. When this research was carried out in 2006 we found that:

- 64% of those surveyed were happy with the current classification system.
- 25% felt it was too lenient.
- 11% felt the system was too strict.

In the survey of *Public Understanding of the Classification System* carried out in 2011:  
69% percent of respondents say the system is 'about right'  
23% of respondents believe the system is lenient.  
8% of respondents believe the system is too strict.

**We will have achieved our target if:**

60% or more of those surveyed indicate that they are satisfied with the classification system because they are of the view that it is neither too lenient nor too strict.

A full report of the 2011 survey will be available by 30 June 2011. The survey is scheduled to be repeated in 2016.

**Impact C: Public is better educated and informed about the classification system**

The Office provides targeted information to key groups such as industry, young people and parents through dedicated sections of the website and through other communication with these groups such as school visits, responding to inquiries, and our Censor for a Day high schools' programme. The Classification Office also provides speakers on request to educational institutions, community groups, the publications industries and other groups.

Talks are tailored to the audience and promote understanding of the classification system and the importance of complying with classification decisions and the law. Number of attendees at public presentations, in conjunction with an assessment of audience size of targeted information and public surveys, assists the Office in determining the degree to which we contribute to a well educated and informed public.

The Office commenced collecting information about the number of people who attend face-to-face presentations, however this is a time-intensive activity, with significant associated travel costs. As demonstrated by the downward trend in numbers of people engaging with the Office via these presentations since collection of this data commenced in 2008 (figure 8), the Office has adopted alternative mechanisms to engage with the public, industry and interest groups. The results of the public survey (discussed above) indicate that, while the general public awareness of the Office is dropped slightly, the redirection of effort has had no detrimental effect on public awareness and understanding of the classification system.

Other mechanisms which have been adopted include the production of an educational DVD based on the Censor for A Day experience, monthly newsletters for games retailers and libraries and seasonal mailouts of posters and pamphlets to DVD retailers.

The effectiveness of these strategies has been demonstrated by an increase in informed queries received from members of the industry regarding technical compliance issues (such as labelling requirements), requests for additional copies of brochures, pamphlets and posters from libraries and retailers, and requests from individuals to be added to updates and newsletters which are targeted to their sector.

**Figure 6: Public Presentations**

	Average per month
2008/09	381
2009/10	203
Forecast 2010/11	111
Estimate 2011/12	100

**We will have achieved our target if:**

During 2011/12 and Out Years the number of attendees at public presentations remain at a monthly average of 100.

# EVALUATION OF OUTPUTS

## Output 1 - Production of Classification Decisions

**Supports:**

**Impact A:** Publications are appropriately classified to prevent injury to the public good

**Impact B:** Public has greater confidence in the classification system

**Description:**

This output is concerned with the examination and classification of publications in accordance with the law.

Section 39 of the Classification Act requires the Chief Censor to maintain a register of classification decisions.

**Context:**

A classification is a legal statement about the status of a publication that may place limits on its availability or invoke criminal sanctions. It is essential that classifications are carried out in a robust decision-making environment to ensure that consistent, impartial and lawful decisions are made. Classification decision-making is informed by research, and, when appropriate, by expert advice and public consultation.

Third Party submissions are principally made by the Film and Video Labelling Body which submits publications to the Office on behalf of the industry. Submissions from the Crown are made by the Secretary for Internal Affairs, the Comptroller of Customs, the Commissioner of Police, the Chief Censor and the Courts. Members of the public can also seek the leave of the Chief Censor to make submissions to the Office.

### Quantity of Classifications

The number of classifications registered vary each year, and is primarily a demand-driven activity as the leave of the Chief Censor is not required for the bulk of submissions. Classification is compulsory for films, DVDs, videos and electronic games that contain content that may be restricted.

For each financial year the Classification Office determines an estimated range of the number of publications it expects to receive. This is done on the basis of trends in the level of activity of previous years and discussion with submitters on the number of publications they expect to submit in the upcoming year. On the basis of this estimate, the Office establishes targets for the number of publications which will be classified and registered.

### Quality of Classifications

The quality of a classification decision has three components and each of these components is monitored and measured in a different way.

The Classification Office's practice manual sets out all the relevant sections of the Classification Act and the New Zealand Bill of Rights Act, as well as setting out process which must be followed in the classification of publications. Compliance with this quality standard is reviewed via sampling on a monthly basis across all submission channels and reported internally and externally. These standards have been consolidated under performance criterion 1.2.

A classification decision must be open to public inspection. The List of Decisions is a monthly compilation of classification decisions registered in a given month. Its accuracy is measured on a monthly basis reported under performance criterion 2.2.

A classification decision may be reviewed. Correct and consistent application of the law should result in similar classification by the Office and the Board of Review. Consistency with Board of Review decisions is reported quarterly under Impact A.

### **Timeliness of Classifications**

The Classification Act requires the Office to examine and classify publications as soon as practicable. Therefore the Office has set the timeliness targets at a the minimum level achievable with existing resources.

The timeliness targets assume that the numbers of submissions are within the estimated range. Variations in the number of submissions impact on the Office's ability to achieve its timeliness targets.

The Office closely manages its queue of publications awaiting examination, and scheduling of work is reviewed on a weekly basis. This includes consideration of the needs of various submitters and distributors. The Office liaises with the Film and Video Labelling Body, distributors, crown agencies and other submitters on scheduling matters.

Timeliness standards are set for both Queue Time and Processing Time for a publication. Variations in performance against Queue Time targets demonstrate fluctuations in volume and timing of submissions to the Office. Variations in Processing Time targets demonstrate efficiency of internal processes. The length of time between submission and the availability of a decision is a critical performance indicator for the Office as it has direct financial impact on distributors. Compliance with this aspect of timely classification decisions is measured on a monthly basis and reported internally and externally. These standards have been consolidated under performance criterion 1.3.

## Output 2 - Production of List of Decisions

**Supports:**

**Impact B:** Public has greater confidence in the classification system

**Impact C:** Public is better educated and informed about the classification system

**Description:**

Section 40 of the Classification Act sets detailed requirements for the production of the List of Decisions. These requirements determine the production standards used in this Statement of Intent.

**Quality**

The quality measure for the production of the List of Decisions has quality, quantity and timeliness components for both the List and the decisions which it contains. While the List itself must be produced within 10 working days of the end of the month, it must also contain all publications which were classified (and therefore registered) during that month. The List must be complete (contain all relevant decisions), accurate (all aspects of all decisions recorded correctly) and available in a timely manner, and be available for public inspection during ordinary office hours.

Compliance with these standards are recorded on a monthly basis and reported internally and externally. These standards have been consolidated under performance criterion 2.2.

## Output 3 - Dissemination of Information

**Supports:**

**Impact B:** Public has greater confidence in the classification system

**Impact C:** Public is better educated and informed about the classification system

**Description:**

Section 88(2)(b) of the Classification Act requires the Classification Office's Information Unit to disseminate information about the functions, powers and procedures of the Office.

This activity is concerned with the production and distribution of information about the Classification Act and the Classification Office and the representation of the Classification Office at speaking engagements and other forums.

**Context:**

The public good is protected when people understand the classification system, are able to make informed viewing decisions, and when the Classification Office operates in a transparent manner. In order for this to occur, the public must understand the classification system and the potential for injury caused by the availability of such material.

## Output 4 - Inquiries and Complaints

**Supports:**

**Impact B:** Public has great confidence in the classification system

**Impact C:** Public is better educated and informed about the classification system

**Description:**

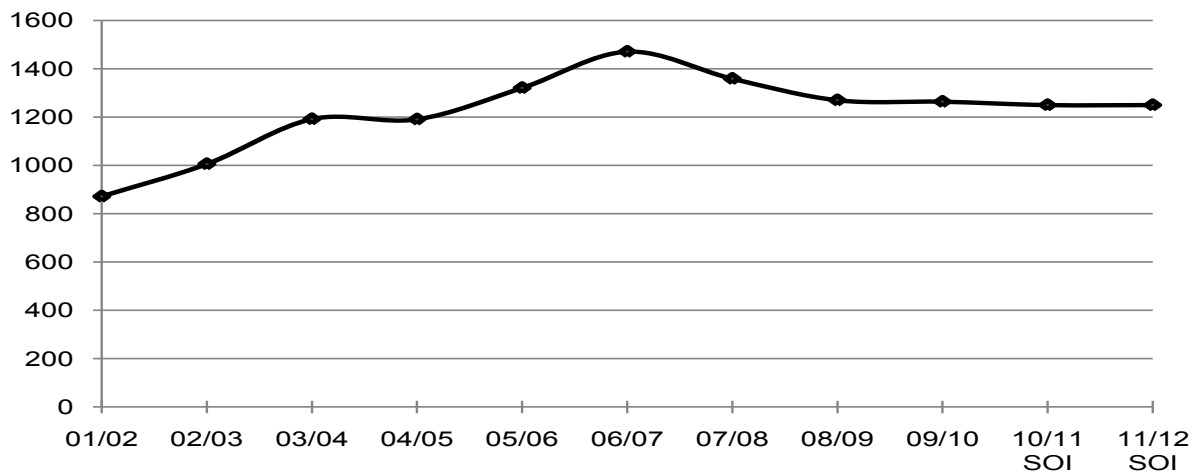
This activity is concerned with the provision of the inquiries and complaints service required under s88 of the Classification Act.

**Context:**

Censorship places limits on the public's right to free expression. For this reason, it is important that people are able to seek information about the classification system, and able to register their satisfaction or dissatisfaction with it.

For each financial year the Office estimates, on the basis of previous trends, the number of complaints and inquiries likely to be received. From this estimate the Office establishes targets for the number of inquiries the Office will answer.

**Figure 7: Complaints and Inquiries by Year**



## Output 5 - Research

**Supports:**

**Impact A:** Publications are appropriately classified to prevent injury to the public good

**Impact B:** Public has greater confidence in the classification system

**Impact C:** Public is better educated and informed about the classification system

**Description:**

Section 88(2)(a) of the Classification Act requires the Classification Office's Information Unit to provide research services to enable the Office to perform its functions effectively.

Research is published and also made available on the Classification Office's website. It will be used to inform our work, contribute to debate, foster further research on censorship issues and provide an evidentiary base for censorship policy-making.

The research we do will be rigorous, ethical, of high quality, and when appropriate, reviewed by an external expert.

**Context:**

Research undertaken by the Office falls into three categories:

- To directly inform the classification process in relation to a specific publication or range of publications,
- To indirectly inform the classification process by assisting the Office's understanding of people's attitudes and behaviours, foster debate and provide an evidence base to censorship policy making, and
- To provide qualitative and quantitative measurement of the Office's progress towards its impact.

## STATEMENT OF RESPONSIBILITY

The Statement of Intent for the Office of Film & Literature Classification presented in this report for the year ending 30 June 2012 has been prepared in accordance with section 38 of the Public Finance Act 1989 and the Crown Entities Act 2004.

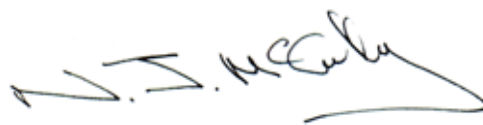
The Chairperson and Deputy Chairperson of the Board of the Office of Film and Literature Classification acknowledge, in signing this statement, that they are responsible for the information contained in this Statement of Intent.

The financial performance forecast to be achieved by the Classification Office for the year ending 30 June 2012, specified in the Statement of Intent, is as agreed with the Minister of Internal Affairs, who is the Minister responsible for the financial performance of the Office of Film and Literature Classification.

We certify that the information contained in this report is consistent with the existing appropriations, and the appropriations contained in the Estimates for the year ending 30 June 2012, that are being laid before the House of Representatives under section 13 of the Public Finance Act 1989.



Dr A R Jack  
*Chairperson*



N J McCully  
*Deputy Chairperson*

*On behalf of the Board of the Office of Film & Literature Classification*

## STATEMENT OF FORECAST SERVICE PERFORMANCE

The Classification Office is funded in the Estimates under Vote: Internal Affairs Non-Departmental Output Expense for a single output class: Classification of Films, Videos, and Publications. The appropriation for this output class is \$1,960,000. The scope of the appropriation is:

*“The examination and classification of films, videos and publications by the Office of Film and Literature Classification under the Films, Videos, and Publications Classification Act 1993. Provision of information and research on classification procedures and systems.”*

The Classification Office also receives revenue from fees paid by third parties and other sundry revenue. The shortfall in forecast revenue will be met by cash reserves.

Total forecast revenue for 2011/12 is \$3,187,612  
 Total forecast expenditure is \$3,484,491  
 Total forecast deficit is (\$296,879)

Within the Classification Office, this is broken into two services.

### **Classification Services**

<i>Revenue</i>	<i>Ex GST</i> \$	<i>Inc GST</i> \$
Crown Revenue	1,138,679	1,309,481
Third Party Revenue (estimated)	1,147,608	1,319,749
Interest Income	80,004	-

#### *Outputs of the Classification Service*

1. Production of Classifications Decisions
2. Production of List of Decisions

### **Information Services**

<i>Revenue</i>	<i>Ex GST</i> \$	<i>Inc GST</i> \$
Crown Revenue	821,321	944,519
Third Party Revenue	Nil	Nil

#### *Outputs of the Information Service*

3. Dissemination of Information
4. Inquiries and Complaints
5. Research

## Output 1 - Production of Classification Decisions

### Description:

This activity is concerned with the examination and classification of publications in accordance with the law.

Section 23 of the Classification Act requires that publications which are submitted for classification are examined as soon as practicable.

Section 39 of the Classification Act requires the Chief Censor to maintain a register of classification decisions.

### How this will be measured

Performance Criteria 1. Production of classifications		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
1.1.1	<b>Quantity<sup>1</sup> - Third Party</b> Number of publications classified	1,329-1,822 <sup>1,2</sup>	1,706-2,164	2,276	2,202
1.1.2	<b>Quantity - Crown</b> Number of publications classified	345-630	360-595	536	333
1.1.3	<b>Quantity - Registrations</b> Number of publications registered	1,674-2,452	2,066-2,759	2,812	2,535
1.2	<b>Quality</b> Percentage of classification decisions and directions which are consistent with the standards set down in the Classification Office Practice Manual. <sup>2</sup>	95%	95%	99%	99%
1.3.1	<b>Timeliness of Standard s12 &amp; s42<sup>3</sup></b> Percentage of Standard s12 and s42 submissions which are classified within 30 working days of receipt.	90%	90%	95%	92%
1.3.2	<b>Timeliness of Complex s12 &amp; s42</b> Percentage of Complex s12 and s42 submissions which are classified within 35 working days of receipt.	70%	70%	84%	89%

Performance Criteria 1. Production of classifications		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
1.3.3	<b>Timeliness of s13</b> Percentage of s13 submissions which are classified within 55 working days of receipt, where statutory obligations enable this.	70%	70%	68%	42%

1. The target range is set by balancing expected numbers of submissions and the capacity of the Office to process these submissions. Therefore the target set for 2011/12 has been reduced from that achieved in 2009/10. The Office expects to receive fewer publications and has a reduced capacity to process publications as a result of reduced numbers of staff. This has been offset to some extent by process improvements which have resulted from the new submission processing system (CDA).
2. The Classification Office Practice Manual ensures classification procedures are subject to external audit.
3. s12 and s42 publications requiring assistance under s21 of the Classification Act are excluded from the timeliness measures.

## Output 2 - Production of List of Decisions

### Description:

Section 40 of the Classification Act requires the Classification Office to produce a monthly, alphabetical list of classification decisions made by the Office and the Film and Literature Board of Review.

### How this will be measured

Performance Criteria 2. Production of the List of Decisions		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
2.1	<b>Quantity</b> Number of monthly List of Decisions produced.	12	12	12	12
2.2	<b>Quality</b> Percentage of Corrigenda which are issued on all entries into the List of Decisions. <sup>1</sup>	Fewer than 2.5%	Fewer than 2.5%	0.01%	0.17%

1. Corrigenda may be issued on current and previous years' Lists of Decisions and the corresponding Register page is replaced.

### Output 3 - Dissemination of Information

#### Description:

Section 88(2)(b) of the Classification Act requires the Classification Office's Information Unit to disseminate information about the functions, powers and procedures of the Office.

This activity is concerned with the production and distribution of information about the Classification Act and the Classification Office and the representation of the Classification Office at speaking engagements and other forums.

#### How this will be measured

Performance Criteria 3.1 Development of a Quality Web Presence		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
3.1.1	<b>Quantity</b> Estimated number of visits to the Classification Office websites (average per day).	100-150	100-150	135	130
3.1.2	<b>Quality</b> Significant errors identified on OFLC websites are corrected within 1 working day.	90%	90%	100% (no errors identified)	100% (no errors identified)
<b>3.2 Speaking engagements</b>					
3.2.1	<b>Quantity<sup>1</sup></b> Estimated number of presentations given by members of the Office.	24-48	24-48	44	54
3.2.2	<b>Quality<sup>2</sup></b> Percentage of client satisfaction surveys which assess the presentations as 'Very Good', or better.	80%	80%	100%	100%

1. The target range is set lower than the actual number of presentations given in 2008/09 as most presentations carry cost. While the Office attempts to deliver presentations whenever they are requested the number able to be delivered is limited by budget constraints and other delivery channels for information may be used.
2. Quality targets are set at the minimum level which is acceptable to the Office. Therefore actual achieved is expected to be higher than the target.

## Output 4 - Inquiries and Complaints

### Description:

Section 88(2)(c) of the Classification Act requires the Information Unit to receive inquiries and complaints concerning the operation of the classification system.

### How this will be measured

Performance Criteria 4. Inquiries & Complaints		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
4.1	<b>Quantity<sup>1</sup></b> Number of Inquiries and Complaints answered.	1,000-1,500	1,000-1,500	1,264	956
4.2	<b>Quality</b> Quarterly reports to the Minister incorporate analysis of trends in Inquiries & Complaints received by the Office.			Achieved	Achieved

1. This is a demand driven activity.

## Output 5 - Research

### Description:

Section 88(2)(a) of the Classification Act requires the Classification Office's Information Unit to provide research services to enable the Office to perform its functions effectively.

### How this will be measured

Performance Criteria 5. Research		Targets		Achieved in	
		2011/12	2010/11	2009/10	2008/09
5.1	<b>Quantity</b> Number of Research projects.	1	1	3	1
5.2	<b>Timeliness</b> Supplier engaged to provide research services.	By 30 March 2012	By 30 March 2011	By 30 March 2010	By 30 March 2009
5.3	Draft report on research supplied.	By 30 June 2012	By 30 June 2011	By 30 June 2010	By 30 June 2009
5.4	<b>Quality - Peer Review</b> Projects with a budget exceeding \$20,000 will be peer reviewed and recommendations addressed.  The outcome of any research inquiry cannot be predicted. The extent to which a research outcome can influence classification decision-making is limited by our legal inability to fetter in advance the expert judgment Parliament deems the Classification Office to have in s4 of the Classification Act each time a publication is classified. We will report whether or not any particular research outcome has influenced any particular classification decision.			All projects were less than \$20,000	Yes

## PROSPECTIVE FINANCIAL INFORMATION

In the short term, the Classification Office has little room for any significant reduction in operating expenditure. Up to 80% of expenditure is required to meet the relatively fixed costs of rent, depreciation and personnel. Savings have been made in many areas of operating expenditure following a line by line review of expenditure, which is incorporated into the annual budgeting process. However these saving have not been sufficient to offset general increases in the cost of goods and services, including government services, which continue to rise when our revenue streams and the fees we charge for our services remain static.

In order to constrain depreciation expense as far as possible, the capital expenditure budget has been further reduced. Depreciation is expected to be \$22,000 lower than budgeted in 2011/12.

Personnel expenditure has been reduced by \$273,000, following the disestablishment of 3 positions, unfilled vacancies, no salary increases during 2010/11 and no budget for salary movement in 2011/12 and out years. This is not a sustainable strategy if the Office is to retain quality, experienced staff.

2011/12 prospective third party revenue is significantly lower than 2010/11 prospective third party revenue. Third party revenue projections are driven by the expected volume of third party submissions. At the time of the preparation of this statement, s12 (Labelling Body) submissions were well below the midpoint of the forecast range on which the revenue forecast is based.

Allowance has been made in 2012/13 for an increase in rental expenditure. Rent is the single largest item of operating expenditure, and is approximately 33% of the monthly operating budget. The next rent review will be effective from 1 October 2012, and the Office premises are leased until 2015. The Office will undertake a review of rental options prior to the expiry of the current lease, however make-good requirements in the current lease and subsequent fit out costs mean relocation prior to 2015 is not feasible.

Forecast interest revenue has been kept steady as increasing interest rates and funds set aside for asset replacement are expected to offset the reduction of funds due to the deficit.

On the Balance Sheet, forecast investments held as current assets are reducing over out years as funds are transferred from term investments into the operating account. This ensures that the Office does not go into overdraft despite operating at a deficit.

The actual results for 2010/11 and out years are likely to vary from the information presented and the variations could be material.

# STATEMENT OF ACCOUNTING POLICIES

## ***Reporting Entity***

The Office of Film and Literature Classification is a Crown Entity formed under the Films, Videos, and Publications Classification Act 1993. These statements have been prepared in accordance with the Crown Entities Act 2004.

The Office of Film and Literature Classification's primary objective is to provide public services to the New Zealand public, as opposed to making a financial return. Accordingly, the Office has designated itself as a public benefit entity for the purposes of the New Zealand Equivalents to International Financial Reporting Standards.

The Office of Film and Literature Classification works with a number of other agencies to maintain the censorship system and is the Government body responsible for classifying publications that may need to be restricted or banned.

## ***Key Judgements and Assumptions***

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods.

## ***Basis of Preparation***

### ***Statement of compliance***

The forecast financial statements of the Classification Office have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP"). The financial statements also comply with NZ IFRS.

### ***Basis of measurement***

The forecast financial statements have been prepared on the historical cost basis.

### ***Functional and presentation currency***

The forecast financial statements are presented in New Zealand dollars (\$), which is the Classification Office's functional currency. All financial information is presented in New Zealand dollars.

## ***Significant Accounting Policies***

The accounting policies set out below have been applied consistently to all periods presented in these forecast financial statements.

### ***Budget Figures***

The budget figures are those approved by the Board of the Classification Office at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with those adopted by the Office for the preparation of the financial statements.

### ***Revenue***

#### **Crown revenue**

The Classification Office is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Classification Office supplying its outputs which are specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

#### **Other revenue**

Labelling Body income, other fee income and sundry income are recognised when earned and are reported in the financial period to which they relate.

### ***Expenses***

#### **Operating lease**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Classification Office are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance.

#### **Finance leases**

The Classification Office has no finance leases.

### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits with a maturity of less than 3 months.

### ***Short Term Investments***

Investments comprise term deposits of more than 3 months and less than 12 months.

### ***Debtors and other receivables***

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Classification Office will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account for receivables.

### *Property, plant & equipment*

Items of property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Classification Office and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

#### Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the forecast statement of comprehensive income.

#### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at the rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Computer hardware            3 – 4 years
- Fitout                                8 – 9 years
- Furniture and fittings        10 years
- Office equipment                4 – 5 years
- Other equipment                4 – 5 years
- Technical equipment         4 – 5 years
- Vehicles                            5 – 6 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## *Intangible assets*

### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring in use the specific software.

Costs that are directly associated with the development of software for internal use by the Classification Office, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the website development and maintenance are recognised as an expense when incurred.

Intangible assets are reviewed annually for impairment.

### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

- Software 3 – 4 years
- Classification Database 7 years

### *Impairment*

Property, plant and equipment and intangibles that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement costs of an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Classification Office would, if deprived of the asset, replace its remaining future economic benefits or service potential.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

### *Creditors and other payables*

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### *Employee benefits*

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to sick leave are calculated based on an actuarial approach to assess the level of leave that is expected to be taken over and above the annual entitlement, and calculated using current pay rates at the time of creation.

### *Superannuation Schemes*

#### Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation scheme and is recognised as an expense in the forecast statement of comprehensive income.

### *Provisions*

The Classification Office recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### *Goods and services tax (GST)*

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### *Income Tax*

The Classification Office is exempt from the payment of income tax in terms of the First Schedule to the Films, Videos, and Publications Classification Act 1993.

### ***Cost of service statements***

The Resources Employed statements, as reported in the statement of service performance, report the net cost of services for the outputs of the Classification Office and are represented by the costs of providing the output less all the revenue that can be allocated to these activities.

*Cost Allocation:* The Classification Office has derived the net cost of service for each significant activity of the Office using the cost allocation system outlined below.

*Definition of Terms:* Direct costs are those costs which are directly attributable to an output. Indirect costs are all other costs that cannot be identified with an output in an economically feasible manner. These costs include financial and administration costs, property costs, depreciation and computing costs.

*Method of Assigning Costs to Outputs:* Direct costs that can be readily identified with a single output are assigned directly to that output class. For example, personnel costs are charged on the basis of actual time incurred.

Indirect costs are allocated to outputs based on a mix of salary costs, floor space, staff numbers and time spent on each output.

### ***Commitments***

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

### ***Contingent Liabilities***

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

# PROSPECTIVE FINANCIAL INFORMATION

## Statement of Comprehensive Income - Consolidated For the Four Years Ending 30 June 2014 In New Zealand Dollars

	Year 1	Year 2	Year 3	Year 4
ALL OUTPUTS	2010/11	2011/12	2012/13	2013/14
	\$	\$	\$	\$
<b>Income</b>				
Crown Revenue	1,960,000	1,960,000	1,960,000	1,960,000
Third Party Revenue	1,379,429	1,147,608	1,147,608	1,147,608
Sundry	1,200	0	0	0
Interest	79,200	80,004	80,004	80,004
<b>Total Income</b>	<b>3,419,829</b>	<b>3,187,612</b>	<b>3,187,612</b>	<b>3,187,612</b>
<b>Expenditure</b>				
Personnel	2,302,520	2,029,073	2,029,073	2,029,073
Operating	1,077,051	1,111,018	1,150,390	1,150,390
Depreciation	366,000	344,000	343,000	353,000
<b>Total Expenditure</b>	<b>3,745,571</b>	<b>3,484,491</b>	<b>3,522,463</b>	<b>3,532,463</b>
<b>Nett Profit/(Loss)</b>	<b>(325,743)</b>	<b>(296,879)</b>	<b>(334,851)</b>	<b>(344,851)</b>
<b>Attributable to:</b>				
Equity holders	(325,743)	(296,879)	(334,851)	(334,851)
<b>Nett Profit/(Loss)</b>	<b>(325,743)</b>	<b>(296,879)</b>	<b>(334,851)</b>	<b>(344,851)</b>

Note 1: All financial information is GST exclusive unless otherwise stated.

Note 2: The financial information does not include any allowance in 2011/12 or out years for inflation and reflects a steady approach to expenses (excluding Depreciation and Rent).

# PROSPECTIVE FINANCIAL INFORMATION

## Statement of Comprehensive Income - Classification Services For the Four Years Ending 30 June 2014 In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
<b>Income</b>				
Crown Revenue	1,176,647	1,138,679	1,126,988	1,170,135
Third Party Revenue	1,379,429	1,147,608	1,147,608	1,147,608
Sundry	1,200	0	0	0
Interest	79,200	80,004	80,004	80,004
<b>Total Income</b>	<b>2,636,476</b>	<b>2,366,291</b>	<b>2,354,600</b>	<b>2,397,747</b>
<b>Expenditure</b>				
Personnel	1,889,490	1,615,233	1,615,233	1,634,685
Operating	770,866	773,124	800,522	826,237
Depreciation	301,863	274,814	273,696	281,676
<b>Total Expenditure</b>	<b>2,962,219</b>	<b>2,663,170</b>	<b>2,689,451</b>	<b>2,742,598</b>
<b>Nett Profit/(Loss)</b>	<b>(325,743)</b>	<b>(296,879)</b>	<b>(334,851)</b>	<b>(334,851)</b>
<b>Attributable to:</b>				
Equity holders	(325,743)	(296,879)	(334,851)	(334,851)
<b>Nett Profit/(Loss)</b>	<b>(325,743)</b>	<b>(296,879)</b>	<b>(334,851)</b>	<b>(334,851)</b>

# PROSPECTIVE FINANCIAL INFORMATION

## Statement of Comprehensive Income - Information Services

For the Four Years Ending 30 June 2014

In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
<b>Income</b>				
Crown Revenue	783,353	821,321	833,012	789,865
Third Party Revenue	0	0	0	0
Sundry	0	0	0	0
<b>Total Income</b>	<b>783,353</b>	<b>821,321</b>	<b>833,012</b>	<b>789,865</b>
<b>Expenditure</b>				
Personnel	413,030	413,840	413,840	394,388
Operating	306,185	337,894	349,868	324,153
Depreciation	64,137	69,586	69,304	71,324
<b>Total Expenditure</b>	<b>783,353</b>	<b>821,321</b>	<b>833,012</b>	<b>789,865</b>
<b>Nett Profit/(Loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Attributable to:</b>				
Equity holders	0	0	0	0
<b>Nett Profit/(Loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# PROSPECTIVE FINANCIAL INFORMATION

## Balance Sheet

As At 30 June

In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
<b>Non-Current Assets</b>				
Property, Plant & Equipment	162,686	161,033	176,345	190,642
Intangible Assets	1,134,082	872,535	610,223	357,426
<b>Total Non-Current Assets</b>	1,296,768	1,033,568	786,568	548,068
<b>Current Assets</b>				
Cash and Bank Balances	236,756	476,389	491,444	484,789
Investments	1,450,000	1,200,000	1,100,000	1,000,000
Debtors, Receivables, Prepayments	182,395	160,064	160,064	160,064
GST Refund	0	0	0	0
<b>Total Current Assets</b>	1,869,152	1,836,453	1,751,508	1,644,853
<b>Total Assets</b>	3,165,920	2,870,021	2,538,076	2,192,921
<b>Equity</b>				
Establishment Fund	1,743,877	1,743,877	1,743,877	1,743,877
Revaluation Reserve	63,591	63,591	63,591	63,591
Retained Earnings	877,858	580,979	246,128	(98,723)
<b>Total Equity</b>	2,685,326	2,388,447	2,053,596	1,708,745
<b>Liabilities</b>				
Accrued Leave/ACC	291,686	291,686	291,686	291,686
Creditors	103,217	106,473	110,246	110,246
Fees Received in Advance	57,089	57,089	57,089	57,089
GST Payable	28,601	26,326	25,459	25,156
<b>Total Current Liabilities</b>	480,593	481,573	484,480	484,176
<b>Total Equity and Liabilities</b>	3,165,920	2,870,021	2,538,076	2,192,921

Note 1: Some cash held is earmarked for asset replacement over time.

Note 2: 2009/10 Actual closing position is used as the starting point for these projections.

# PROSPECTIVE FINANCIAL INFORMATION

## Statement of Movements in Tax Payers' Funds For the Four Years Ending 30 June 2014 In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
<b>Tax Payers' Funds as at 1 July</b>	3,011,069	2,685,326	2,388,447	2,053,596
<b>Surplus/(Deficit) and Revaluations</b>				
Surplus/(Deficit)	(325,743)	(296,879)	(334,851)	(344,851)
Increase in Revaluation Reserve	-	-	-	-
Total Recognised Revenues and Expenses	(325,743)	(296,879)	(334,851)	(344,851)
<b>Other Movements</b>				
Capital Contribution	-	-	-	-
Total Other Movements	-	-	-	-
<b>Equity at End of Year</b>	<b>2,685,326</b>	<b>2,388,447</b>	<b>2,053,596</b>	<b>1,708,745</b>

# PROSPECTIVE FINANCIAL INFORMATION

## Statement of Cash Flows

For the Four Years Ending 30 June 2014

In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
<b>Cash Flow from Operating Activities</b>				
<i>Cash was provided from:</i>				
Supply of outputs to Crown	1,960,000	1,960,000	1,960,000	1,960,000
Supply of outputs to Third Parties	1,374,708	1,167,026	1,147,608	1,147,608
Interest Received	79,200	80,004	80,004	80,004
Goods and Services Tax Received	500,206	469,054	466,141	466,141
	3,914,114	3,676,084	3,653,753	3,653,753
<i>Cash was disbursed to:</i>				
Cost of producing outputs	3,357,480	3,137,260	3,176,182	3,179,463
Goods and Services Tax Paid	486,819	467,992	466,516	466,445
<b>Net Cash Flow from Operating Activities</b>	69,815	70,832	11,055	7,845
<b>Cash Flows from Investing Activities</b>				
<i>Cash was provided from:</i>				
Sale of fixed assets	-	-	-	-
<i>Cash was disbursed to:</i>				
Purchase of fixed assets	93,100	81,200	96,000	114,500
<b>Net Cash Flow from Investing Activities</b>	(93,100)	(81,200)	(96,000)	(114,500)
<b>Cash Flows from Financing Activities</b>				
<i>Cash was provided from:</i>				
Capital contribution from the Crown	-	-	-	-
<b>Net Cash Flow from Financing Activities</b>	-	-	-	-
<b>Net Increase/(Decrease) in Cash Held</b>	(23,285)	(10,368)	(84,945)	(106,655)
Cash Balance at 1 July	1,710,041	1,686,756	1,676,389	1,591,444
<b>Cash balance (overdraft) at 30 June</b>	<b>1,686,756</b>	<b>1,676,389</b>	<b>1,591,444</b>	<b>1,484,789</b>

# PROSPECTIVE FINANCIAL INFORMATION

## Reconciliation of Net Cash Flows from Operating Activities For the Four Years Ending 30 June 2014 In New Zealand Dollars

	Year 1 2010/11 \$	Year 2 2011/12 \$	Year 3 2012/13 \$	Year 4 2013/14 \$
Operating Profit/(Loss)	(325,743)	(296,879)	(334,851)	(344,851)
<b>Add/(Less) Non Cash Items</b>				
Depreciation	366,000	344,400	343,000	353,000
	40,257	47,521	8,149	8,149
<b>Add/(Less) Movements in Working Capital</b>				
Decrease/(Increase) in accounts receivable	(6,809)	22,331	-	-
Decrease/(Increase) in GST	10,962	(2,275)	(867)	(303)
(Decrease)/Increase in creditors and payables	25,405	3,255	3,773	-
	29,558	23,311	2,906	(303)
<b>Net Cash Flow From Operating Activities</b>	<b>69,815</b>	<b>70,832</b>	<b>11,055</b>	<b>7,845</b>

# CAPITAL EXPENDITURE SUMMARY

For the period 2006/07 to 2011/12

In New Zealand Dollars

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Actual	Actual	Actual	Actual	Budget	Budget
	\$	\$	\$	\$	\$	\$
<b>Property, Plant &amp; Equipment</b>						
Fitout	22,912	6,642	0	7,326	10,000	0
Furniture and Fittings	40,327	3,063	1,262	2,296	7,100	7,200
Computer Hardware	50,385	101,953	70,694	4,327	26,500	27,500
Office Equipment	12,229	5,797	2,976	0	5,000	0
Other Equipment	3,786	1,500	345	2,306	1,500	3,500
Vehicles	0	0	0	0	0	0
Technical Equipment	934	1,588	9,462	5,704	8,000	11,000
<b>Total Property, Plant &amp; Equipment</b>	<b>130,573</b>	<b>120,543</b>	<b>84,739</b>	<b>21,959</b>	<b>58,100</b>	<b>49,200</b>
<b>Intangible Assets</b>						
Computer Software	343,984	844,875	545,316	17,820	35,000	32,000
<b>Total</b>	<b>474,557</b>	<b>965,418</b>	<b>630,055</b>	<b>39,779</b>	<b>93,100</b>	<b>81,200</b>

# GLOSSARY

<b>Submissions Channels - Third Party</b>	
Section 12(1)	Submission channel where the Labelling Body is not permitted to assign a rating
Section 12 (3)	Submission channel where the Labelling Body is having difficulty in assigning a rating
Section 13(1)(c)	Submission channel for any other person subject to the Chief Censor's discretion
Section 42	Application channel for persons seeking reconsideration of classifications
Regulation 27(3)	Application channel for persons seeking poster approvals
Regulation 27(4)	Application channel for persons seeking poster approvals where the Labelling Body has declined to approve

<b>Submission Channels - Crown</b>	
Section 13(1)(a)	Submission channel for the Comptroller of Customs
Section 13(1)(ab)	Submission channel for the Commissioner of Police
Section 13(1)(b)	Submission channel for the Secretary of Internal Affairs
Section 13(3)	Chief Censor's Own Motion to either the Comptroller of Customs or the Secretary of Internal Affairs to submit publications for classification
Section 29(1)	Referral from the Courts
Section 41(3)	Court referral for reconsideration of a classification brought at the instigation of the defendant

<b>s21 Consultation</b>	In examining a publication the Classification Office may show a publication to any person who may be able to assist the Office in forming an opinion of the publication.
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<b>Timeliness Measures</b>	
Standard Publications	A publication for which the Classification Office does not offer excisions is categorised as 'Standard'.
Complex Publications	A publication for which the Classification Office offers excisions is categorised as 'Complex'. The submitter may choose to accept or refuse the excision/s offered.
Timeliness Parameters	The number of working days between the receipt of a publication and the date the decision is despatched, being the combined queue and processing time.

Office of Film & Literature Classification

Level 4, BP House . 20 Customhouse Quay, Wellington

[www.censorship.govt.nz](http://www.censorship.govt.nz) . 0508 CENSOR . [information@censorship.govt.nz](mailto:information@censorship.govt.nz)

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